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A Message from Our President and CEO

For us, how we do business is as important as the business we do.



President and CEO Arne Sorenson volunteers at the Maryland-based Chesapeake Bay Foundation. At Marriott International, we believe we have a responsibility and vested interest in helping to address some of the world's most pressing social, environmental and economic issues. With our size and global scale, we are well positioned to become part of the solution — whether that means shrinking our environmental footprint; tackling unemployment by investing in workforce training; constructing and operating sustainable hotels; supporting our communities in times of natural disaster; or advocating for human rights throughout and beyond our business.

Last year, we embarked on a bold multi-year journey to help improve some of the world's acute conditions and help address climate change, which poses a serious threat to business and society globally. Our new sustainability and social impact platform, Serve 360: Doing Good in Every Direction, is guiding the company's efforts and delivering positive results through four priority areas, or what we call our "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.
- Empower Through Opportunity Helping people explore opportunity in the hospitality industry.
- Welcome All & Advance Human Rights –
 Creating a safe and welcoming environment
 for our associates and travelers alike.

In this Report, I invite you to learn more about Serve 360 and our strategies, programs and future plans to meet the ambitious goals we've set. We are pleased to share, for the first time, our collective progress against our 2025 Sustainability and Social Impact Goals across each of our four Serve 360 coordinates.

A few of the things I'm most excited about include initiatives we began work on in 2017. One of them is our plan to remove disposable plastic straws and stirrers from our more than 6,500 properties across 30 brands around the world by July 2019 — a decision that could eliminate more than 1 billion plastic straws a year. We also decided to reduce waste by replacing small toiletry bottles in the guestroom showers at more than 1,500 hotels in North America by the end of 2018 with larger, pump-topped bottles. Additionally in 2017, we trained more than 240,000 associates on human trafficking awareness.

At Marriott, we like to say that success is never final. Indeed, our work here will be ongoing as we adapt to the needs of our world. I am proud of the progress we have already made, and I look forward to us continuing to do good in every direction.

Apre Boren



Arne Sorenson
President and CEO of
Marriott International, Inc.

Our Company and Stakeholders

OUR GLOBAL REACH

Marriott International, Inc. ("Marriott") has more than 6,500 properties in 127 countries and territories. Marriott operates and franchises hotels and licenses vacation ownership resorts.



2017 Top Markets*



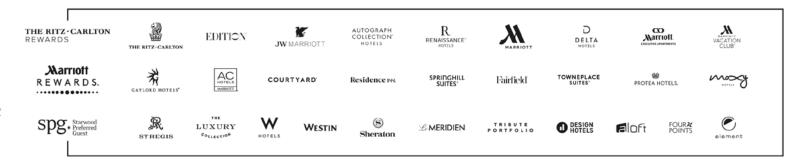
2017 Regional Presence

	TOTAL ROOMS	TOTAL PROPERTIES
United States	797,707	4,611
China	101,556	292
Canada	49,927	225
India	20,583	97
United Kingdom	16,799	88
Germany	16,726	67
United Arab Emirates	16,433	51
Mexico	15,756	78
Spain	14,009	92
Japan	12,552	43

	TOTAL PROPERTIES	COMPANY- OPERATED PROPERTIES**	FRANCHISED HOTELS	UNCONSOLIDATED JV HOTELS	TIMESHARE	TOTAL ROOMS
Americas	5,079	972	3,987	41	79	900,543
Asia Pacific	646	549	92	0	5	190,663
Europe	547	245	209	88	5	110,217
Middle East & Africa	248	193	55	0	0	56,243
TOTAL	6,520	1,959	4,343	129	89	1,257,666

^{*} Top markets are determined using total room counts. ** Company-operated properties include managed, owned and leased hotels.

29 of our 30 leading brands participate in our company's award-winning loyalty program, Marriott Rewards, which includes The Ritz-Carlton Rewards, and SPG.



In 2017, our combined loyalty programs had nearly 110 million members.

About This Report: In this Report, we have incorporated data and information from our full portfolio of owned, managed and franchised Marriott Rewards®, The Ritz-Carlton Rewards® and Starwood Preferred Guest® (SPG®) hotels, unless otherwise indicated. 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

OUR ASSOCIATES AND GUESTS

Our "people first" culture drives our efforts to care for both our associates and our guests. At our headquarters, corporate offices and managed properties, we employ over 176,000 associates around the world. We also manage over 239,000 associates, primarily at non-U.S. locations who are employed by hotel owners. The total number of people at managed and franchised locations wearing the Marriott badge worldwide is approximately 700,000.

Caring for Our Associates, Developing Our Human Capital

We constantly 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 culture.

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



Above: Gaylord Texan® Resort & Convention Center associates.

Marriott has been named one of the *Fortune 100 Best Companies to Work For®* every year since the list launched in 1998.



2017 Global Workforce* 176,810 ASSOCIATES

83%	89%	49%	19%
Non-Management	Full-Time	Men**	Voluntary
-			Turnover (includes
17%	11%	51%	retirements)
Management	Part-Time	Women**	



2017 U.S. Workforce* 135,464 ASSOCIATES

83% Non-Management	87% Full-Time	46% Men	16% Voluntary
17%	13%	54%	Turnover (includes retirements)
Management	Part-Time	Women	



2017 U.S. Workforce (By Gender)

Women



HOURLY PAID











^{*} Includes associates employed at headquarters, corporate offices, and managed properties.

^{**} Excludes non-U.S., non-management associates.

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 2017 Verified Guest Reviews*



83% of reviews are 4-stars and higher**



89% of reviewers would recommend Marriott properties to a friend

2017 Guest Satisfaction Survey Results***



63%

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

- * Inclusive of franchised properties. Excludes SPG hotels.
- ** Marriott Verified Guest Reviews are based on a 5-star scale.
- *** Approximately 1 in 5 guests have responded. Data is based on managed and franchised hotels within United States and Canada. The following brands are represented: AC Hotels by Marriott? Aloft? Autograph Collection? Courtyard? Delta Hotels? Design Hotels? Element?, Fairfield by Marriott? Four Points?, Gaylord Hotels? JW Marriott? Le Méridien? Marriott Hotels? Moxy? Renaissance* Hotels, Residence Inn?, Sheraton? SpringHill Suites?, St. Regis?, The Luxury Collection? TownePlace Suites?, Tribute Portfolio. Westin and We Hotels.

In 2017, Marriott worked closely with the International Tourism Partnership (ITP) to launch <u>industry goals</u> to support the United Nations Sustainable Development Goals — targeting carbon, water, youth employment, and human rights.

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 and industry associations, as well as governmental and nongovernmental entities.

Marriott collaborates with stakeholders and ascertains their priorities through global forums and industry associations in order to develop policies 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 2017 Contribution to Global GDP and Employment*



10.4% of GDP



\$2.6 TRILLION in economic value





1 IN 10 JOBS GLOBALLY

supported

^{*} World Travel and Tourism Council's 2018 Travel and Tourism Economic Impact Report. Reflects year-end 2017 data.

Serve 360: Doing Good in Every Direction



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

Putting people first also means putting our communities and the environment first. To deepen our commitments, we've launched a new sustainability and social impact platform, which we call Serve 360: Doing Good in Every Direction.

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 priority-areas, or as we like to call them, coordinates — each with dedicated focus areas and ambitious targets and aspirations.





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's associates working at our hotels across 30 brands in more than 120 countries and territories, various complementary councils, committees, and teams 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 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 scorecard, quarterly.

Serve 360 Advisory Council: Consists of direct reports of executive leaders, representing each global discipline. This council meets four times per year to ensure the company is on track with 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. 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 working 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: Consists of continent Owner and Franchised Services leaders, representing the voice of the owner community. Beginning in 2018, this council will meet throughout the year to discuss owner-relevant initiatives, collaboration opportunities and discuss overall progress and learnings related to *Serve 360*.









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WELCOME

Nurture Our World

Business Councils: Comprised of general managers and other hotel leaders representing properties in a given city, 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.

Junior Business Councils: Business Councils are supported by Junior Business Councils, comprised of millennial talent and local champions 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 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, 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 ensure the integration of our initiatives across all aspects of our global business 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.

Each hotel will have a Serve 360 Champion to oversee and deepen local engagement.



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 across each of our four Serve 360 coordinates:

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 toward Marriott's 2025 Sustainability and Social Impact Goals.

Serve 360 Coordinates	2025 Sustainability and Social Impact Goals	Status	2017 Milestones
Ŕ	15 million volunteer hours	ON TRACK	2.1 million associate volunteer hours contributed since 2016
Nurture Our World	50% of volunteer hours will serve children and youth	ON TRACK	17.81 % of volunteer hours served children and youth in 2017
S	15% water intensity reduction	+ BEGINNING OF JOURNEY	0.02 % reduction from 2016 baseline
Sustain Responsible Operations	30% carbon intensity reduction	→ ON TRACK	8.00% reduction from 2016 baseline
	45% waste-to-landfill intensity reduction (and 50% food waste reduction)	+ BEGINNING OF JOURNEY	Worked to establish baseline and data methodologies
	30% renewable electricity use	+ 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	2017 Milestones
S	100% of hotels will be certified to a recognized sustainability standard	→ ON TRACK	33 % of properties certified to a recognized sustainability standard in 2017
Sustain Responsible Operations	650 LEED® certified or registered hotels	→ ON TRACK	240 LEED® (or equivalent) certified or registered hotels
	250 adaptive reuse projects	AHEAD OF SCHEDULE	133 open adaptive reuse hotels
	95% responsibly sourced in our Top 10 priority categories	+ BEGINNING OF JOURNEY	Prioritized responsible seafood and paper products
E	\$5+ million invested to develop hospitality skills and opportunity among diverse, at-risk and underserved communities	AHEAD OF SCHEDULE	\$2.8+ million invested since 2016
Empower Through Opportunity	Gender representation parity for global leadership	→ ON TRACK	Achieved gender representation parity among direct reports to CEO
√w)	100% of associates completing human rights training	→ ON TRACK	Approximately 243,000 associates trained on human trafficking awareness at year-end 2017
Welcome All and Advance Human Rights	\$500,000+ invested in partnerships that drive, evaluate, and elevate travel and tourism's role in cultural understanding	+ BEGINNING OF JOURNEY	Engaged with internal and external stakeholders to explore opportunities



Community Engagement

Associate Volunteer Service Hours

CUMULATIVE ASSOCIATE **VOLUNTEER SERVICE** HOURS (SINCE 2016)

2017 **2025** Serve 360 Goals

2.1M 15M



SKILLS-BASED **VOLUNTEER ACTIVITIES** 28%

50%



VOLUNTEER HOURS SERVING CHILDREN AND YOUTH (SINCE 2016)

17.81% 50%

Community Investments (2017)*



CASH CONTRIBUTIONS

\$24.9M



IN-KIND CONTRIBUTIONS

\$25.4M



TOTAL CASH & IN-KIND CONTRIBUTIONS

\$50.3M

* Reported figures include Marriott International Corporate Headquarters giving, as well as contributions reported through our properties, offices and Business Councils.

2017 Rewards Points Donations*

114+ million points donated

by Marriott Rewards and The Ritz-Carlton Rewards members to support featured Marriott charitable causes











^{*} DONATIONS supported numerous organizations including the American Red Cross, Clean the World, and the Youth Career Initiative; and included approximately 35 million points for disaster relief for Hurricanes Harvey, Irma and Maria, the California wildfires and the earthquake in Central Mexico.





Vitality of Children

2017 Milestones to Support Children



\$4.4 MILLION

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

\$2 MILLION

raised by associates and guests for UNICEF

\$120+ MILLION

raised over 35+ years through Marriott's partnership with Children's Miracle Network Hospitals

NEARLY \$49 MILLION

raised by SPG-branded hotels since 1995 in support of UNICEF.

Natural Capital

2017 Milestones to Protect Natural Capital



400,000+ TONS OF CO2e AVOIDED

through Marriott's Juma REDD+ project in the northwest Amazon rainforest, since 2006



100,000 TREES PLANTED

from the Delta GREENSTAY™ program to date, where guests can choose to participate in our sustainability efforts

60,000+ MANGROVE TREES

have been planted in Thailand, since 2013

Disaster Relief

2017 Disaster Relief Contributions

\$7.3 MILLION CONTRIBUTED

by Marriott International, the Marriott Disaster Relief Fund, and the TakeCare Relief Fund to support those affected by Hurricanes Harvey, Irma and Maria; California wildfires, Mexico earthquake and Peru floods

APPROXIMATELY 35 MILLION POINTS DONATED

by Marriott Rewards and The Ritz-Carlton Rewards members to support disaster relief







Sustain Responsible Operations

Reduce Environmental Impacts

Environmental Performance*

2017 Intensity

2017 Reductions

2025 Serve 360 Goals



WATER INTENSITY 0.72

cubic meters per occupied room

↓ 0.02%

from 2016 base year

15%

from 2016 base year



CARBON INTENSITY 117

kilograms of CO2e per square meter

▶ 8.00%

from 2016 base year

4 30% from 2016 base year

Build and Operate Sustainable Hotels

Sustainability Certifications

	2017 Progress	2025 Serve 360 Goals
PROPERTIES CERTIFIED TO A RECOGNIZED SUSTAINABILITY STANDARD	33%	100%
LEED® (OR EQUIVALENT) CERTIFIED OR REGISTERED HOTELS	240	650

















^{*} All figures include extrapolations for properties with missing data.



Source Responsibly

2025 Serve 360 Goals



95%

responsible sourcing across our

Top 10 priority categories,
inclusive of seafood and paper
products



50%

locally sourced produce, in aggregate



2017 Progress



77%

of furniture, fixtures and equipment (FF&E) spend with suppliers that reduce, reuse, or recycle packaging*



70%

Forest Stewardship
Council-certified personal
paper products**



19.2%

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

^{*} Based on North American suppliers

^{**} Based on data from our Americas procurement partner Avendra.



Global Diversity and Inclusion

2017 Programs and Partnerships



\$2.8+ 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)

Serve 360 Goal

\$5 million by 2025

2017 Women's Empowerment Milestones



50%

of our CEO's direct reports are women (achieving gender representation parity at the executive level) 55%

of managers and executives are women in the United States 49%

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

2017 Supplier and Hotel Owner Diversity Milestones



DIVERSE- AND WOMEN-OWNED HOTELS



PURCHASING WITH DIVERSE SUPPLIERS



PURCHASING WITH WOMEN-OWNED BUSINESSES

1,210 1,500 \$656M \$1B \$345M \$500M



\$5+ BILLION

spent with diverse suppliers since 2007

100%

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



* Human Rights Campaign Foundation's Corporate Equality Index rates U.S. workplaces on LGBTO 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 high school work study opportunities

35+ YEARS of partnership with DECA*



10,500+ STUDENTS

reached through The Ritz-Carlton's signature <u>Succeed Through</u> Service program, in 2017

400+ STUDENTS

reached through our partnership with NAF** in 2017

* 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 are supporting programs that prepare youth for jobs in our industry



200,000+ STUDENTS
since 2013

Various China-specific youth programs and initiatives also engaged

29,000+ YOUTH in 2017

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	COUNTRIES	NUMBER OF YOUTH ENGAGED IN 2017
Akilah Institute for Women	Rwanda	59
EGBOK	Cambodia	12
Mahindra Pride	India	59
INJAZ (Al-Arab)	Middle East	102
Plan International	Middle East	239
SOS Children's Villages	Costa Rica	32
Tahseen	Middle East	40
World of Opportunity Youth (supports The Prince's Trust, SOS Children's Village and the Youth Career Initiative	es	6,396
The Youth Career Initiative (YCI)	Global	204



^{*} China Hospitality Education Initiative (CHEI) is a project of The J. Willard and Alice S. Marriott Foundation.



People with Disabilities

2017 Milestones to Support People with Disabilities



31

Bridges from School to Work® students hired by Marriott International

Bridges from School to Work 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.



Launched project to identify ways to improve guest experience for travelers with disabilities

Veterans

2017 Milestones to Support United States Veterans



1,126 veterans hired



\$31 MILLION

purchased from veteran and service-disabled veteran-owned businesses

Refugees

2017 Milestones to Support Refugees



100+ REFUGEES HIRED

through the International Rescue Committee, making Marriott one of the organization's top 10 employers in the United States



REFUGEE HOSPITALITY TRAINING PROGRAMS

conducted in San Diego and Dallas (with **44% women** participants from **14** countries)



Welcome All and Advance Human Rights

Human Rights

2017 Human Rights Training and Awareness Milestones



Human trafficking awareness training is now a requirement for all on-property associates across both managed and franchised properties

Approximately 243,000
associates completed human
trafficking awareness
training as of year-end 2017

Serve 360 Goal

80% of associates reached by year-end 2018

Marriott's human trafficking awareness program is available in 15 languages

Added three new human rights-related organizations* to our global loyalty points donation program, where guests can donate their loyalty points

* ECPAT-USA, Immigration Equality and Polaris.

Cultural Competence

2017 Cultural Competency Milestones



Guests now have access to more than 100,000 local experiences in over 1,000 destinations worldwide through Marriott Moments



Approximately 20,000 associates and guests reached through Marriott's Cultural Competence Program



Nearly 100 sessions, forums and webinars focused on serving key markets and LGBTQ, Latino, Jewish, and Muslim travelers



300+ million social and traditional media impressions for our #LoveTravels Campaign to support LGBTQ and diverse travelers





In 2017, The Ritz-Carlton employees around the world engaged in 124,691 hours of volunteer service in support of their **Community Footprints®** program. 2018 SERVE 360 REPORT

Community Engagement

Serve Our World is one of our core values and guides how we do business. Through volunteerism, fundraising, cash, and in-kind donations, our hotels and associates worldwide are impassioned to do good in their communities and make a meaningful impact.

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

























Marriott's Business Councils

Across the globe, we have established a network of Marriott Business Councils comprised of hotel leaders working together in cities and countries around the world to drive macro business initiatives, including sustainability and social impact, industry advocacy, and corporate culture.

In 2017, the number of Junior Business Councils, which are sponsored by Marriott Business Councils and led by our millennial associates, grew to more than 40 across the globe.



Perpetuate Culture

Strengthen Communities

Advocate for Marriott's Business Interests

Lead Cross-Brand Market-Driven Initiatives

IN THE PAST YEAR THE BUSINESS COUNCILS HAVE GROWN TO:

98 Business Councils across all continents and brands

950,000+ rooms represented

4,250+ total hotels represented

60+ countries represented

Employee Volunteerism

Year-round, our associates actively volunteer in local communities around the world. Annually, our associates, hotels, and Business Councils also participate in a global day of service, *Spirit To Serve Our Communities** *Day*. During this global day of service, our associates share their time and skills-based talents with their local communities. In 2017, Marriott celebrated its 19th annual *Spirit To Serve Our Communities Day*. At Marriott Headquarters alone, associates contributed over 7,000 hours to the local community. To recognize their contributions at both our hotels and the communities they serve, we post their stories and photos on a public online forum, Heart of the House.

Community Engagement



Serve 360 Goal: Employee Volunteer Hours

Using 2016 as our baseline, we've set a goal to reach 15 million employee 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.

2017 Progress



28%

skill-based volunteer activities

17.81%

of volunteer hours serving children and youth (since 2016)

In 2017, Marriott contributed approximately **\$50 million** in cash and in-kind contributions to communities.

Fundraising, Cash, and In-Kind Donations

In 2017, more than 114 million points were donated by members of the Marriott Rewards and The Ritz-Carlton Rewards programs to support <u>featured Marriott charitable causes</u>, each linked to our Serve 360 coordinates.

Our 2017 in-kind donations included room nights, gift certificates, event space, food and beverage, and audiovisual services for nonprofit organizations.

Guests and associates raised more than \$6.4 million to support the Children's Miracle Network Hospitals and UNICEF.

Vitality of Children

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

For more than 35 years, Marriott has partnered with Children's Miracle Network Hospitals — raising over \$120 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 kids. Children's Miracle Network Hospitals treat one in 10 children in North America each year. Every minute, an estimated 62 children enter a Children's Miracle Network Hospital for treatment.

To support the vitality of children, Marriott's other key partner is <u>UNICEF</u>. UNICEF works in 190 countries and territories to save children's lives, defend their rights, and help them fulfill their potential. The Check Out for Children program has benefitted UNICEF's Water, Sanitation, and Hygiene (WASH) program to provide life-saving services for children and their families. In 2017 alone, UNICEF reached 45 million people with improved water supplies and 22 million with improved sanitation, the highest numbers ever reached.

In 2017, SPG properties fundraised nearly \$2 million to support UNICEF's WASH projects across Africa and the Middle East. For children under five, water-and sanitation-related diseases are one of the leading causes of death. Our partnership with UNICEF has raised nearly \$49 million since 1995, and has helped to improve the lives of more than 4.5 million children to date in 50 countries.



Above: As Children's Miracle Network Hospital's longest standing corporate partner, Marriott International's associates and guests raise funds to help improve the lives of children.

Rally To Serve®: To celebrate Fairfield by Marriott's 30th anniversary, **220 volunteers** engaged in 11 multi-hotel builds with Habitat for Humanity® in the U.S. and internationally.



Disaster Relief

When disaster strikes, we work with our local hotels and established relief organizations to evaluate, respond, and provide aid.

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 provides need-based financial grants (of up to \$3,000 each) to eligible associates at managed Marriott International locations* who are facing financial hardship immediately after a natural disaster or other qualifying personal hardships. The TCRF receives support primarily from voluntary donations from Marriott associates and our hotel guests as part of their 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. TCRF grants are administered by an independent 501(c)(3) nonprofit organization.

* The program currently serves Marriott International managed associates in U.S. locations, and some non-U.S. locations.

In 2017, **2,500 associates** were approved to receive grants from our TakeCare Relief Fund.

Left: Marriott associates prepare paella with World Central Kitchen in Puerto Rico following the 2017 hurricane to provide meals to associates and families in need.



Marriott Disaster Relief Fund

The Marriott Disaster Relief Fund was established by Marriott International to support the company's efforts to assist individuals, families, and communities during times of disaster. The Fund has the flexibility to provide grants to individual Marriott associates, and to fund donations 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, 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.

Disaster Relief



Response to Hurricanes Harvey, Irma, and Maria

Marriott International and The J. Willard and Alice S. Marriott Foundation each contributed \$500,000 to the American Red Cross, for a total contribution of \$1 million, to assist those communities and individuals impacted by Hurricanes Harvey, Irma, and Maria.

Marriott International also contributed \$400,000 to support the Marriott Disaster Relief Fund's efforts in the U.S., Mexico, and Caribbean. Nearly \$1.8 million in support was distributed by the Marriott Disaster Relief Fund to support the U.S., Mexico and Caribbean relief efforts. These funds were used to deliver food, mosquito nets, tarps, flashlights, batteries, rebuilding supplies, toiletries, and generators, among other immediate need items to affected communities.

Our hotels across the world — from Argentina to China — came together to raise funds for disaster relief. Marriott's Business Councils coordinated on-the-ground efforts to respond to requests for support from our hotels and communities in need in the U.S. and around the world.

Our hotels in Puerto Rico also played a critical role to support and serve as a haven for their communities. Our Puerto Rico area hotel leadership team mobilized government officials, local authorities, local hotels, and businesses to deliver diesel fuel to the Children's Hospital in San Juan just hours before they ran out, which would have caused the hospital's respirators to lose the power necessary in

Above: Marriott associates at the Marriott Port-au-Prince Hotel in Port-au-Prince, Haiti.

providing critical support for 11 children. The Ritz-Carlton, San Juan held a clothing and supply drive to assist St. Thomas-area associates affected by Hurricane Irma and refused to keep the supplies when Hurricane Maria intervened, as they saw St. Thomas as harder hit.

Supporting Other Global Communities in Need

In addition to contributing \$40,000 in cash and in-kind support for Peru flooding relief efforts, Marriott International also provided support to communities affected by the California wildfires and Mexico earthquakes in 2017.

Associates at the Renaissance Lodge at Sonoma Resort & Spa hosted several fundraisers to help give back and raise money for ongoing California wildfire relief efforts including a car wash, t-shirts sales, and creating custom cocktail and menu items at the property's restaurant. Thanks to the TakeCare Relief Fund and the Marriott Disaster Relief Fund, our associates in Mexico have been able to make critical home repairs, and are beginning to return to life as usual after the earthquakes.

Additionally, we continue to support communities in Haiti still affected by the disastrous earthquake of 2010. Following the earthquake, we opened our first hotel in Haiti to help bring tourism, jobs and further economic development to the region. Located in Port-au-Prince's Turgeau neighborhood, the Marriott Port-au-Prince Hotel is a 175-room, 11-story full-service hotel. Marriott's interest in investing in Haiti was inspired in part by its associates, including thousands of Haitian-Americans who, after the earthquake, urged the company to help Haiti rebuild by planting the Marriott flag. Today, the Marriott Port-au-Prince Hotel employs more than 150 local staff, sources 100 percent of its food locally, and is estimated to provide nearly \$5 million in annual economic impact to Haiti.

In 2017, Marriott Rewards members donated approximately **35 million** loyalty points to support disaster relief efforts.



Family Takes Care of Family

Marriott International and the Marriott Disaster Relief Fund collectively provided \$200,000 in cash and in-kind support to World Central Kitchen (WCK) efforts to generate thousands of meals for Puerto Rican communities in need from late 2017 through 2018.

As part of this effort, during the 2017 year-end holidays, the Fund, in partnership with WCK, provided 6,000 Thanksgiving meals to about 1,500 members of our Marriott family in Puerto Rico, and a few weeks later an additional 22,000 meals were provided to Puerto Rico communities in need. Dorado Beach, A Ritz-Carlton Reserve, served as WCK's main operations base from December 2017 to late February 2018.



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, such as rainforest protection, coral restoration, and mangrove reforestation.

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.

We have formalized natural capital investments as part of our sustainability and social impact strategy to protect and enhance the ecosystems that make our properties vibrant tourist destinations. We aim to demonstrate leadership, support innovation, and propel action to create a healthier planet for all. Specifically, we are focused on addressing critical environmental challenges through innovative sustainability initiatives that have the potential to be scaled and replicated in the long-term to help protect and enhance the world's natural capital resources, particularly rainforests, coral reefs, fresh water, and mangroves.

We engage stakeholders including associates, customers, guests, and business partners at the hotels in close proximity to our conservation projects. Marriott has also developed key partnerships with local governments, communities, and NGOs for our signature natural capital initiatives, including the Juma REDD+ (reduced emissions from deforestation and forest degradation) project in Brazil's Amazon rainforest, mangrove restoration in Thailand, and tree planting in Alberta, Canada.

Rainforest Protection

Marriott's 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.

The Government of Amazonas and the Amazonas Sustainable Foundation (FAS) has delivered Brazil's first-ever certificate of carbon emissions reduction to Marriott International. The certificate states the reduction of 400,000+ tons of carbon dioxide (tCO2) by activities at the Juma Sustainable Development Reserve (RDS) in Amazonas, Brazil between 2006 and 2013, through the partnership and support of Marriott International, FAS and the Government of Amazonas. Ninety-nine percent of the Reserve remains covered by rainforest.

The Juma project also provides education, medical care, employment, social empowerment, building capacity, 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.

Left: Don Cleary, President, Marriott Hotels of Canada, participates in tree planting as part of the partnership with WEARTH.

Delta GreenSTAY™ Program

Guests at Delta Hotels by Marriott[™] in Canada can choose to participate in our sustainability efforts and reforestation activities through a partnership between the hotels and WEARTH[™]. The program gives guests the option to virtually plant one tree for each night they have opted out of housekeeping, while WEARTH™ plants the actual trees on behalf of every eligible GreenSTAY guest night.

In 2017, Delta GreenSTAY™ celebrated its 100.000th tree planted.



Natural Capital

Coral Restoration

Considered the "rainforests of the ocean," coral 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 50 years, climate change, pollution, fishing, and boating activities have put an enormous amount of pressure on coral reef environments. In Hawaii, Marriott properties have partnered with local organizations to protect coral reef ecosystems. At Le Méridien Bora Bora, we support a sanctuary to protect sea turtles and their coral reef habitats. The Andaman, a Luxury Collection Resort, Langkawi in Malaysia supports efforts to preserve an ancient coral nursery along its bay. The hotel engages guests and associates to assist in the protection of the reef through regular cleanups and has also established a Marine Laboratory and marine biologist program for young guests to encourage and promote ongoing coral reef conservation efforts and appreciation.

Other Global Programs

From beehives on hotels' rooftops to wildflower habitat management on golf courses, we are actively embedding natural capital initiatives into how our hotels are designed, developed, and operated.

In China, our Nobility of Nature project, which Marriott supported from 2010 to 2012 in collaboration with Conservation International and the local provincial government, became self-sustaining. The Nobility of Nature program promoted freshwater conservation and the creation of local economic opportunities, such as bee farming and honey production, instead of hillside farming and logging for residents. These conservation efforts contribute to reducing deforestation and revitalizing polluted rivers in China's Sichuan province, at the headwaters of one of the world's largest source's of fresh water.

Marriott International was also recognized by the Maryland-based Chesapeake Bay Foundation as its recipient of the "2017 Conservationist of the Year" Award for our efforts to protect natural capital near our global corporate headquarters in Maryland and around the world.

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 has a partnership with the <u>International Union for Conservation of Nature (IUCN)</u> and <u>Mangroves for the Future</u> 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 2017, Marriott received International Financial Corporation (IFC) Asia's "2017 Best CSR-Social Impact Partnership Award" for this mangrove reforestation project with the IUCN.

Right: Mangroves in Thailand.

Since 2013, more than **60,000** mangrove trees have been planted in Thailand. Our Thailand associates also raised over **\$100,000** to support IUCN's ongoing mangrove restoration efforts.



Sustainable Hotels

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

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















Serve 360 Goals: Sustainability Certifications

We've set a goal to have all of our properties certified to a recognized sustainability certification by 2025. With one-third of our properties certified to third-party standards including LEED, we are currently on track to meet this goal.

We've also set a 2025 goal to have 650 of our open or pipeline hotels pursue LEED® certification or equivalent. Additionally, by 2020, LEED® certification or equivalent will be incorporated into building design and renovation standards and 100% of all prototypes will be designed for LEED® certification. We also plan for our new corporate headquarters to receive LEED® Gold certification for Core & Shell and Interiors.

2017 Progress



sustainability standard

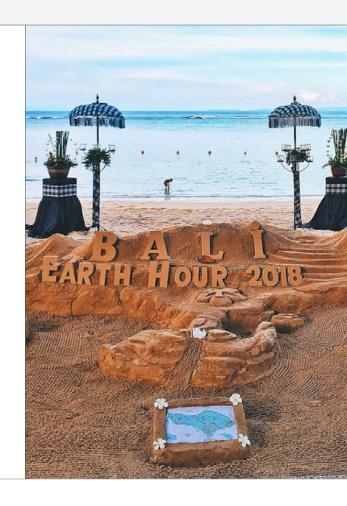
LEED® (or equivalent) reaistered hotels

Our Serve 360 Champions

As part of our new governance structure to support Marriott's Serve 360 platform, we are activating a new associate engagement opportunity across properties: the Serve 360 Champion. The Serve 360 Champion can be an individual or team of associates who are passionate about sustainability and social impact. At each property, they will serve as the ambassador for Serve 360: creating awareness, deepening local engagement, hosting activities, partnering to support implementation, and reporting on progress. At our managed hotels, the Serve 360 Champion responsibilities are included as part of the TakeCare Champion role, under the "We" pillar, forming a powerful network where best practices and lessons learned can be shared.

In 2017, Marriott International properties across the globe celebrated Earth Hour, Earth Day, **Environmental Awareness Month** and World Environment Day to further engage associates and champions in sustainability.

Right: The Laguna, a Luxury Collection Resort & Spa in Bali, Indonesia celebrates Earth Hour.



Sustainable Hotels





Serve 360 Goal: Adaptive Reuse Projects

We've set a goal to partner with owners to develop 250 adaptive reuse projects. As of 2017, we've identified 133 open adaptive reuse hotels within our portfolio.

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. Oftentimes, we are 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.

2017 Progress



133

open adaptive reuse hotels

Partnership with Guests and Customers

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

- Housekeeping Choice Programs: In 2017, we began to integrate and refresh our various housekeeping choice programs, which included Your Choice™, Luxury of Choice™, Make a Green Choice, and Delta GreenSTAY™. In 2018, we are launching a refreshed Make a Green Choice program that includes a sustainability option as one of its benefits through a partnership with the <u>Arbor Day Foundation</u> for each night a guest opts into Make a Green Choice at a participating hotel, they have the option to receive loyalty points or plant a tree through the Arbor Day Foundation.
- Data Sharing: 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 to business travel buyers and meeting planners with customized carbon and
 water footprint data. Many of these buyers and planners have included our hotels in their preferred programs
 because of the detailed data provided. Additionally, we provide corporate customers access to dozens of operational and management practices gathered from our hotels.
- Business Travel and Group Customers: We developed, and are now refreshing a sales training guide and self-guided reporting templates on how to utilize hotel data to effectively communicate sustainability efforts and progress to our business travel and group customers. Additionally, customers hosting meetings at select brands can offset the carbon footprint of their events.

Above: The Westin Golf Resort & Spa, Playa Conchal in Costa Rica.



Energy and Emissions

UN Sustainable Development Goals relevant to our Energy & 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've also committed to analyze the opportunity to set a science-based target by 2018.

In 2017, several properties installed new on-site solar photovoltaic systems, which we expect to contribute nearly 2,000 metric tons in avoided emissions. We also engaged a third-party consultant to support our analysis of a science-based target. In 2018, we will continue our science-based target analysis, as well as evaluate our investments in large-scale energy projects.

Many of our full-service properties use an engineering gamification tool to encourage energy and water efficiency and identify new projects.



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 properties in the Americas, Europe, Asia Pacific, and Middle East/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.
- Retro-Commissioning: Marriott retro-commissioning (MRCx) efforts drive 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.

Above: The Westin Golf Resort & Spa, Playa Conchal in Guanacaste, Costa Rica, installed 1,382 solar modules on the roofs of the hotel's associates sleeping quarters and industrial area buildings.

- 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.
- Chilled Water Efficiency: We have developed a Chilled Water Diagnostic Tool for managed properties in the Americas, which helps each full-service hotel to identify water and cost savings opportunities in their chilled water production.
- Demand Response: We partner with utilities' on-demand response programs, which provide incentives to companies to better manage and reduce their grid-supplied electricity during times of peak demand.

Energy and Emissions



Serve 360 Goal: Carbon Intensity

Our new Serve 360 carbon intensity goal builds upon Marriott's first-generation goal to reduce energy consumption per square meter of air-conditioned space by 20% from 2007–2020, and Starwood Hotels & Resorts' first-generation goal to reduce energy consumption and greenhouse gas emissions by 30% from 2008–2020.

As part of our Serve 360 sustainability and social impact platform, we've set a second-generation goal to further reduce carbon intensity per square meter by 30% by 2025. We've selected 2016 as our base year to reflect our combined dataset of our full portfolio.

2017 Performance



8.00% reduction from 2016 baseline

2017 Performance Across Regions

ENERGY INTENSITY

KWhs per m2 of conditioned space



AMERICAS

1.2%



EUROPE





ASIA PACIFIC





MIDDLE EAST & AFRICA





CARBON INTENSITY

Kilograms per m2



AMERICAS

1.1%



EUROPE





ASIA PACIFIC





MIDDLE EAST & AFRICA





Water

UN Sustainable Development Goals relevant to our Water efforts include:







Serve 360 Goal: Water Intensity

Our new 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.

By 2025, we are now targeting a further 15% reduction in water intensity per occupied room from 2016 levels. We've selected 2016 as our base year to reflect our combined dataset of our full portfolio.

2017 Performance



0.02% reduction from 2016 baseline

2017 Performance Across Regions





1 3.4%

AMERICAS



EUROPE



2016	0.56
2017	0.55

ASIA PACIFIC





MIDDLE EAST & AFRICA





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. We also invest in low-flow fixtures across our global portfolio of properties.
- Anomaly Management: Americas 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.



Above: Sheraton Mall of the Emirates Hotel, Dubai was recognized as Dubai Sustainable Tourism's Best Sustainable 5-Star hotel in 2017.

Water

- 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 properties in the
 Americas 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 of our hotels use recycled water for landscaping, cooling tower makeup water, 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.

Water Risk Management

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

- Site Development: For many 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.
- 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 Marriott Port-au-Prince Hotel was designed sustainably and constructed to include an on-site water storage and treatment system to provide for a five-day water supply and a 60,000-gallon (230 cubic meter) waste water treatment plant.
- Drought Risks: Each full-service property has developed a site-specific water conservation plan and also completed irrigation efficiency audits on their landscaped acreage, identifying further opportunities. In response to drought risks, water conservation measures have been implemented immediately by our properties, including cutbacks of landscape irrigation. Associates and guests are also notified of the water situation to promote further conservation. A portfolio-wide water risk assessment is planned for 2018.
- Flooding Risks: To address flooding risks, we have enterprise-wide 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.
- 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 Southeast Asia's freshwater conservation (particularly the Yangtze River and its tributaries located in Southwest China's Sichuan province), by assisting rural communities with building sustainable livelihoods. 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) for 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 stay across the portfolio.

Waste

UN Sustainable Development Goals relevant to our Waste efforts include:







Serve 360 Goal: Waste Intensity

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

We've selected 2016 as our baseline year to capture our combined dataset of our full portfolio.

As we work to meet this goal, our first step is to establish a baseline across our global operations. In 2017, we launched a new data collection platform, titled the Marriott Environmental Sustainability Hub (MESH), to enhance data quantity and quality captured. In tandem with establishing our baseline, we are aggressively moving forward with programs to increase recycling in all guest rooms as well as dramatically reduce waste from plastic, food, e-waste, and other critical waste streams within our operations.



We have developed a new program called "Skip the Straw," where we are shifting away from all plastic straws and stirrers at all properties.

Our Approach

Given the nature of our business, hotels generate a significant amount of waste. Some Marriott properties use an audit tool, the Energy and Environmental Action Plan, to identify opportunities to increase operational efficiency. These plans incorporate best practice guidelines for managing and diverting waste and assist in implementing our global guest room recycling brand standard.

Our approach is cross-functional. We engage culinary, housekeeping, IT, engineering, meetings and events, and other critical departments at each hotel and across the company with whom we will need to partner to meet our 2025 goal to reduce waste-to-landfill intensity by 45%.

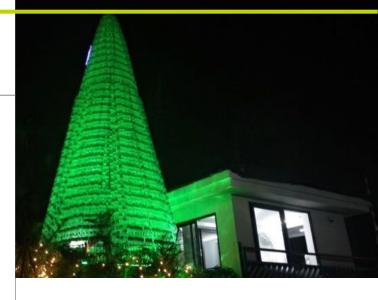
Removing Plastics from Landfills and Oceans

Globally, our society generates more plastic trash than ever, and only a small portion of that waste gets recycled. Plastics and their byproducts are littering our cities, beaches, oceans, and waterways, and contributing to health problems in humans and animals.

Across the globe, our hotels are mobilizing to help eliminate plastics from reaching landfills and oceans. In 2017, Marriott began participating in a plastic recycling waste audit through the American Chemistry Council's Plastics Division, with three Marriott hotels in Salt Lake City, Utah. In Thailand, Le Méridien Phuket Beach Resort has made the conscious decision to phase out single-use plastic water bottles in all 470 guest rooms and replace them with recyclable, reusable glass bottles. In a span of seven months from the time the project was implemented, not a single plastic water bottle was consumed in guest rooms at Le Méridien Phuket Beach Resort.

Above right (top): As a continued effort to reduce the use of plastic bottled water in India, Le Méridien Kochi encourages all convention center guests to drink water from reusable bubble-top water dispensers. In 2017, associates used recycled waste from the hotel to create a towering, 25-foot holiday tree made from more than 3,000 used water bottles and pipes.

Right: In-shower, wall-mounted dispensers.



Targeting Toiletries

The tiny, disposable plastic amenity bottles in a hotel's bathroom have been a ubiquitous part of the guest experience for decades. In 2017, Marriott decided to think differently and change the status quo. The tiny empty bottles often end up in landfills; the small bottles run out, especially when multiple guests stay in one room; and the caps to the bottles often fall into the drain, causing maintenance problems.

Therefore, we piloted larger in-shower, wall-mounted fixtures. Beginning in 2018, tiny toiletry bottles will be replaced by larger bottles safely locked on wall fixtures across hotels among select brands in North America.





Waste

Marriott's Partnership with Clean the World®

Over the past decade, Marriott has continued to grow its partnership with <u>Clean the World</u>, 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, primarily those with a high death rate due to acute respiratory infection (pneumonia) and diarrheal diseases (cholera) — which are two of the top killers of children under five years of age. Distributions are also made to areas that have recently been affected by natural disasters, such as Puerto Rico.

In 2017, hotels across the portfolio also continued to use Clean the World's services and participate in hygiene kit builds.

2017 Performance



336,976 pounds (nearly 152,850 kilograms) of waste collected

1,077,480

soap bars distributed to those in need

101,269

pounds (nearly 46,000 kilograms) of plastic recycled

In 2017, Marriott helped to divert almost **45,000** pounds (20,450 kilograms) of e-waste from landfills.

A Second and Third Life for Flowers

Marriott corporate and social event hosts can now hire Repeat Roses® to remove, repurpose, and compost florals from their events. Repeat Roses® collects event florals that would otherwise end up in the trash, restyling the florals into new arrangements suitable for bedside tables and delivering the refreshed blooms to local organizations including hospitals, nursing homes, and cancer treatment centers. Once the flowers are enjoyed the second time around, Repeat Roses® reclaims the floral waste for composting and the vases are recycled. By reclaiming the organic matter, Repeat Roses® is helping to divert significant waste from landfills and helping to create supercharged soil amendments for flower growers, farmers, gardeners, and landscapers.

In 2017, Repeat Roses® created 251 arrangements from repurposed florals from Marriott event clients. Over 1,168 pounds (529 kg) of waste was removed from Marriott International properties and diverted from landfills. Repeat Roses® recently launched its interactive CSR Experiences program in 2018 and created 288 arrangements — diverting more than 2,200 pounds (997 kg) of waste from landfills from five Marriott properties in California, New York, Pennsylvania, and Florida.

E-Waste Recycling

Since 2004, Marriott has partnered with Arrow Sustainable Technology Solutions to provide managed and franchised properties worldwide with a secure and environmentally compliant service option for retiring information technology assets.

Right: Repeat Roses® repurposed floral arrangements.



Waste



Serve 360 Goal: Food Waste

In addition to reducing our waste-to-landfill by 45%, we've also set a goal to reduce food waste 50% by 2025.

To support this goal, we took a series of important foundational steps in 2017. After completing pilots on food donation, food separation, and using technology for source reduction, we are now focused on developing our food waste tracking strategy. Based on the learnings from our pilots, we will be educating associates on methods to reduce, track, report, and divert food waste. Associate engagement will be supported by new food waste prevention policies. We will also continue to partner with leading organizations to raise awareness and collaborate with businesses that offer innovative food waste solutions.



Above: The Denver Marriott Tech Center in Denver, Colorado successfully started a food waste program through a 12-week pilot project.

Above (right): A Marriott chef prepares a meal, while transferring food waste into a compost bin.



Using Our Hotels as a Testing Ground to Tackle Food Waste

Tackling food waste is an extremely important and very exciting challenge for our company. We spent the past year analyzing the results from our 2016 proof of concepts (POC) and communicating those findings to our leadership and internal teams. The POC results provided our teams with the information needed to begin understanding how to shape a global food waste strategy that prioritizes the need for accurate food waste data as well as a variety of reduction and diversion options.

We investigated how technology and digital solutions such as <u>LeanPath</u> can assist in tracking, reporting and analyzing food waste data and guide our hotels in making improvements to their food purchasing and preparation practices. We also explored the use of mobile applications to give hotels access to on-demand food donation services.

We have continued working with our valued partner organizations to identify food waste best practices and training opportunities for our associates. In

March 2017, Marriott International partnered with World Wildlife Fund (WWF) and the American Hotel & Lodging Association (AHLA) with support from The Rockefeller Foundation to assist in the development of demonstration projects designed to test multiple food waste reduction strategies including low-waste menu planning, staff training and education and customer engagement. The Denver Marriott Tech Center participated in one of the demonstration projects and was among the first of the participants to successfully start its program and begin reporting food waste data. The project resulted in less waste hauling from the property and more cross-utilization and reuse of ingredients. At the end of the pilot effort, the results from each participating property were compiled into a food waste toolkit by WWF, AHLA and The Rockefeller Foundation for use by the hotel industry.

We will be finalizing our global food waste strategy in 2018 and providing resources to our hotels to begin developing and implementing food waste reduction programs.

Responsible Sourcing

We are committed to integrating leading environmental and social practices into our supply chain and partnering with like-minded suppliers. We aim to reduce the negative environmental and social impact of our 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

Marriott's responsible sourcing programs are anchored by our primary goal to achieve 95% responsible sourcing across our Top 10 priority categories, inclusive of seafood and paper products, by 2025.

To support this primary goal, we have set an interim goal that all contracted suppliers in our Top 10 priority categories will provide information on product sustainability (including environmental, social, and human rights impacts) by 2020.

We continue to work with suppliers to learn about and improve their sustainability practices and improve the sustainability of the products and services provided to Marriott, as well as to identify partnership opportunities to promote and grow responsible markets. As we work on our Top 10 priority categories, supplier engagement will be crucial in order to achieve our responsible sourcing goals.

2017 Responsible Sourcing Progress*



19.2%

Marine Stewardship

Council- or Aquaculture Stewardship

Council-certified seafood



Forest Stewardship Council-certified personal paper products

Our Supply Chain

Marriott maintains a large global supply chain comprised of numerous procurement categories, which includes furniture, fixtures, and equipment; operating supplies and equipment; food and beverage; hotel amenities; and corporate services. Through responsible sourcing, we have the opportunity to reduce our environmental impacts and support positive change in our supply chain.

The boundary of Marriott's responsible sourcing programs covers our global supply chain, as well as our third-party franchised properties that use our Americas procurement partner, Avendra.

Responsible Sourcing Strategy

Marriott works within its supply chain to develop innovative products and programs that deliver superior performance while meeting our Sustainability and Social Impact Goals. We collaborate with our suppliers to conserve energy, reduce water use, reduce packaging waste, and incorporate more responsible materials and practices. A portion of the products we currently purchase have responsible environmental and social attributes; however, we will be increasing the number of products with these attributes to achieve our 2025 responsible sourcing goals.

By 2025, Marriott aims to responsibly source **95%** of its Top 10 priority categories. As part of this journey, we will utilize a holistic approach considering environmental, social, and economic impacts.



^{*} Based on data provided by our Americas procurement partner, Avendra.

Responsible Sourcing

Supplier Screening and Risk Assessments

Marriott's <u>Supplier Conduct Principles</u> provide environmental and social guidelines that our vendors should abide by in order to do business with Marriott. We work with MindClick to assess sustainability in our furniture, fixtures, and equipment suppliers. We also work through our North & Central America procurement services provider, Avendra, to identify sustainable solutions that align with both our environmental strategy and our product standards. As part of our work with Avendra, an environmental nonprofit was engaged to conduct a risk and opportunity assessment, which included environmental and social risks. As a result of the assessment, more than 20 commodities were identified as potential focus areas to further responsible sourcing efforts.

In 2018, we plan to update our Supplier Conduct Principles to reflect our new Serve 360 platform, and to ensure our suppliers are upholding standards around ethical business practices and environmental and social responsibility. We continue to encourage suppliers to establish their own codes of conduct and sustainability policies to hold themselves and their own suppliers accountable for responsible business practices. We continue to work with our procurement partners to communicate our evolving product and service needs.

Integration into Brand Standards

We have begun to update existing brand standards and develop new policies and programs to support our goal to source 95% of our Top 10 priority categories responsibly by 2025. For example, in 2018, our brand standards will be updated to promote the procurement of Forest Stewardship Council (FSC) certified paper products. Additional responsible sourcing brand standards that either exist today or are being explored include those to eliminate polystyrene and further promote responsible seafood procurement.

Animal Welfare

In 2017, we continued to direct our suppliers to provide cage-free eggs and liquid egg products for all Marriott egg specifications. We also continued to advance Marriott's multiyear efforts to cease the use of confinement crates in pork production and to improve broiler chicken procurement. Additionally, we source down and feather products from suppliers that can verify their products come from humane sources and are third-party certified.

Over the past five years, we have partnered with our largest supplier in the pork industry to create a new group sowhoused bacon product. As a result of creating the demand, two large farms have now changed their practices to support our needs. In 2018, we plan to develop and deploy a company-wide animal welfare position to communicate the company's requirements regarding the humane treatment of animals used for consumption, in operations and entertainment, and in F&B and FF&E products at our hotels.

Responsible Seafood

With the acquisition of Starwood, the combined company had two responsible seafood programs: Future Fish launched by Marriott International, and Starwood's Make The Best Catch. In 2017, Marriott International initiated a workstream to integrate and refresh existing content into one single program to be applied across the portfolio. After convening stakeholders to align on our science-based strategy, Marriott formalized partnerships with the Anderson Cabot Center for Ocean Life at the New England Aquarium and World Wildlife Fund to support our responsible seafood procurement goals.

In 2018, we plan to launch an internal education and awareness campaign on responsible seafood for all hotels globally. We will also begin to analyze species-specific procurement data to support our 2025 responsible sourcing goal.

Above (right): Beekeeping at Riviera Marriott Hotel La Porte de Monaco.



On-site Beekeeping

We are increasingly featuring on-site beekeeping at our hotels to help protect the world's bees, which are critical to food production and currently under threat. The Chicago Marriott Downtown Magnificent Mile supports a collection of rooftop hives for honey bees, which produce hundreds of pounds of honey each year. The hotel uses the honey produced on-site to produce its own honey lager for guests. At Riviera Marriott Hotel La Porte de Monaco, the staff has proudly supported a local beekeeper by sponsoring a colony of 40,000 bees for over five years.

Better Bacon and Eggs

Courtyard Bistro has been the leading edge in our effort to convert conventional battery-caged eggs to our preferred cage-free eggs. Our managed properties source more than 75% of eggs from cage-free suppliers. We are getting closer to our goal of 100%. Marriott International continues to work with our suppliers to create a viable market for eggs and egg products produced by growers who follow animal welfare protocols. In January of 2017 we embarked on a new bacon product, using 100% group sow-housed pork bellies and recycled local corn cobs for smoking the product. We now serve over 1 million pounds of brown sugar cobb smoked bacon per year, with more product innovation to come.

Responsible Sourcing



Serve 360 Goal: Local Sourcing

We continue to identify local suppliers that can fulfill our produce and other procurement category needs, while working to achieve our 50% local produce sourcing goal by 2025.

To meet this, we aim to leverage key partnerships, including with our procurement partner, Avendra, and engage locally and regionally with our properties. Many of our hotels across the world are heavily embedded in local supply chains.

We also aim to build upon past successes and emerging best practices. For example, the Amazonas Sustainable Foundation (FAS), as part of its nearly decade-long partnership and collaboration with Marriott, sells Amazon rainforest responsibly sourced Brazil nuts from Juma and other protected FAS areas to our hotels in São Paulo and Rio de Janeiro, Brazil. The nuts are used in our restaurants and sold in our gift shops. Purchases of the nuts help to support sustainable livelihoods for rainforest residents living in the Marriott-supported Juma reserve. It also helps to show that the rainforest can be more valuable standing than cut, while helping us to achieve our responsible sourcing goals. We are exploring procuring more responsibly sourced local products from Juma including manioc flour, cocoa, açai, pirarucu fish, and other products.



Sustainable Agriculture

We are committed to promoting sustainable agriculture through partnerships with farmers and ranchers — both large and small — and the pursuit of alternative farming methods, including those which enable us to grow our own food on-site.

We source local and organic produce in certain markets and have established brand standards to purchase responsibly sourced cocoa, coffee and tea with Fair Trade and/or Rainforest Alliance certifications. We strive to support small farms whose practices align with such certifications and we are continually learning about more responsible products and suppliers. Our efforts to purchase local and responsible products will continue as we work toward our responsible sourcing goals through 2025.

Hundreds of our hotels feature on-site gardens to serve our guests. At the Orlando World Center Marriott, we have taken on-site food production even further. We have partnered with HyCube to install a 1,500-square-foot (144-square-meter) hydroponic system with the capacity to grow up to 25,000 plants, including lettuce, fruits and herbs, in a soil-free environment that also offers filtered air and water. The hydroponic system at Orlando World Center Marriott also uses 90% less water than traditional farming methods, due to a recirculating water system.

The JW Marriott Orlando, Grande Lakes has Whisper Creek Farm on property. The farm's harvest is used throughout the hotel's restaurants, allowing for micro-local menu items and unique specials. Beehives on the farm pollinate the plants as well as provide honey for a craft brew honey lager. Whisper Creek Farm is complete with chicken and quail coops, adding to the connection to the land and food served.





Above (top): The Orlando World Center Marriott in Orlando, Florida, partnered with HyCube to install a hydroponic system to grow plants, including lettuce, fruits and herbs, in a soil-free environment.

Above (bottom): Chefs tour the garden at Whisper Creek Farm at Grande Lakes Orlando, Orlando, Florida.

Responsible Sourcing



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 2017, we increased the number of approved products that achieved the top tier ("Leader") of MSAP to 27% of the total products (7% increase). In addition, we increased the number of products in the middle tier ("Achiever") by 6%, which resulted in 11% fewer lower-tier products ("Starter"). We are continuing extensive efforts to raise MSAP products' scores to improve annual progress towards the top tier.

2017 Progress Made with North American FF&E Vendors



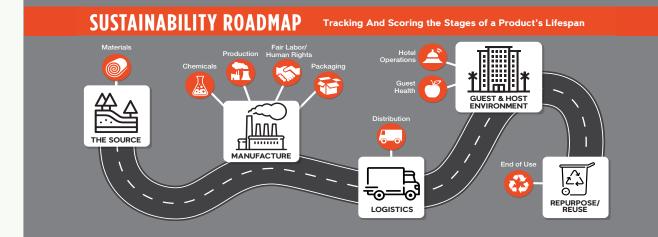
79%

spend with suppliers that have made specific sustainability commitments

77%

spend with suppliers that reduce, reuse or recycle packaging 70%

spend with suppliers engaged in conservation measures



Marriott Sustainability Assessment Program

Led by MindClick, in 2012, the US Green Building Council, 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 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's 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. As of 2017, almost one out of three products specified for Marriott's prototypical brands were rated as Leaders, with another 45% earning Achiever ratings.

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

Based on the success of MSAP, in 2017 Marriott and MindClick created a groundbreaking scorecard measuring the performance of existing Marriott hotel brand prototypical designs based on the products selected and their MSAP ratings. As Marriott continues to make progress towards the 2025 goal, Marriott's Global Design teams are using MSAP ratings to inform vendor and product selections in the development of future prototypical design programs.

A Better Way

To replace injected molded foam products in our supply chain, our hotels now purchase alternative products that are recyclable, compostable, or reusable made with bio-resin, recycled materials. Marriott International continually works with suppliers to develop innovative alternative packaging products and practices. Some hotels throughout Europe and Asia have established alternative packaging solutions such as reusable shipping containers.



Global Diversity and Inclusion

Embracing differences and putting people first is part of our culture of inclusion and the way we do business. Our core strength lies in our ability to support diversity and inclusion by creating opportunities for our associates, guests, owners and franchisees and suppliers.

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. We are currently on track to exceed this goal ahead of schedule.

2017 Performance



\$2.8+ 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 not only benefit our communities, but also help strengthen our business and demonstrate how responsible hotel management can create economic opportunity. Global diversity and inclusion is integral to not only how we provide an inclusive environment for our 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 dimensions include:

Associates	Customers		
Our commitment to taking care of people and putting their wellbeing above all else 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, the relationships at work, and about our company's role in society.	Our commitment to welcoming all customers includes engaging with diverse groups, creating inclusive guest experiences, and supporting key diversity and inclusion initiatives. We train our associates on cultural competency, and preventing implicit bias.		
Owners	Suppliers		

Marriott was the first company in the industry to establish a formal diversity and inclusion program in 1989, and a formal supplier diversity program in 1997.

Global Diversity and Inclusion

How We Approach Workforce Diversity & Inclusion

Marriott's success begins with our commitment to provide a world of opportunity to everyone 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 Partnerships

We are an active and engaged corporate member of several global NGOs across many different diverse segments that support the development of our key stakeholders including diverse and historically underrepresented suppliers, current and potential associates, and hotel owners and customers. Marriott partners with groups such as Asia Society, Capital Region Minority Supplier Development Council, Disability:IN, Human Rights Campaign, National Association of Black Hotel Owners, Operators, and Developers (NABHOOD), the National LGBT Chamber of Commerce (NGLCC), UnidosUS, the US Pan Asian American Chamber of Commerce, VetFran, WeConnect International, and Women's Business Enterprise National Council (WBENC), to support our key stakeholders.

Marriott recently became the first global hospitality company to endorse the historic United Nations LGBTI Standards of Conduct for Business, tackling discrimination against LGBTI people.

Commitment, Oversight and Accountability from the Highest Levels

President and CEO Arne Sorenson chairs the company's Global Diversity and Inclusion Council 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 & 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 "Making Marriott a Home for Veterans" and "Creating a Better Guest Experience for People with Disabilities."

Diversity and Inclusion Training

We provide a variety of diversity and inclusion training offerings, which includes the mandatory "Valuing Our World of Differences" training for all Americas associates. Marriott's "Valuing Our World of Differences" training helps associates 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

In 2017, Marriott spent **\$656 million** to support women, minority, veteran, LGBT, and disability owned businesses across the globe.

Supplier Diversity

By 2020, we aim to reach \$1 billion in inclusive purchasing, including \$500 million in purchasing with women-owned businesses. In 2017, Marriott spent \$345 million with women-owned businesses, \$301 million with minority-owned businesses, \$31 million with veteran and service-disabled veteran-owned businesses, \$6 million with LGBT-owned businesses, and \$446,242 with disability-owned businesses.

It's All About UNITY

Marriott provides a series of resources, training programs and webinars to emphasize the importance of UNITY. This includes a training video featuring senior leaders across our company sharing the principles behind Marriott's cultural approach to diversity and inclusion. We also provide training to our Human Resources associates on Valuing Differences, Developing a Global Mindset and Cultural Competence. Participants also complete both a self-assessment and team assessment to help them identify opportunity areas related to creating inclusion. By participating, associates increase their exposure to different cultures, get to know their co-workers, understand customers' needs and expectations, and gain skills to create an inclusive work environment.

Marriott holds an annual enterprise-wide global UNITY Day during Associate Appreciation Week. On this day, company locations around the world pay special tribute to celebrating our diverse workforce and creating an inclusive environment that recognizes the unique talents and many different backgrounds of our workforce.



Opening our First Hotel in Rwanda

To help support the economic transformation in Rwanda, we have opened our first hotel in the country. The 254-room Kigali Marriott Hotel features approximately 30,000 square feet (280 square meters) of event space and a spa to help expose the world to Rwanda's unique culture and natural beauty. Guests are able to enjoy views of Kigali's sprawling hills and valleys, explore nearby national parks.

This luxury hotel has created more than 500 jobs in Rwanda. We partnered with the Akilah Institute, a Kigali-based women's college, to recruit and train potential candidates, some of whom prepared by interning at Marriott properties in the Middle East. Marriott has also been working with local philanthropies to equip Rwandan women with the needed skills to apply for entry-level hotel positions or to supply the hotel with items like baskets, cheese, and honey.

The Kigali Marriott Hotel manages an internal development program that aims to transfer skills from longtime Marriott associates from abroad to local employees, approximately 89% of whom are Rwandan nationals. Forty-one percent of the hotel's employees and 53% of the hotel's managers are women. The hotel also participates in country-wide and international activities in cooperation with the Rwanda Development Board to promote the country as a destination.

2017 Awards and Recognition

- Aon Global Best Employer
- Asia Society's Distinguished Performance Award Best Employer for Promoting Asian Pacific American Women
- DiversityInc Top 50 Companies for Diversity
- National Association for Female Executives Top Companies for Executive Women
- Great Places to Work® Best Workplaces for Diversity, Millennials, Women and Parents in the United States; Best Workplaces in Latin America, Peru, Mexico, India, Australia and Denmark
- Human Rights Campaign Corporate Equality Index (100% score)
- LATINA Style Top 50 Companies
- LGBTQ Business Equality Excellence Award
- National Business Inclusion Consortium "Best-of-the-Best" Corporation for Inclusion
- National Organization on Disability Leading Disability Employer Seal
- Working Mother 100 Best Companies
- Women's Business Enterprise National Council's Top Corporation for Women Business Enterprises (Gold Level)
- WEConnect International Corporation of the Year

Above: An Akiliah Institute student prepares desserts at the Kigali Marriott Hotel in Kigali, Rwanda.

Women

We empower women by working with nonprofit organizations to develop skills and opportunities for women, 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 2017.

2017 Performance



50% of direct reports to Marriott's

Women's Empowerment

We are focused on advancing women across our value chain:

Our Objectives			
Achieve gender representation parity in global company leadership	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 numbers 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. They also engage in special projects, which have included helping to pilot a new mentoring tool.

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.

Women



Focusing on Pay Equity

Marriott is committed to ensuring that our 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.

Above: Arne Sorenson, President and CEO, and Amy McPherson, President and Managing Director of Europe, visit the St. Pancras Renaissance Hotel London for International Women's Day.

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 2017, we continued to enhance our portfolio benefits and initiatives that support all families. Effective January 1, 2019, Marriott will offer industry-leading paid Parental Leave in the U.S. that includes eight fully paid weeks for all birth and adoptive moms and dads. All 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 will also increase the financial assistance to help with adoption fees 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 child care, 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 in purchasing with women-owned businesses. In 2017, Marriott spent \$345 million with women-owned businesses — a 1.19% increase over the prior year. We also launched *Exchanges*, a platform to increase associate engagement, awareness and education on the importance of supplier diversity.

Through Exchanges, we are able to highlight and celebrate our supplier diversity milestones and successes. For example, Marriott has partnered for more than 25 years with Soft Stuff, a Maryland-based woman-owned business near our corporate headquarters, to provide specialty breads and desserts to Marriott hotels. Another local, women-owned business we partner with is Nevis & Moss, which provides an environmentally friendly, plant-based defogging product that helps protect the planet and ensure that our quests have the best hotel experience possible. For 15 years, we have also partnered with Safe Step, a woman-owned business that provides bathroom services, such as anti-slip coating and stain removal, to keep our guests safe.

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. From 2014 to 2017, the number of diverse and women-owned open hotels has increased by 73% — from 699 to 1,210. During 2017, we opened 134 hotels and added 97 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 bi-annual Diversity Ownership Educational Summits hosted at our corporate headquarters.

Serving and Meeting the Needs of Women Travelers

In 2017, as part of our Multicultural Marketing initiatives, we partnered with Black Entertainment Television (BET) on its annual Leading Women Defined summit in order to engage women travelers around topics such as professional development, advocacy, financial empowerment, and gender equity.

Additionally, Multicultural Marketing sponsored the Odyssey Business Network Retreat, an annual conference that brings together influential African American women representing diverse industries and experiences.

Youth

According to the International Labour Organization, more than 71 million young people (aged 15–24) worldwide are looking for work. 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 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 our 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

Hospitality Training for Youth, Including Disadvantaged 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. Globally we support the <u>Youth Career Initiative (YCI)</u>, a three- to six-month hospitality training program of ITP focusing on preparing disadvantaged youth for jobs in our industry. Our Asia Pacific region as well as Caribbean and Latin America region hotels remain our lead supporters of the program, with each helping to prepare nearly 100 YCI graduates for hospitality jobs in 2017.

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 high school work study opportunities so students can better understand what it means to work for a company like Marriott, as well as explore future job opportunities with our company.

Through the Marriott Foundation's China Hospitality Education Initiative (CHEI), Marriott International has helped impact more than 200,000 students since the project launched in 2013. More than 900 teachers from 93 vocational schools and universities have participated in CHEI programs, such as field trips and faculty internships at Marriott International hotels. And Marriott leaders have presented more than 500 guest lectures on CHEI partner school campuses.

In 2017, Marriott and other International Tourism Partnership Youth Employability Working Group members created an industry goal to collectively impact 1 million youth through employability programs by 2030.

Youth

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, Youth Career Initiative and The Ritz-Carlton's Succeed Through Service program.

DECA is our oldest partnership, at more than 35 years. Through The Ritz-Carlton's signature program, Succeed Through Service, more than 10,500 students have benefited in 2017 from the hands-on youth engagement curriculum.

We also support targeted efforts such as the World Central Kitchen Culinary School in Port-au-Prince, Haiti, which was established after the 2010 earth-quake to help uplift the local community, and we continue to mentor and hire youth from the program. About 10–12 culinary interns are hosted annually, and two of the graduates are currently working in the hotel.

In 2017, we also pledged to provide a total of \$250,000 over the next five years to the American Hotel & Lodging Association educational foundation's opening doors to opportunity campaign to support academic scholarships, professional development and research programs in the travel, and tourism industry.

Right: Hospitality & Tourism teachers on a back-of-house hotel tour at the Marriott Foundation's CHEI Teaching Conference in China.

Asia Pacific

In Asia, we are collaborating with universities and other institutions and support a number of programs that prepare disadvantaged youth for jobs in our industry, including EGBOK in Cambodia, the Youth Career Initiative in India, Vietnam and Indonesia, and Mahindra Pride in India. Our YCI program is particularly strong in India, with 34 of our properties supporting the program in 2017.

Starting in 2017, the region supported Asian University for Women (AUW) in Bangladesh through mentoring, internships and scholarships, with 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 have increased our goal to create 40,000 career opportunities for young people to reflect our growing footprint on the continent. We work with organizations such as the Youth Career Initiative in Hungary, SOS Children's Villages across much of the European continent and The Prince's Trust across the U.K. to deliver programs that help young people from challenging backgrounds reach their full potential. Programs delivered vary but include employment skills training and vocational opportunities.

At the end of 2017, we had progressed to 43% of our increased goal. In addition, Marriott hotels across the continent supported the initiative with nearly \$900,000 in cash and in-kind donations and more than 6,000 volunteer hours in 2017 alone.

Middle East & Africa

We are focusing on large-scale initiatives in the Middle East — such as Tahseen, Plan International and INJAZ (Al-Arab) — aimed at driving increased interest into the hospitality industry in the region. Tahseen, a 12–18 month leadership development program, is a newly launched program where we plan to expand our reach based on initial success in Saudi Arabia.

Plan International has also had significant success in Egypt, and INJAZ (Al-Arab) is a long-term partner of Marriott's with continued success in the Middle East

We also support several targeted efforts in Africa, including the Youth Career Initiative in Ethiopia, and the Akilah Institute for Women in Rwanda.

Our South Africa hotels have a history of engaging in a number of programs that prepare youth, including disadvantaged youth, for jobs in the hospitality industry. Two of the most robust include the "Accelerate" program that recruits high schools students for a five-year training program focusing on either hospitality management or culinary skills, with 165 students engaged in the program in 2017. The "Bursary," or scholarship program, also focuses on providing opportunity to disadvantaged youth and supported 40 students in 2017. The majority of the students in both programs go on to work in our hotels.

In 2017, the Marriott
Foundation's China Hospitality
Education Initiative was named
winner of the World Travel &
Tourism Council's Tourism for
Tomorrow People Award.



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.

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











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, still supported by the Marriott Foundation.

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 around a thousand 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. Creating and supporting mutually beneficial competitive employment relationships, the program creates opportunities for employment for youth while driving bottom-line results for business.

Marriott International has supported Bridges from School to Work for nearly 30 years. In 2017, Marriott hired **31** Bridges students.

Left: A graduate of Bridges from School to Work, Tim Acton is now the Lead Banquet Server at Bethesda North Marriott Hotel & Conference Center in Bethesda, Maryland.

Veterans

When it comes to taking care of our communities, we have a "spirit to serve." Our veterans truly know what that means. We help support our U.S. military veterans by providing access to meaningful careers, championing, and purchasing from veteran-owned small businesses and providing cash, in-kind 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. As such, we actively work to recruit United States military veterans. In 2017, we hired 1,126 veterans — exceeding our goal to hire at least 1,000 veterans annually.

To support our veteran hiring goals and objectives, we revamped our veterans career site in 2017 to highlight why Marriott is a great company for veterans. The website includes a video as well as testimonials from associates who are veterans about their career journey at Marriott.

Partnering with Veteran-Owned Businesses

In 2017, Marriott spent approximately \$31 million with veteran and service-disabled veteran-owned businesses. These businesses help to support a wide range of needs for our global supply chain. For example, Gourmet Table Skirts & Linens has been one of Marriott's veteran-owned suppliers for many years. The company provides quality, custom fit and designed napkins, tablecloths, table skirts, and chair covers that are cut and sewn in the United States and come with a two-year workmanship guarantee.

In 2017, Marriott spent approximately **\$31 million** with veteran and service-disabled veteran-owned businesses.

Supporting Leading Veteran and Military Organizations

We work with organizations, including VetFran, to promote working with veteran-owned businesses to source products for our hotels and engage veterans in hotel ownership opportunities. In 2018 and 2019, VetFran, the Small Business Administration, and Marriott Supplier Diversity will partner to host Veteran Business events to provide small veteran-owned businesses with key insights on topics such as doing business with large companies, and obtaining financing. Hotels around the United States also provide ongoing in-kind support to and volunteer for veteran organizations, such as the USO and Fisher House Foundation. We also partner with guests to support leading veteran and military organizations. The Fisher House Foundation's Hotels for Heroes program is a featured nonprofit through our global loyalty points donation program. Guests can donate their loyalty points to support Fisher House Foundation's mission



of providing housing for families of wounded, injured and ill military service members and veterans who are undergoing treatment.

In 2017, we hired **1,126** veterans — exceeding our goal to hire at least 1,000 veterans annually.

Above: Marriott International aims to increase and deepen programs and partnerships that develop hospitality skills and opportunity among our veterans.

Refugees

We aim to help those most vulnerable among us. By providing skills development and training for jobs in our industry, we help empower 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 works worldwide to settle refugees and provide aid, including economic support, education and skills training, to help refugees recover and thrive. Marriott works with the International Rescue Committee in about 10 cities across the United States.

Hospitality Link Pilot Programs

In 2017, Marriott continued to support IRC's Hospitality Link program in Dallas and San Diego to provide skills development training to refugees, while introducing them to careers in the hospitality industry, as well as providing life skills and English language classes. In 2017, Hospitality Link's Dallas and San Diego programs served 135 refugees. Of the participants, 78 received job placements and 20 received promotions or job upgrades, the majority of which were in the hospitality sector. Forty-four percent of the participants were women representing 14 countries.

Marriott has hired more than **100** IRC refugee clients making Marriott one of the organization's Top 10 employers in the United States.

One example of an International Rescue Committee client finding their way to a hospitality career through the Hospitality Link program is a professional runner who escaped to Kenya as a refugee. After recently resettling into the United States, he enrolled in the Hospitality Link Program in Dallas. The International Rescue Committee's staff and young professional group helped him to register for a local half marathon where he placed second in his division, helping him to follow his passion while gaining valuable career and life skills. He was recently hired as a Steward at The Adolphus, An Autograph Collection hotel. This is one of the many examples of how the hospitality industry can offer life-changing opportunities to refugees.

Recruiting, Training and Hiring Refugees in Europe

In 2017, the Copenhagen Marriott Hotel successfully trained 40 refugees and social security beneficiaries through a three-month recruitment project in collaboration with the Department of Integration at Roskilde Municipality. The participants were provided intensive job training, including courses in cleaning, guest services and language. Upon completion of the training, participants were re-assessed and, based on results, offered either employment, wage subsidy for three months, or an internship.



In 2017, 135 refugees trained in partnership with the International Rescue Committee. Forty-four percent of the participants were women representing 14 countries.

Above: International Rescue Committee Hospitality Link class at The Adolphus, An Autograph Collection, in Dallas, TX.



Human Rights

As a leader in the travel and tourism industry, Marriott 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. Through nonprofit partnerships, creating and implementing training, advocacy, and supplier accountability, we are committed to uphold and respect human rights.

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 on 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 before 2025.

Marriott's comprehensive training addressing human trafficking, child exploitation and forced labor is available in 15 languages. The purpose of the training, "Your Role in Preventing Human Trafficking: Know the Signs," 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.

In 2017, we made human trafficking awareness training a requirement for all on-property associates across both managed and franchised properties and trained associates on human trafficking awareness. 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 2017, over 10,000 associates globally completed the procurement training.

Through Marriott's public-private partnership with the state of Connecticut, nearly 500 people were also provided complimentary human trafficking awareness training through the Quinnipiac Law School.

2017 Performance

243,000 associates trained on human trafficking awareness.

Policies, Principles, and Oversight

Marriott actively aims to protect human rights within the company's sphere of influence and to conduct our 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 Principles, Marriott Supplier Sustainability Assessment Program, Quality Audit Property Certification Survey and ongoing risk management processes.

Within the first three months of mandating human trafficking awareness training for associates, two reported cases of human trafficking were brought to hotel management's attention and led directly to the rescuing of victims.

Human Rights



Serve 360 Goal: Human Rights Criteria in Recruitment

Marriott recognizes that some individuals may try to exploit or fraudulently recruit potential employees on behalf of our company. 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.

In an effort to raise awareness of and prevent recruitment scams, we have developed guidance for job seekers and a <u>list</u> 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 <u>public warning statement</u> of the dangers of recruitment scams. In 2017, we also updated our Human Rights Policy to reaffirm our "no fees" recruitment policy.

Serve 360 Goal: Industry Collaboration on Construction Phase Risks

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

Through our participation in the International Tourism Partnership'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 partnered with the International Tourism Partnership to develop and launch new industry human rights goals, which include addressing risks during development and construction phases. Our collective industry goals also address human rights risks pertaining to supply chain and procurement, recruitment and the potential use of hotels as venues for human trafficking.

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 is available to 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 non-U.S. properties managed by Marriott. 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 all officers and senior leaders.

In 2017, we added new criteria to our internal brand standard survey to ensure compliance with the new human trafficking awareness training requirement. These audits are conducted on a biannual basis to ensure that our properties are meeting specific requirements.

"At Marriott International, we are training all of our associates on how to identify the indicators of human trafficking and partnering with ECPAT-USA and the broader industry to stop this crime from landing at our front doors and in our communities."

David Rodriguez, Executive Vice President and Global Chief Human Resources Officer

Human Rights

We Know That We Can't Go At 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.

Below: Marriott International supports screening of human trafficking film, "SOLD," in Los Angeles, California in partnership with ECPAT-USA.



Key Partners in the Fight Against Human Trafficking

American Hotel & Lodging Association

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

In 2017, we added ECPAT and Polaris as strategic partners to our global loyalty points donation program to educate our customers on modern day slavery.

ECPAT-USA and Polaris

Marriott has collaborated with End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes (ECPAT-USA) and Polaris to co-develop the content of our comprehensive human trafficking awareness training.

International Tourism Partnership

Marriott is a founding member of the International Tourism Partnership (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 <u>Industry Position Statement on Human Trafficking</u>, 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.

Youth Career Initiative

For over 20 years, Marriott has partnered with the Youth Career Initiative (YCI), a three-six month education and life-enhancing program for young people at risk, at our hotels in nine countries and territories within Asia, Latin America, the Middle East, 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 1,100 of those graduates were trained at Marriott hotels, including students who are survivors of human trafficking.

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 truly understand, respect and welcome all. Through partnerships, training, and education, we work to elevate travel as a catalyst for peace and cultural understanding — ensuring our hotels are a place of inclusion and comfort for all people.

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







Inclusive Guest Experiences

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 our hotels' sales teams and staff to grow cultural competence and deliver tailored, inclusive experiences for the diverse populations of guests that we serve. From having bilingual staff help plan quinceañeras to hosting traditional Indian weddings, we customize our services and welcome all 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. Last year, we invested in <u>Marriott Moments</u>, which will let our guests choose from more than 100,000 local experiences in 800 destinations worldwide.

At our hotels, we also strive to increasingly infuse the uniqueness of local cultures into the guest experience. For example, at the Renaissance Bali Uluwatu Resort & Spa in Indonesia, guests are offered a Balinese coffee break

that allows them to experience local authentic Balinese food and Kintamani local coffee. We also feature sunrise yoga at the Beach Club taught by a local Yoga Master and use local Balinese chocolate that the guests help make during their morning break to gain an understanding of how the local chocolate is processed and formed.

Enhancing the Guest Experience for Travelers with Disabilities

Marriott continues to support and collaborate with Disability:IN to ensure business inclusion for people with disabilities, including holding focus groups in our test rooms for travelers with disabilities. In 2017, we hosted our second Travelers with Disabilities headquarters tour and focus group in collaboration with Disability:IN. This event enables us to listen, learn and understand the travel needs of our guests with disabilities. In 2017, Marriott's Talent Network Teams also assembled a dedicated business challenge team focused on creating a better guest experience for people with disabilities.

Above: Marriott associates celebrate Pride month in London, United Kingdom.



#LoveTravels

#LoveTravels represents Marriott's celebration and support of inclusion, equality, peace, and human rights. It is a direct reflection of our longstanding commitment to diversity and inclusion, and highlights our belief that travel is a catalyst for peace and inclusiveness. We believe that love is a universal language understood by all, and when it travels, it has the power to bridge cultures and inspire discovery around the world – connecting people, place and purpose. Through our #LoveTravels social media campaign and Love Travels with Me microsite, we highlight stories among LGBTQ travelers around the world.

In 2017, we invited guests to create art for our #LoveTravels mosaic, which was displayed in Washington, D.C.'s historical Freedom Plaza. For each creation received, Marriott partnered with Casa Ruby and True Colors to donate to and support LGBTQ homeless youth in Washington, D.C.

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. To meet this goal, we've begun to engage with internal and external stakeholders — including governmental and nongovernmental organizations — to explore opportunities.

Marriott's Cultural Competence Program

Marriott's Cultural Competence program continues to grow every year. In 2017, the program reached approximately 20,000 associates and customers, delivering more than 80 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.

Our 2017 culture sessions, forums and webinars focused on many markets — including Brazil, China, the Middle East, India, Japan, Russia and South Korea — and cultures — including Jewish, Latino, LGBTQ, and Muslim travelers.

Making Chinese Guests Feel at Home

Marriott Rewards launched "Li Yu," a tailored hospitality program for Chinese travelers that offers a unique suite of Chinese-language services to make the travel experience more seamless and convenient. Through the Li Yu program, Marriott Rewards members can connect with a concierge

service assistant via WeChat at any stage of their travels. Whether they need local travel information prior to the trip, have a question about their upcoming reservations, want to request in-room amenities when they are at the hotel, or even share feedback after returning from their vacations, guests can do it the way they prefer and in the way that's most convenient for them — in Chinese and straight from their mobile device.

Expanding Our Capabilities to Integrate Indian Culture into their Guest Experience

From vegetarian options to planning traditional Indian weddings, we strive to support and promote the culture of our Indian guests around the world. Our hotels collaborate with the Multicultural Affairs team to develop customized amenities and welcome materials, as well as marketing materials, for our Indian guests. In Boston, one of our hotels celebrated Diwali by sending a gift of sweets to many Indian guests during that time and hosting a group dinner catered by a local Indian restaurant. The hotel also partners with a local Indian grocery store to provide guests with familiar, traditional Indian treats.

Providing a Home for the Holidays

In 2017, the New York Marriott Marquis had the opportunity to host a large gathering of Jewish students from around the world for their celebration of Rosh Hashanah. Students of the Kabbalah tradition traveled to the New York Marriott Marquis from near and far to celebrate together. As many Kabbalah students observe the holiday without using electricity, our Front Office, Bell Stand and Housekeeping teams worked diligently to check guests into their rooms before sundown. Engineering turned off all automated sinks and toilets in the public space. The hotel's Banquets team also partnered with a local kosher caterer to service 2 1/2 days of breakfast, lunch and dinner, taking care to provide kosher utensils for all 1,900 guests.

We also actively cater to our Muslim guests by providing Halal food and making special accommodations of mealtimes during Ramadan. For group travelers, we have customized our menus to provide familiar specialties, which include kebabs, kefta, and cardamom cakes. In addition, on request some of our hotels offer prayer mats and gibla compasses.



Right: Through partnerships, training, and education, Marriott works to build cultural competence through travel.

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 value has helped us to transform Marriott into the world's leader in hospitality.

Innovation has always been part of the Marriott story. We're driven to continually challenge the status quo and anticipate our guests and customers' changing needs with new brands, new global locations and new guest experiences. Marriott's Serve 360 platform is central to how we plan to challenge ourselves to create shared value across the globe, and our four Serve 360 coordinates will guide us on this journey.

As our founder, J. Willard Marriott, Sr. always said, our success is ultimately due to the talent and efforts of the people who wear a Marriott name badge worldwide, and who, everyday, work to delight our guests. With more than 700,000 managed and franchised associates, that's a lot of people ready to make a positive impact on our business, our communities and our planet. Together, we can deliver on our promise 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.

- f Facebook
- O

Instagram

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<u>Twitter</u>

in





Heart of the House

Chairman Bill Marriott's Blog

CEO Arne Sorenson's Blog

Serve 360 Coordinates

2018-2020 Priorities



Nurture Our World

- Launch awareness campaign to engage franchised hotels in community service
- Develop new skills-based volunteering toolkit
- Develop strategy for increased investments in natural capital projects
- Track regional impacts using quarterly scorecards



Sustain Responsible Operations

- Evaluate and deploy large-scale renewable energy investments
- Partner with owners and developers on LEED* (or equivalent) certifications and adaptive reuse projects
- Prioritize water strategy efforts and measurement based on findings of portfolio-wide risk assessment
- Advance partnerships to cut food waste in half
- Create larger markets for responsibly sourced animal proteins around the world



Empower Through Opportunity

- Achieve gender representation parity in global company leadership
- Deepen our impact to support youth, diverse population, women, people with disabilities, veterans, and refugees
- Implement industry-leading paid Parental Leave policy in the U.S.



Welcome All and Advance Human Rights

- Further deploy human rights training to reach all global associates
- Explore creative ways to leverage our business to prevent human trafficking and support survivors
- Engage with our industry to help eradicate human trafficking and sexual exploitation from travel and tourism
- Increase reach of Marriott's cultural competency programs
- Further explore opportunities to leverage travel as a catalyst for peace



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	ocation		Additional References
102-1	Name of the organization	Marriott International, Inc. ("	Marriott International, Inc. ("Marriott")		
102-2	Activities, brands, products and services Marriott is a worldwide operator, franchisor, and licensor of hotels and timeshare properties under numerous brand names at different price and service points. Consistent with our focus on management, franchising, and licensing, we own very few of our lodging properties. We also operate, market, and develop residential properties and provide services to home/condominium owner associations. We offer two overall styles of hotels — Classic and Distinctive — each of which we group into three quality tiers: Luxury, Premium, and Select:		sing, we own very few of our ential properties and provide services	2017 Annual Report and 10-K Filing ("Corporate Structure and Business," p. 3 of 10-K, "Brand Portfolio," pp. 5-6 of 10-K)	
		Luxury Hotel Brands JW Marriott The Ritz-Carlton W Hotels The Luxury Collection St. Regis EDITION Bulgari	Premium Hotel Brands Marriott Hotels Sheraton Westin Renaissance Le Méridien Autograph Collection Delta Hotels Gaylord Hotels Marriott Executive Apartments Marriott Vacation Club Tribute Portfolio Design Hotels	Select Hotel Brands Courtyard Residence Inn Fairfield by Marriott SpringHill Suites Four Points TownePlace Suites Aloft AC Hotels by Marriott Protea Hotels Element Moxy	
102-3	Location of headquarters	Our corporate headquarter	s is located in Bethesda, Maryland in	the United States.	Corporate Overview
102-4	Location of operations	At year-end 2017, Marriott o	perated or franchised hotels and reso	orts in 127 countries and territories.	2017 Annual Report and 10-K Filing ("Letter to Shareholders") Corporate Overview

Organizational Profile continued

Number	Description	Response and/or Report Location	Additional References
102-5	Ownership and legal form	Marriott is a publicly traded corporation. Founded by J. Willard and Alice Marriott and guided by Marriott family leadership for 90 years, we were organized as a corporation in Delaware in 1997 and became a public company in 1998.	2017 Annual Report and 10-K Filing ("Corporate Structure and Business", p. 2 of 10-K)
		we were organized as a corporation in Delaware in 1997 and became a public company in 1996.	Corporate Overview
102-6	Markets served	We serve global consumers in the luxury, premium, and select hotel markets across the world.	2017 Annual Report and 10-K Filing ("Business and Overview," p. 24 of 10-K)
		We group our operations into business segments: North American Full-Service, North American Limited-Service, Asia Pacific, Other and International.	Corporate Overview
		The United States is our largest market. With the acquisition of Starwood Hotels and Resorts, the hotels we operate or franchise outside of the United States represented more than 36% of the rooms in our system at year-end 2017.	
102-7	Scale of the organization	As of year-end 2017, Marriott operates, franchises, or licenses 6,520 properties worldwide with 1,257,666 rooms.	2017 Annual Report and 10-K Filing ("Brand Portfolio", "Employee Relations"
		At year-end 2017, we earned \$22.9 billion in revenue, and employed over 176,000 associates globally. In addition, we also manage over 239,000 associates, primarily at non-U.S. locations who are employed	and "Selected Financial Data", pp. 8, 10, 23, and 26 of 10-K)
		by hotel owners.	Investor Fact Book
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.	2017 Annual Report and 10-K Filing ("Employee Relations", pp. 10 of 10-K)
102-9	Supply chain	Globally, our hotels procure from thousands of suppliers. Some are centrally contracted by our supply chain organizations, most are locally used directly by the hotels. Key procurement categories include furniture, fixtures and equipment; operating supplies and equipment; food and beverage; hotel amenities; and corporate services.	Supplier Conduct Principles
	In 2017, our contract	In 2017, our contracted supply chain and hotel spend was more than \$10 billion.	
102-10	Significant changes to the organization and its	Our 2017 boundary reflects Marriott's acquisition of Starwood, which closed with the Federal Trade Commission on September 23, 2016, prior to market opening.	2017 Annual Report and 10-K Filing ("Acquisition of Starwood Hotels &
	supply chain	Marriott's acquisition of Starwood increased the size of our supply chain but not its primary components.	Resorts Worldwide", p. 3 of 10-K) Starwood Acquisition and
	ріппату сотпропельз.		Historical Information



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 comprised of Marriott Rewards, The Ritz-Carlton Rewards and SPG properties.	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 26-39.	
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 set 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.	Human Rights Policy Statement International Tourism Partnership — Industry Position Statement on Human Rights
		Marriott also supports the <u>United Nations Sustainable Development Goals</u> , and has listed relevant goals alongside our sustainability and social impact coordinates on our <u>Serve 360 website</u> .	
102-13	Membership of associations	Our company and our executives continually engage with allied trade associations and 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	CDP Climate Change Response (Question CC12)
		(WTTC), the International Tourism Partnership, 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 & 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 "Overhead @ Marriott" LinkedIn blog. Additionally, Mr. Sorenson provides a statement each year in our Annual Report.	2017 Annual Report and 10-K Filing ("Letter to Shareholders") 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 preservati partnership with the Amazonas Sustainable Foundation and Amazonas Government, based in Brazil. Mr. Sorenson also chairs Marriott's Global Diversity and Inclusion Council.	the Serve 360 Executive Leadership Council), and in 2008 he launched Marriott's rainforest preservation partnership with the Amazonas Sustainable Foundation and Amazonas Government, based in Brazil.	Anne sorenson's blog
102-15	Key impacts, risks, and	Marriott actively manages and measures key impacts from our programs to address business ethics;	Serve 360 Microsite
	management; sustainable buildings & operations; natural capital & resource use; community enga	women's empowerment; workforce development; carbon/energy & water use; waste & food waste management; sustainable buildings & operations; natural capital & resource use; community engagement and workforce readiness, especially for disadvantaged youth.	2025 Sustainability and Social Impact Goals
		We provide details on specific economic, environmental and social risks in our annual 10-K filings, CDP Climate Change responses and CDP Water responses.	2017 Annual Report and 10-K Filing ("Risk Factors", pp. 10-19 of 10-K)
		To further act upon our key sustainability and social impact risks and opportunities, Marriott developed	CDP Climate Change Response
		2025 Sustainability and Social Impact Goals, which support the following company priority areas, or coordinates: Nurture Our World, Sustain Responsible Operations, Empower Through Opportunity and Welcome All and Advance Human Rights.	CDP Water Response

Ethics & 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:	These values power our purpose and provide	Core Values & Heritage Business Conduct Guide
		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 for providing outstanding service and	Embrace Change We are committed to innovate and remain relevant to meet the evolving needs of our customers and our business. Act with Integrity We are proud of our reputation for honesty and fairness.	Principles of Responsible Business Our Commitment to Human Rights
		customer experiences. Serve C Our purpose and global reach o	Dur World give 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 compan business dealings.		
		We also define our principles, standards and norms of Principles of Responsible Business. We make our assembliance programs and related training programs, including our Principles of Responsible Business on and supplier conduct as well as our Human Rights Counter the company's Business Conduct Guide, in 15 languate pocket companion to the Guide is distributed in 30 languates are required to adhere to the standards so	ociates aware of the company's ethical policies, We publish details of these policies on our website plobal employment, human rights, environment mmitment and Policy Statement. We distribute ges, to all managers worldwide and an abridged nguages to all nonmanagerial associates. All	
		Our internal audit department conducts an annual Le and senior leaders. Marriott's General Counsel and G executive responsibility for our Business Conduct Gu	lobal Compliance Counsel provide oversight and	
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 associat	prity Line. De report potential Business Conduct Guide	Business Conduct Guide Business Ethics Reporting Page

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,	Board of Directors
		Executive Committee, Finance Committee, Nominating and Corporate Governance Committee and the Committee for Excellence.	Committee Membership
		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.	Committee Charters
		The numerous and important councils that govern our Serve 360 platform are described on page 8 in the "Management and Governance" section of this Report.	
102-23	Chair of the highest governance body	J.W. Marriott, Jr. is Executive Chairman and Chairman of the Board. Mr. Marriott is not currently an executive officer. 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	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	Governance Principles
	governance body	membership such as background experience, technical skills, affiliations and personal characteristics are considered.	Nominating and Corporate Governance Committee Charter
		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.	
102-28	Evaluating the highest governance body's performance	The Board and each of its committees perform an annual self-evaluation. Each November, 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 Statements.	2018 Annual Proxy Statement, pp. 33-60
			Executive & Director Compensation

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
		This 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 2017, we had approximately 177,000 employees, approximately 23,000 of whom were represented by labor unions.	2017 Annual Report and 10-K Filing ("Employee Relations", p. 10 of 10-K)
			Principles of Responsible Business
102-42	ldentifying 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, understand evolving expectations and view-points, and create opportunities to address substantive issues through partnerships and collaboration.	Serve 360 Microsite
		As such, Marriott actively:	
		 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. 	
		 Collaborates with stakeholders to understand their priorities through global forums and industry associations in order to develop policies that address some of their most critical social and environmental concerns. 	
		 Educates and communicates with key influencers to ensure they understand our business and create an environment conducive to travel growth. 	
		Our executives also continually 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.	
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.	Serve 360 Microsite
		To develop our 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 to inform our GRI disclosures as well as how we plan to execute on our 2025 Sustainability and Social Impact Goals.	



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 10-K filing.	2017 Annual Report and 10-K Filing ("Notes to Financial Statements", 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.	2018 Serve 360 Report (Management Approach Disclosures and Indicators), pp. 67-86
		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.	
102-47	List of material topics	In this Report, we provide management approach disclosures for the following topics:	2018 Serve 360 Report (Management
		Economic: Economic Performance, Indirect Economic Impacts and Anti-Corruption	Approach Disclosures and Indicators), pp. 67-86
		 Environmental: Energy, Water, Biodiversity, Emissions, Effluents & Waste and Supply Chain Environment Assessment 	<u>pp. 07 00</u>
		 Social: Employment, Occupational Health & Safety, Training & Education, Diversity & Equal Opportunity, Human Rights Assessment, Local Communities, Supply Chain Social Assessment, Customer Health & Safety and Data Privacy 	
		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	Unless otherwise noted, there are no known, significant restatements of information on 2017 performance.	Goals and Performance
102-49	Changes in reporting	Our reporting boundary has expanded to reflect our acquisition of Starwood, and subsequent inclusion of SPG hotels.	Goals and Performance
102-50	Reporting period	Unless otherwise noted, our reporting period is calendar year 2017.	Goals and Performance
102-51	Date of most recent report	In 2017, we published our most recent Sustainability and Social Impact Report.	Goals and Performance

Reporting Practices & Materiality continued

Number	Description	Response and/or Report Location	Additional References
102-52	Reporting cycle	We provide economic, environmental and social performance data on an annual basis. Please note that we now publish GRI reports every year.	
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 performance data during the reporting period.	CDP Climate Change Response 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	Topic	Management Approach Disclosure	Additional References
201 Economic Performance	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 management teams, dedicated associates, superior guest service with an emphasis on guest and associate satisfaction, significant distribution, our loyalty programs, multichannel reservation systems and desirable property amenities. We strive to effectively leverage our size and broad distribution. We, 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 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 of our associated mobile smartphone applications, through functionality and service improvements.	2017 Annual Report and 10-K Filing ("Business and Overview," p. 24 of 10-K) Serve 360 Microsite 2025 Sustainability and Social Impact Goals CDP Climate Change Response CDP Water Response
	the properties that we manage, and we earn franchise fee der franchise agreements with Marriott. Our emphasis on ing tends to provide more stable earnings in periods of e system generates growth, typically with little or no investr substantial growth while minimizing financial leverage and	Business Model: 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.	
		Productivity: 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 will 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 Marriott Rewards, The Ritz-Carlton Rewards, and SPG hotels 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 and Tourism Council, the International Tourism Partnership, American Hotel & Lodging Association, U.S. Chamber of Commerce, U.S. Council for International Business and Global Business Travel Association — 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.	2025 Sustainability and Social Impact Goals
		Our 2017 management approach disclosures can be found in the "Nurture Our World," "Empower Through Opportunity," and "Cultural Understanding" sections of this Report, on pages 19-24, 40-50 and 55-56, respectively.	Nurture Our World Empower Through Opportunity
			Creating an Inclusive Environment
			Global Diversity & Inclusion
			Welcome All and Advance Human Rights ("Cultural Understanding")

Economic continued

Number	Topic	Management Approach Disclosure	Additional References
205	Anti-Corruption	Boundary and Importance: 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 boundary of this topic applies to all brands and business activities across our global operations in 127 countries and territories.	Business Conduct Guide 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.	
	an int Tra ho de th Ma siz 20 tio to to tu as ne	We train our associates on the company's relevant policies, including ethics, supplier conduct and anti-corruption laws. 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.	
		Training: 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 training, in small group sessions with an average class size of 17–19 managers.	
		2017–2018 Focus Areas: In 2017, our primary focus was managing the successful transition and integration of Starwood compliance operations into Marriott's compliance program. In 2018, we have continued 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 and operating 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 Environment Assessment.

Environmental

Number	Topic	Management Approach Disclosure	Additional References
302	Energy	Marriott's 2017 management approach disclosures can be found in the "Energy and Emissions" section of this Report, on pages 29-30.	Environmental Principles
			2025 Sustainability and Social Impact Goals
			Sustain Responsible Operations
			CDP Climate Change Response
303	Water	Marriott's 2017 management approach disclosures can be found in the "Water" section of this Report, on pages 31-32.	Environmental Principles
			2025 Sustainability and Social Impact Goals
			Sustain Responsible Operations
			CDP Water Response
304	Biodiversity	Marriott's 2017 management approach disclosures can be found in the "Natural Capital" section of this Report, on pages 24-25.	Environmental Principles
		Natural Capital Section of this Report, on pages 24-25.	Nurture Our World ("Natural Capital Investments")
			Amazonas Sustainable Foundation
			IUCN and Marriott Partnership
			CDP Forest Response

Environmental continued

Number	Topic	Management Approach Disclosure	Additional References	
305	Emissions	Marriott's 2017 management approach disclosures can be found in the	Environmental Principles	
	"Energy and Emissions" section of this Report, on pages 29-30.	2025 Sustainability and Social Impact Goals		
			Sustain Responsible Operations	
			CDP Climate Change Response	
306	Effluents & Waste Marriott's 2017 management approach disclosures can be found in the "Waste" section of this Report, on pages 33-35.		and in the <u>Environmental Principles</u>	
		2025 Sustainability and Social Impact Goals		
			Sustain Responsible Operations	
308	Supplier Environmental	Marriott's 2017 management approach disclosures can be found in the	Environmental Principles	
	Assessment	"Responsible Sourcing" section of this Report, on pages 36-39.	2025 Sustainability and Social Impact Goals	
			Sustain Responsible Operations	
			Marriott Sustainability Assessment Program	

Management Approach Disclosures: Social

Marriott's 2025 Sustainability and Social Impact Goals are driving our efforts to inspire our guests and associates, invest in communities and support 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 & Equal Opportunity, Human Rights Assessment, Local Communities, Supplier Social Assessment, Public Policy, Customer Health & Safety and Data Privacy.

Social

Number	Topic	Management Approach Disclosure	Additional References
401	Employment	Strategy and Objectives: At Marriott, we are focused on being an employer of choice and providing a world of opportunity to our associates.	Global Employment Principles
		Policies and Procedures: Fair policies and procedures, including our Global Employment Principles,	Awards and Recognition
		are in place to protect our associates' rights, promote safe and respectful working conditions, and promote positive relationships between labor and management.	Awards of Excellence
		Benefits That Support Families: In 2017, we continued to enhance our portfolio benefits and initiatives that support all families. Effective January 1, 2019, Marriott will offer industry-leading paid Parental Leave in the U.S. that includes eight fully paid weeks for all birth and adoptive moms and dads (associates who are full-time and part-time who work a minimum number of hours); birth moms will continue to receive an additional seven weeks of partial pay, for a total of 15 weeks of benefits. We will also increase the financial assistance to help with adoption fees to \$12,000.	<u>Careers</u>
			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 child care, child and elder care discounts, and flexible staffing for professional career breaks.	
		Engagement Surveys: Associates globally in all managed hotels, contact centers, and corporate offices participated in the 2017 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. The Associate Engagement Survey is also used to assess our sustainability programs. From the 2017 Associate Engagement Survey, results indicated that 85% of associates are aware of and support 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	e		Additional References	
401	Employment continued	launched a groundbreaking resour associates who might not be well s continue to offer myARL, "my Assist families 24/7 access to consultation associates accessed myARL more critical in 2017, and associates impa	Long-standing, Robust Employee Assistance and Work/Life Resources: Nearly 30 years ago, Marriott launched a groundbreaking resource and referral service to meet the specific needs of hourly associates who might not be well served by a traditional employee assistance program. Today, we continue to offer myARL, "my Assistance and Resources for Life," providing all associates and their families 24/7 access to consultations, resources and referrals for virtually any work or life need. Marriott associates accessed myARL more than 43,000 times in 2017, an all-time high. Support was especially critical in 2017, and associates impacted by natural disasters in Texas, Florida, Puerto Rico, U.S. Virgin Islands and California were also provided on-site counseling support.			
		through our TakeCare Culture. Take and relevant today and in the future	TakeCare Culture: We engage and support managed hotels, contact center and corporate associates through our TakeCare Culture. TakeCare ensures that Marriott's people-first culture is vibrant, personal and relevant today and in the future. It improves both associates' wellbeing and business performance. TakeCare encompasses three distinct pillars that are simple yet unique, drawing connections for associates around the world:			
		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		
03	Occupational Health & Safety	In addition to providing a safe envir healthy workforce leads to a health "Be Safe" and "TakeCare" culture.			Safety & Security Heart of the House	
		("TakeCare")				
		Our Global Safety and Security team provides training, policy enforcement and technical expertise in safety and security management to help minimize harm and losses to our associates at managed properties. Our staff is trained to assess and respond appropriately to potential threatening situations and our hotels work closely with local, state, federal and international authorities.				
		Training and Awareness to Prevent we have introduced safety training tion programs. In 2018, we are introfocused on various aspects of hote introduced to our hotels to provide in 2017. In 2018, we plan to introduce secure property environment.	for all U.S. associates, as well as ob ducing the Be Safe learning series I safety programs. For global associ safety and security topics to utilize	oservation, reporting and recogni- consisting of quarterly webinars iates, training calendars were during daily stand-up-meetings		

Number	Topic	Management Approach Disclosure	•			
403	Occupational Health & Safety continued	Services program, which employs a ates in the United States. Our team	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 assates in the United States. Our team of nurses provides on-site care at properties and telephonic care associates. They also assist with case management.			
		Life and Health Coaching: Marriott medical plan participants have access to free personalized coaching by phone. Additionally, more than 50 properties across the U.S. and corporate headq have on-site health coaches who offer in-person counseling to help associates stay on track wiphysical and emotional wellbeing.				
		Many of Marriott's largest hotels and medical plan offered in the area. Th sessions and sponsor group health nurses for condition and disease m on-site health coach. During 2018, t	ns, on-site health education nect associates with health plan associates have access to an			
		TakeCare: In 2010, we created Take strategy. Today, TakeCare has evolumore. Programs and resources are communities where we live and wo wellbeing to relationship building an	ved from its roots designed for the rk. Opportunities	in physical wellne individual and the range from physi	ess to become that and so much eir families, teams and also the ical, emotional, career and financial	
		2017 Certified	TakeCare Health	y Hotels Practice	es* and Results	
		Property Support 100% of properties have at least one TakeCare Champion per 250 associates Balance At Work 99% of properties provide a lounge or brea area for associates		roperties nge or break	Stress Management or Sleep 79% of properties offer group meditation, relaxation, sleep or stress management sessions at least quarterly	
				Physical Activity erties include group stretches or varm-ups in stand-up meetings		

^{*} In 2017, our Healthy Hotel Certification was expanded globally to include all managed hotels across all legacy SPG brands.

Globally, 1,600 locations applied for certification, representing approximately 85% of managed hotels. Of those applying, 1,236 (67% of all managed hotels) achieved a Healthy Hotel Certification, which we offer at the Silver, Gold and Platinum levels.

Additional References

Number	Topic	Management Approach Disclosure	Additional References
403	Occupational Health & Safety continued	The Role of our TakeCare Champions: The reach of TakeCare is magnified by the grassroots efforts of nearly 4,000 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 leading Serve 360 projects (as part of the integration of Serve 360 Champion responsibilities into the TakeCare Champion role at managed properties). 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.	
		Healthy Hotel Certification: Healthy Hotel Certification is an annual award that recognizes hotels and above-property locations for creating an environment that supports wellbeing. In 2017, Healthy Hotel Certification was expanded globally to include all managed hotels across all former SPG brands, in addition to the rest of our company's managed hotels and above-property locations.	
		2017 TakeCare Milestones: In 2017, we launched Happiness Hub, a global, interactive digital platform for TakeCare Champions. The Happiness Hub provides a virtual community for nearly 4,000 Champions around the world. We also expanded TakeCare at Corporate Headquarters by adding a bicycle desk, offering an on-site health coach, hosting our annual 5K run and a variety of wellbeing seminars, and promoting grassroots activation within departments and among executive leadership. Additionally, we held a Global Steps Challenge during which over 20,000 associates participated and worked together to take over 6 billion steps.	
		In 2017, the TakeCare team also launched the "Ultimate Teambuilding Guide" that includes low- and no- cost activities to encourage positive teamwork and promote culture.	
.04	Training & 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.	Global Employment Principles Awards and Recognition Awards of Excellence
		Strategies and Programs: 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.	<u>Careers</u> Heart of the House
		Our Build a Learning Plan platform personalizes and simplifies the identification and 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.	rical of the House
		Performance Reviews: Performance development is accomplished through ongoing conversations between associates and their managers and periodic formal reviews conducted with all associates. Under our Leadership Performance Process, supervisors meet twice annually with associates to help them develop career plans, chart a course for achieving those plans and monitor progress.	

Number	Topic	Management Approach Disclosure	Additional References
404	Training & Education continued	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.	
		Training and Development: Associates have access to more than 16,500 formal, self-paced and informal learning options for developing professional and personal skills. More than 75% of our formal learning programs are eLearning, with the balance being instructor-led or blended programs.	
		In 2017, Marriott added virtual reality to our training offerings. Marriott's 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.	
		Functional-Based Training: We provide functional-based training to our associates, including our sales, front-of-house, engineering & facilities management, food & beverage and culinary teams.	
		Tuition Reimbursement and Support for Continuing Education: We offer tuition reimbursement and flexible schedules to attend school, cross-training to gain experience and skills in various departments and 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 as a peer-to-peer learning and teaching exchange. Part design garage, part research lab, part test track, the Underground enables real-time experimentation and feedback from our customers before we go to market.	
405	Diversity & Equal Opportunity	Marriott's 2017 management approach disclosures can be found in the "Empower Through Opportunity" section of this Report, on pages 40-50.	2025 Sustainability and Social Impact Goals
			Empower Through Opportunity
			Creating an Inclusive Environment
			Global Diversity & Inclusion
			2018 UK Gender Pay Gap Report
			Awards and Recognition

Number	Topic	Management Approach Disclosure	Additional References
412	Human Rights Assessment	Marriott's 2017 management approach disclosures can be found in the "Human Rights" section of this Report, on pages 52-54.	Human Rights Policy Statement Our Commitment to Human Rights Principles of Responsible Business Supplier Conduct Principles UK Human Trafficking Transparency Statement 2025 Sustainability and Social Impact Goals
413	Local Communities	Marriott's 2017 management approach disclosures can be found in the "Nurture Our World" section of this Report, on pages 19-24.	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	Topic	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.	Supplier Conduct Principles
		As such, Marriott's Supplier Conduct Principles sets forth our expectations that our suppliers uphold the following:	2025 Sustainability and Social Impact Goals
	 Working Conditions: Provide a safe and secure work e Non-Discrimination: Promote an inclusive environment equal opportunity with employees and other stakehold Forced Labor and Human Trafficking: Support the elim compulsory labor, and all forms of human trafficking, in Child Labor: Adhere to minimum age provisions of app Based on the Sustainability Index developed by the Hosp (which Marriott helped to develop), the Marriott Sustainab 	 Working Conditions: Provide a safe and secure work environment Non-Discrimination: Promote an inclusive environment that fosters mutual respect, diversity and 	Sustain Responsible Operations ("Responsible Sourcing") Marriott Sustainability Assessment Program
		equal opportunity with employees and other stakeholders, including customers and suppliers	
		 Forced Labor and Human Trafficking: Support the elimination of all forms of forced, bonded or compulsory labor, and all forms of human trafficking, including the exploitation of children 	
		 Child Labor: Adhere to minimum age provisions of applicable laws and regulations. 	
		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 has 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 36-39.	

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
		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.	State & Local Contributions
		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.	527 Contributions Trade Associations
		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, immigration reform, civil rights and nondiscrimination policies, consumer protections, human rights and infrastructure.	indic Associations
		Political Action Committee: Marriott International, Inc. Political Action Committee (MARPAC) maintains a nonpartisan PAC (funded by voluntary donations 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 has joined 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 2017, 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 World Travel & Tourism Council, the International Tourism Partnership, American Hotel & Lodging Association and the U.S. Travel Association. These associations also participate in lobbying and policy advocacy activities.	
416	Customer Health & 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 & 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.	

Number	Topic	Management Approach Disclosure	Additional References
417	Data Privacy	Marriott takes data privacy and security very seriously. As such, we maintain a comprehensive privacy and security program to protect the personal information of our guests and associates.	2017 Annual Report and 10-K Filing ("Technology, Information Protection and
		Policies and Procedures: Marriott has a global privacy center link on our company websites, where	Privacy Risks", pp. 17-18 of 10-K)
		the Marriott Group Global Privacy Statement and privacy preferences can be accessed. Marriott also has standard operating procedures, polices and guidelines governing the collections, use, disclosure, retention, storage and security of personal data.	Global Privacy Statement
		Marriott employs technologies and processes to control and protect access to the company network, applications and information, and we employ other security capabilities such as monitoring, alerting and incident response.	
		Alignment with International Standards: Marriott's programs are designed to align with international best practices, including ISO 27000 and ISO 27001. Marriott has chosen to self-certify to the Department of Commerce and publicly committed through the Marriott Group Global Privacy Statement to comply with the Privacy Shield Framework and has been awarded Privacy Shield Certification from the Department of Commerce. We have also prepared for compliance with the European Union's new General Data Privacy Regulation (GDPR).	
		Training and Awareness: Marriott is committed to spreading awareness about the importance of data privacy and security across the company. We maintain a mandatory privacy and security training program, and require third parties who may have access to personal information of our guests or associates to protect such information.	
		Compliance and Monitoring: Marriott is also compliant with Payment Card Industry (PCI) Data Security Standards (DSS), and conducts internal security compliance monitoring and has annual Statement on Standards for Attestation Engagements (SSAE) Number 16 reports from its major service providers.	

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	Additional References
201-1	Economic Performance	Direct economic value generated and distributed	In 2017, \$22.9 billion in revenue was generated. Revenue is distributed to our shareholders through dividends, employees through wages and benefits, suppliers through procurement activities and communities through charitable contributions. 2017 cash and in-kind contributions are estimated at \$50.3 million. More than 114 million points were also donated by the Marriott Rewards and The Ritz-Carlton Rewards programs to support featured Marriott charitable causes. Additionally, our associates contributed 2.1 million volunteer hours in 2017.	2017 Annual Report and 10-K Filing ("Business and Overview," pp. 23 of 10-K) 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 "2017 Performance Highlights" section of this Report, on pages 11-18.	Nurture Our World Empower Through Opportunity Creating an Inclusive Environment Global Diversity & Inclusion Welcome All and Advance Human Rights ("Cultural Competency") Loyalty Points Donation Program
205-2	Anti-corruption	Communication and training about anti-corruption policies and procedures	As of year-end 2017, more than 31,000 of our managers in the Americas, Asia Pacific, Europe, Middle East and Africa have received our Global Anti-Corruption training.	Business Conduct Guide

Environmental

Number	Topic	Description	Response	Additional References
302-1	Energy	Energy consumption within the organization	In 2017, our energy consumption was 17.66 million megawatt hours. (7.43 million megawatt hours were direct energy; 10.23 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
302-3	Energy	Energy intensity ASSURED by third-party verifier	In 2017, our global energy intensity, was 360 kilowatt hours per square meter of conditioned space. Regional energy intensity figures can be found on page 30 of this Report.	Statement of Assurance
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. We also report on annual energy reduction projects in our CDP Climate Change response.	CDP Climate Change Response (Question CC4.3)
302-5	Energy	Reductions in energy requirements of products and services	In 2017, our global energy intensity per square meter of conditioned space decreased by 4.03%.	CDP Climate Change Response
303-1	Water	Water withdrawal by source ASSURED by third-party verifier	In 2017, total water consumption was 224 million cubic meters. 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 wells and desalination plants, as well as rainwater and condensate capture for irrigation and/or cooling towers.	Statement of Assurance
304-3	Biodiversity	Habitats protected or restored	Impact metrics for key biodiversity programs, including the Juma Sustainable Development Reserve in the Amazon rainforest and our Thailand mangrove habitat restoration efforts can be found on pages 12 and 24-25 of this Report.	Nurture Our World ("Natural Capital Investments") Amazonas Sustainable Foundation IUCN and Marriott Partnership

Environmental continued

Number	Topic	Description	Response	Additional References
305-1	Emissions	Direct (Scope 1) GHG emissions ASSURED by third-party verifier	In 2017, Marriott's Scope 1 emissions were 1.35 million metric tons.	CDP Climate Change Response Statement of Assurance
305-2	Emissions	Energy indirect (Scope 2) GHG emissions ASSURED by third-party verifier	In 2017, Marriott's Scope 2 emissions were 4.88 million metric tons.	CDP Climate Change Response Statement of Assurance
305-3	Emissions	Other indirect (Scope 3) GHG emissions ASSURED by third-party verifier	Marriott measures its Scope 3 emissions from franchised properties and business travel, which were estimated at 4.88 million metric tons in 2017.	CDP Climate Change Response Statement of Assurance
305-4	Emissions	GHG emissions intensity ASSURED by third-party verifier	In 2017, Marriott's Scope 1 and 2 emissions intensity was 118 kilograms per square meter.	CDP Climate Change Response Statement of Assurance
305-5	Emissions	Reduction of GHG emissions	In 2017, completed emissions reduction projects are estimated to have resulted in 85,857 avoided metric tons of greenhouse gas emissions. 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.	CDP Climate Change Response (Question CC4.3)

Environmental continued

Number	Topic	Description	Response	Additional References
306-2	Effluents and Waste	Waste by type and disposal method	In 2017, over 53,000 tons were diverted from landfills for managed North American hotels (based on recycling/organics only and representing a 1.5%* (5.17# POR to 5.10# POR) annual decrease in waste-to-landfill per occupied room).	
307-1	Environmental Compliance	Noncompliance with environmental laws and regulations	In 2017, there were no known material instances of noncompliance with environmental laws and regulations.	Environmental Principles
Er	Supplier Environmental Assessment	nvironmental screened using environmental vendors' environmentally responsible manufacturing efforts, and product practices utilizing the Marriott Sustainability Assessment Program for manufacturing efforts, and product Principles provide environmental are distinct to the conduct Principles provide environmental are distincted by the conduct Principles provide environmental product to the conduct Principles provide environmental product to the conduct Principles provide environmental product practices utilizing the Marriott Sustainability Assessment Program for manufacturing efforts, and product practices utilizing the Marriott Sustainability Assessment Program for manufacturing efforts, and product practices utilizing the Marriott Sustainability Assessment Program for manufacturing efforts, and product Principles provide environmental are distributed by the conduct Principles provide environmental are distributed by the conduct Principles provide environmental are distributed by the conduct Principles provide environmental principles principle	On an annual basis, we review our approved Marriott furniture, fixtures, and equipment vendors' environmentally responsible manufacturing efforts, and product sustainability practices utilizing the Marriott Sustainability Assessment Program for metrics and reporting.	Marriott Sustainability Assessment Program
			Additionally, our Supplier Conduct Principles provide environmental and social guidelines that our vendors should abide by in order to do business with Marriott.	Supplier Conduct Principles Environmental Principles
				2025 Sustainability and Social Impact Goals
				CDP Climate Change Response (Question CC12)



^{*}Landfilled waste data does not include disposal to waste-to-energy (WTE) at US sites where separate hauling data to WTE was available.

Social

Number	Topic	Description	Response	Additional References
401-1	Employment	New employee hires and employee turnover	In 2017, 107,038 new hires were made and global voluntary turnover (including retirements) was 19%.	<u>Careers</u>
			Please note that the number of global new hires includes all hires using the Marriott Global Recruiting System, including some associates who are managed by Marriott, but employed by hotel owners.	
403-1	Occupational Health & 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 32-40 hours of training per year.	
404-2	Training and Education	Programs for upgrading employee skills and transition assistance programs	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 Awards and Recognition
			Our Build a Learning Plan platform personalizes and simplifies the identification and 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 Heart of the House
			Associates also have access to more than 16,500 formal, self-paced, and informal learning options for developing professional and personal skills. More than 75% of our formal learning programs are eLearning, with the balance being instructor-led or blended programs.	
			Additionally, we offer tuition reimbursement and flexible schedules to attend school; cross-training to gain experience and skills in various departments; and work-at-home options.	
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. Under our Leadership Performance Process, supervisors meet twice annually with associates to help them develop career plans, chart a course for achieving those plans and monitor progress.	
405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees	In 2017, women represented 51% of our global workforce and men represented 49%. Of the direct reports to our CEO, 50% are women. In the U.S., 55% of all management are women. In the U.S., minorities comprise 65% of our workforce and 48% of front-line supervisors and managers.	Board of Directors
			Our Board of Directors is comprised of 14 members: 10 are men, 4 are women.	



Number	Topic	Description	Response	Additional References
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, and we trained approximately 243,000 associates on human trafficking awareness.	UK Human Trafficking Transparency Statement
			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 2017, over 10,000 associates globally completed the procurement training.	
			Through Marriott's public-private partnership with the state of Connecticut, nearly 500 hoteliers were also provided complimentary human trafficking awareness training through the Quinnipiac Law School.	
413-2	Local Communities	Operations with local community engagement, impact assessments, and development programs	Community engagement activities occur across our locations of operations. We have also established a network of Marriott Business Councils comprised of hotel leaders working together in cities, regions and countries around the world to drive macro business initiatives,	2025 Sustainability and Social Impact Goals
			including sustainability and social impact efforts.	Nurture Our World
			Further information can be found on pages 8 and 20 of this Report.	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
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 & equipment suppliers and their products. Fair labor and human rights practices are part of the assessment. Additionally, our Supplier Conduct Principles provide environmental and social guidelines that our vendors should abide by in order to do business with Marriott.	Marriott Sustainability Assessment Program
				Supplier Conduct Principles
				2025 Sustainability and Social Impact Goals

Number	Topic	Description	Response	Additional References
415-1	Public Policy	Political contributions	In 2017, Marriott International, Inc. Political Action Committee (MARPAC) total disbursements were \$271,751.00.	Political Activity — Policies, Oversight, and Disclosure
			MARPAC is a nonpartisan federal PAC and we strive for a 50/50 split in contributions between Democratic and Republican candidates.	State and Local Contributions
				527 Contributions
				<u>Trade Association Payments</u>
416-1	Customer Health & Safety	Assessment of the health and safety impacts of product and service categories	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.	2017 Annual Report and 10-K Filing ("Technology, Information Protection and Privacy Risks", pp. 17-18 of 10-K)
				Global Privacy Statement