

MARRIOTT®
SPIRIT TO **PRESERVE**
THE RAINFOREST

Marriott International, Inc.
Bethesda, Maryland
www.marriott.com/environment

January 10, 2009

Overview

Our Vision

Marriott aspires to be the global hospitality leader that demonstrates how responsible hospitality management can be a positive force for the environment and create economic opportunities around the world, and by our example, inspire personal action in the communities where we live and work.

Building upon almost three decades of commitment to the environment, Marriott International launched a program in 2007 with Conservation International, a global conservation organization, to assess and improve practices within our own buildings as well as develop a rainforest project to mitigate climate change. The results are benefiting and educating our global community.

As a long-time steward of the environment and energy conservation, Marriott initially branded our efforts “ECHO” (Environmentally Conscious Hospitality Operations). ECHO focused on water and energy conservation, clean air, recycling, wildlife preservation and neighborhood cleanups. Through this program we replaced 450,000 light bulbs with fluorescent lighting, introduced linen reuse programs, and installed 400,000 low-flow showerheads and toilets at our hotels worldwide.

We believe that green is good for the planet, but it’s also smart business. An executive level Green Council co-chaired by Arne Sorenson, Executive Vice President, Chief Financial Officer and President - Continental European Lodging; Kathleen Matthews, Executive Vice President, Global Communications and Public Affairs, and Ed Fuller, President and Managing Director Marriott Lodging – International, and supported by our Chairman and CEO J.W. Marriott, Jr., determined the need and opportunity for more progressive environmental initiatives. Guests expect it, employees value it, and the investment community rewards it.

In 2007 the Council began collaborating with Conservation International to map our carbon footprint and develop a five-point environmental strategy for full future sustainability. It includes: (1) carbon offsets through the protection of rainforest; (2) further reduce fuel and water consumption by 25 percent per available room over the next 10 years as well as install solar power at up to 40 hotels by 2017; (3) engage the company’s top 40 vendors to supply price-neutral greener products across 12 categories of our \$10 billion supply chain; (4) create green construction standards for our hotel developers to achieve LEED certification from the U.S. Green Building Council; and (5) educate and inspire employees and guests to support the environment, including through green meetings and events.

The plan is part of Marriott’s long-term system-wide environmental commitment, and focuses on efforts to reduce and offset Marriott’s global footprint, which was calculated and independently verified at 3 million metric tons of CO₂ emissions annually – or 69.5 pounds per available room.*

** To calculate Marriott’s carbon footprint of 3 million metric tons of CO₂ emissions annually—or .031 metric tons (69.5 pounds) per available room—the company assessed the electricity and gas consumption in its guest rooms and public spaces at its nearly 1,000 managed hotels worldwide, headquarters building and regional offices. Employee travel was also included. The calculation was certified in the fall of 2008 to Climate, Community, and Biodiversity (CCB) Standards.*

Program Establishment

Our Executive Green Council collaborated with Conservation International to set stretch goals, which were presented to the company's Board of Directors. This included measuring the company's carbon footprint and implementing our 5-point global environmental strategy. The Council meets bi-monthly and is comprised of working groups from throughout the company that feed into and report results on the strategic goals which include environmentally-sustainable operations and management as well as a signature program to engage guests and associates.

Rainforest Preservation – Marriott's "Spirit to Preserve the Rainforest" Helps Mitigate the Effects of Climate Change

Marriott has pledged \$2 million and invited its customers, suppliers and other stakeholders to contribute to a fund that is administered by the newly created Amazonas Sustainable Foundation, which, together with the State of Amazonas in Brazil, monitors and enforces the protection of 1.4 million acres (589,000 hectares) of endangered rainforest in the Juma Sustainable Development Reserve. The project has been certified by an independent accredited environmental auditing firm under the internationally recognized Climate, Community and Biodiversity (CCB) Standards. This innovative partnership between government and the private sector is one of the first in the world to reduce greenhouse gas emissions from avoided deforestation.

Water, Waste and Energy

Marriott and its guests have reduced water usage by more than 15% over the last five years. Our goal is to further reduce fuel and water consumption by 25 percent per available room over the next 10 years, and install solar power at up to 40 hotels by 2017; the New York Marriott Marquis, as an example, sources energy via wind turbines. We are also expanding existing "reduce, reuse, recycle" programs to consistently include guest and meeting rooms.

In the US - the largest market in which we operate - we also have the greatest number of US Environmental Protection Agency "Energy Star" certified hotels – over 250 to date - of any hotel company.

Supply Chain

Marriott has engaged the company's top 40 vendors to supply price-neutral greener products across 12 categories of its \$10 billion supply chain. Some of the products currently being rolled out include:

- 47 million **BIC Ecolutions™ pens** annually purchased and made from pre-consumer recycled plastic
- more than 1 million gallons of **low VOC (Volatile Organic Compounds) paint**
- 1 million "**room-ready**" **towels** by Standard Textile, which saves 6 million gallons of water annually by eliminating the initial wash cycle
- 24 million plastic **key cards** made of 50 percent recycled material, thereby saving 66 tons of plastic from being dumped in a landfill
- 100,000 **Eco-Smart™ pillows** filled with polyester micro fiber made from 100 percent recycled PET bottles
- "**coreless**" **toilet paper**, thereby saving 21 tons of packaging a year
- **oxo-biodegradable plastic laundry bags** used in more than 100 of our Middle Eastern and European Marriott, Renaissance and Courtyard hotels

Green Buildings

We are empowering our hotel development partners to site, design and construct new hotels according to green standards by bringing Marriott design guidelines in line with the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) standards by the end of 2009. Our hotels also use the "Sustainable Hotel Siting and Design Guide" published by Conservation International and the Prince of Wales International Tourism Partnership as a resource.

The Inn & Conference Center by Marriott at University of Maryland University College was the US's first LEED-certified hotel and conference center. Our company's U.S.-based headquarters building in Maryland is also expected to receive LEED certification by the end of 2009. The company plans to expand its portfolio of LEED-certified hotels across all Marriott brands, with 2009 and 2010 projects ranging from Charlotte, North Carolina, to Plano, Texas, to six hotels in the United Arab Emirates.

Employee and Guest Engagement

Marriott's environmental initiatives are executed through market and hotel-level leadership councils that help communicate, implement and track the results of our programs.

Our program in the Amazon Rainforest, a region considered the "the lungs of the world," benefits the global community. Part of this initiative includes our "Spirit to Preserve the Rainforest" promotion for meeting planners. Through this program, meeting planners booking events at Marriott hotels can support the Juma Reserve; Marriott will provide 5% of the rooms revenue to the Amazonas Sustainable Foundation in the group's name for events booked until the end of 2009 for events taking place before the end of 2011. Marriott has also developed an individual guest contribution program which will launch in February 2009.

Marriott's newly introduced "green meetings" also enable groups to save water and energy, reduce waste and recycle during their stays via: recycle bins in meeting rooms, pens and notepads made from recycled material, water pitchers (vs plastic bottles), organic flowers, linen-less tables, reusable name tags and leftover food donations.

Goals and Benchmarking

Our five point environmental strategy goals include: (1) carbon offsets through the protection of rainforest; (2) further reduce fuel and water consumption by 25 percent per available room over the next 10 years as well as install solar power at up to 40 hotels by 2017; (3) engage the company's top 40 vendors to supply price-neutral greener products across 12 categories of our \$10 billion supply chain; (4) create green construction standards for our hotel developers to achieve LEED certification from the U.S. Green Building Council; and (5) educate and inspire employees and guests to support the environment, including through green meetings and events.

Our Green Council working groups are responsible for reporting their progress back to the Green Council, and updates are shared with consumers and the general public.

We also conduct a worldwide annual inventory of our hotels' energy and emission data and benchmark overall environmental performance against our competitors through such tools as International Tourism Partnership's Environmental Bench. We report our results in our CSR report (www.marriott.com/socialresponsibility) and through the Carbon Disclosure Project. Our results have secured such notable recognition as *Travel + Leisure* magazine's 2008 Global Vision Award for "Green/Eco Hotels" and Condé Nast Traveller magazine's 2007 World Savers Award.

We also use a wide variety of tools to communicate our environmental efforts such as our Marriott.com website, e-mail, media releases, presentations, guest room materials and Marriott Rewards and internal newsletters, to newer social media such as Facebook, blogs, YouTube and Twitter.

Outcomes and Environmental Benefit

Marriott understands that preservation of the rainforest is critical to reducing the greenhouse gas emissions that cause climate change. Clearing forests causes more carbon emissions than all the world's cars, trains, trucks and SUVs combined.

Building off of our nearly 30 year ECHO program, Marriott's more recent collaboration with Conservation International and the subsequent Juma Sustainable Development Reserve Project, demonstrates how a variety of stakeholders, such as guests, suppliers, owners and franchisees, governments, communities and NGOs can work together to green our business and improve the environment.

The business case is also evident. In 2008 alone thanks to our energy-saving procedures at hotels worldwide the company has saved over \$1 million. In addition, based upon our worldwide annual Associate Opinion Survey, Marriott associates have ranked the company's environmental commitment and progress very positively, reinforcing the company's highly-regarded reputation for associate engagement.

The CERES Investor Coalition also recently ranked Marriott tops in Travel & Leisure; Marriott was one of eight companies including Walmart and IBM to be highlighted as operations leaders for energy efficiency. Climate Counts also ranked Marriott tops within the hotel sector in its first rankings for airline and hotel companies.

We hope that through our example, we will motivate and inspire others to get engaged in addressing climate change. We aspire to be a leader in the industry and have always, and will continue, to share best practices for energy conservation and other environmental best practices with the industry.

Relevance to Traveler or Travel Industry

With 300,000 people working in our hotels and millions of guests checking in each year, we have a powerful opportunity to lead by example and increase awareness, education, and involvement in the process.

For businesses and business travelers, Marriott will launch an Individual Traveler Program that invites guests to go to Marriott.com and offset the carbon from their hotel stay through a donation that will also help protect the Brazilian rainforest.

For meeting planners and groups, the company has introduced "green meetings" and the "Spirit to Preserve the Rainforest" promotion for its meeting planners. Through this program, meeting planners booking events at Marriott hotels can support the Juma Reserve; Marriott will provide 5% of the rooms revenue to the Amazonas Sustainable Foundation in the group's name for events booked until the end of 2009 for events taking place before the end of 2011.

Marriott's "green meetings" enable groups of all sizes to save water and energy, reduce waste and recycle during their stays. Options include recycle bins in meeting rooms, pens and notepads

made from recycled material, organic flowers, linen-less tables, reusable name tags and leftover food donations.

Real-World Example

Marriott's Juma Sustainable Development Reserve Project, the cornerstone of our 5-point environmental strategy, is the first REDD (Reducing Emissions for Deforestation and Degradation) initiative implemented and validated by the Climate, Community, and Biodiversity (CCB) Standards in Brazil and the first avoided deforestation project in the world to receive "Gold Status". The Juma Project will contain the emissions of carbon dioxide and avoid the deforestation of 329,536 hectares of natural rainforest until 2050. Additional benefits include forest conservation, an improved quality of life for the local population and protection of very rich biodiversity.

The Amazonas program is replicable worldwide and goes beyond rainforest protection. It looks toward long-term sustainability by empowering Juma's nearly 500 residents through a variety of means including:

- Expanding the community's one-room primary school to include the new J.W. Marriott, Jr. School for middle and high school students. The school supports children in Boa Frente and surrounding communities and has one full-time teacher, two classrooms with new desks, an open-air multipurpose space, a small kitchen, a rainwater cistern, and two solar panels to supply electricity for the school. It also has access to the Internet and Skype through an on-site satellite dish. This will allow classes to be taught remotely by teachers located in Manaus for specialized classes such as math and science. It will also allow the community to contact the authorities immediately if any illegal deforestation or hunting is detected.
- Distributing one "Bolsa Floresta" stored value card to each of the local families. The cards are credited with 50 Reais (about \$25 US dollars) per month. This is a support for "ecosystem services", i.e. protecting the rainforest.
- Providing new high-speed emergency boats, including an "ambulance" for transport to the Novo Aripuana Hospital.
- Purchasing mosquito netting for houses and other buildings to cover windows and other openings. Malaria is spread by mosquitoes, which often bite after dark when people are asleep.
- Making a new microscope available to the community to help detect malaria.
- Installing rainwater cisterns that are used on the small, basic family house structures. Chlorine is added to the water to avoid spread of disease. Residents frequently drink river water, often causing diarrhea.

By evolving our internal practice and adopting an initiative that we can involve our important stakeholders in, we believe we can advance green results for the benefit of both our business and the global community.