



SUSTAINABILITY  
REPORT **2016**



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## About Mandarin Oriental Hotel Group

Mandarin Oriental Hotel Group is an international hotel investment and management group with deluxe and first class hotels, resorts and residences in sought-after destinations around the world. Having grown from its Asian roots into a global brand, the Group now operates 29 hotels and eight residences in 19 countries and territories, with each property reflecting the Group's oriental heritage and unique sense of place. Mandarin Oriental has a strong pipeline of hotels and residences under development. The Group has equity interests in a number of its properties and adjusted net assets worth approximately US\$3.9 billion as at 31st December 2016.

Mandarin Oriental's aim is to be recognised as the world's best luxury hotel group. This will be achieved by investing in the Group's exceptional facilities and its people, while maximising profitability and long-term shareholder value. The Group regularly receives recognition and awards for outstanding service and quality management. The Group is committed to exceeding its guests' expectations through exceptional levels of hospitality, while maintaining its position as an innovative leader in the hotel industry. The strategy of the Group is to open the hotels currently under development, whilst continuing to seek further selective opportunities for expansion around the world.

The parent company, Mandarin Oriental International Limited, is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. Mandarin Oriental Hotel Group International Limited, which operates from Hong Kong, manages the activities of the Group's hotels. Mandarin Oriental is a member of the Jardine Matheson Group.





## Doing More for a Sustainable Future

For more than 50 years, Mandarin Oriental has been recognised as a leader in luxury hospitality. The Group is dedicated to delivering service excellence and to operating its hotels and residences in a responsible and sustainable way.

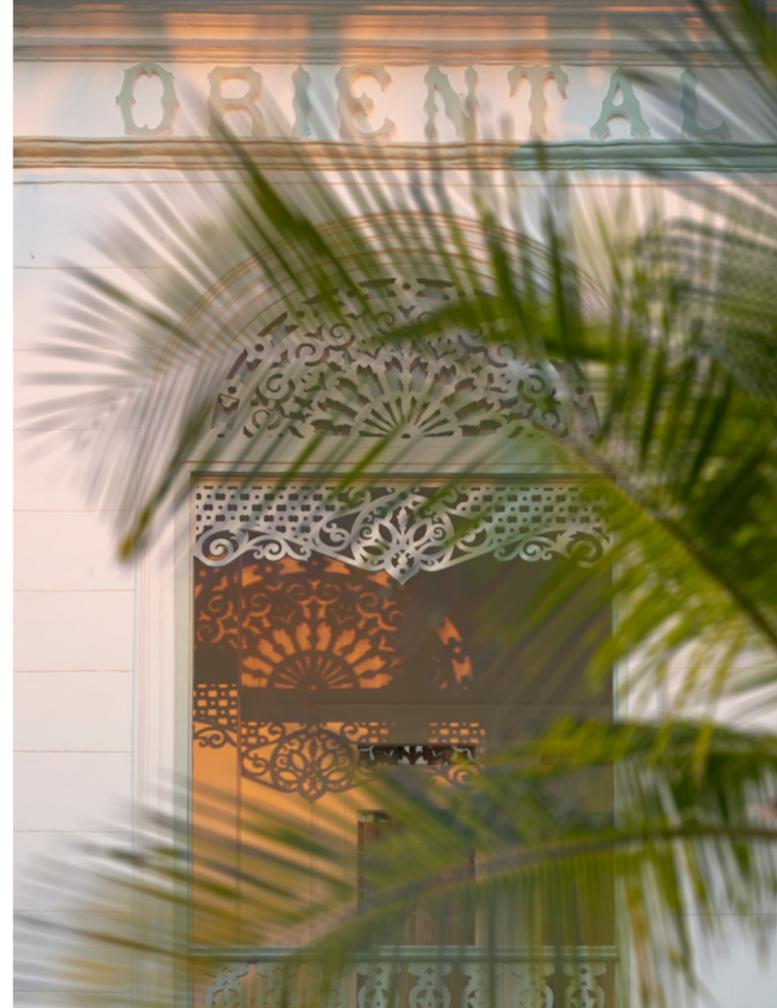
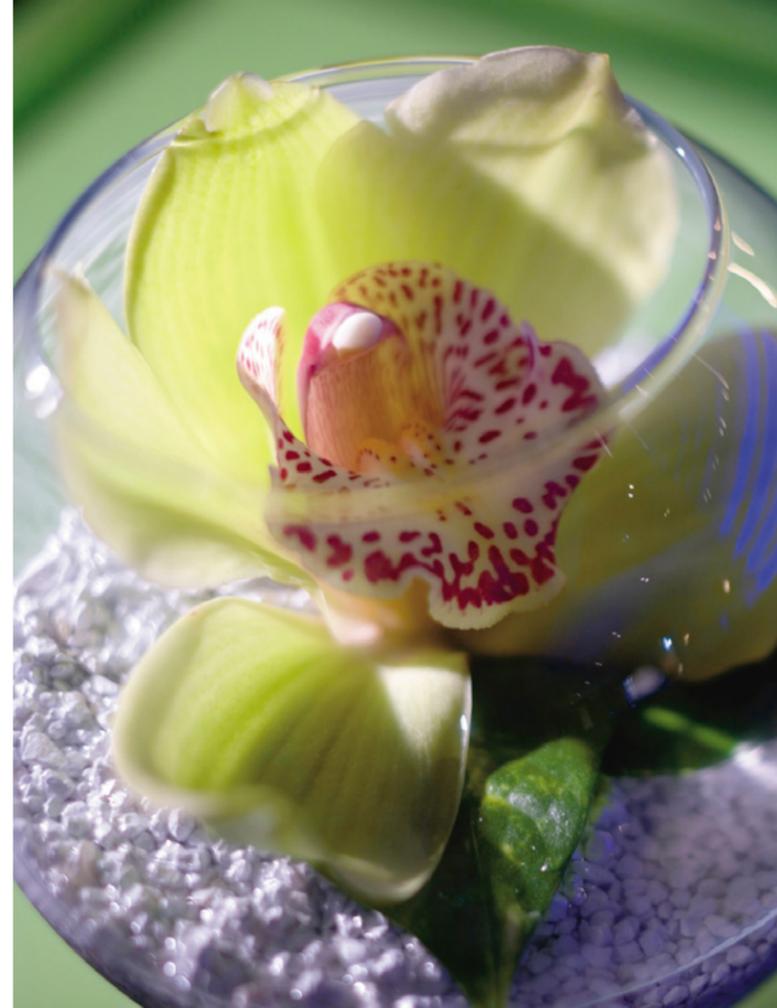
Mandarin Oriental is committed to sustainable tourism and supports the United Nations Sustainable Development Goals. The Group has a framework of sustainability strategies and programmes in place to address topics such as decent work and economic growth, as well as clean energy and water scarcity.

The 2016 report shows the progress made towards the Group's specific 2020 environmental goals, as well as group-wide commitments and practices to deliver excellence, advance sustainability and champion the communities in which it operates. We highlight stories of innovation across our hotels and aim to be transparent about the challenges we face.

The accomplishments achieved in 2016 were made possible due to the hard work and dedication of the Group's 12,500 colleagues who continue to identify impactful ways to respond to local community and environmental needs.

James Riley  
Group Chief Executive

The Group is dedicated to delivering service excellence and to operating its hotels and residences in a responsible and sustainable way.



# Report Highlights: Scope of 2016 Operations



29 hotels and  
8 residences in  
19 countries and  
territories

Over 900,000  
square metres across  
properties and more than  
2.8 million guests

Approximately  
12,500 colleagues  
employed representing  
nationalities across  
the globe



## Safe, Sound and Sustainable Programme

## Delivering Excellence

## Advancing Sustainability

## Championing Community

### 16<sup>th</sup> year

of execution on the  
Group's Safe, Sound, and  
Sustainable programme



Guidelines evolve annually  
to incorporate emerging  
**best practices** and our  
**beyond compliance**  
approach for environmental,  
health and  
safety management

Achieved  
**89%**

Group-wide target  
Safe, Sound,  
and Sustainable  
score in 2016

Group-wide  
**80.6%**  
environmental score  
in 2016

### 12

of our restaurants  
have been honoured  
with a total of

### 18

Michelin stars,  
more than any other  
hotel group in the world

Developed  
leading edge  
**Digital Wellness**  
programme to  
help guests and colleagues  
improve well-being  
in the modern,  
connected world

### 89%

favourable rating on  
colleague engagement  
survey score  
(with consistent  
improvement  
since 2010)



Delivered our  
**Sustainability  
Training Programme**  
to all colleagues  
Group-wide

More than  
**US\$42  
million**

saved due to  
our energy  
measures since 2007

### 3.5%

of greenhouse gas emissions  
reduced from utilisation of  
**renewable energy credits**



**Nearly  
100,00 pounds  
to date**

of **used soap and bottled  
guestroom amenities**  
diverted from landfill and  
donated to support  
those in need through  
partnership with  
Clean the World

Developed  
plan to migrate to  
**LED lighting**  
in all of our hotels by 2020



### 11 years

of support for the  
Asian Cultural Council's  
Mandarin Oriental  
Fellowship for Cultural  
Heritage Preservation

### 6<sup>th</sup> year

of our Fantastic Match  
programme, with over  
\$250,000 in matching grants  
to our hotels in  
the United States

Supported more than  
**50**

charities and  
community  
organisations in 2016

Each property  
identified and  
executed on  
**targeted  
community  
support  
activities**

in 2016

## Goals, Commitments and Practices



Greenhouse Gas Emissions

### 25% reduction

by 2020 in **greenhouse  
gas emissions intensity**  
from 2007 levels

#### REDUCED

2016 greenhouse gas  
emissions intensity by

**22.0%**

from 2007 baseline

#### ON TRACK

to reach 2020 goal

Committed to  
Food & Beverage  
**annual trade fair sourcing**  
initiative *targeting tea in 2016*



Water

### 20% reduction

by 2020 in **water intensity**  
from 2007 levels

#### REDUCED

2016 water intensity  
by

**13.9%**

from 2007 level

#### ON TRACK

to reach 2020 goal

Convened  
**stakeholder panel**  
to support materiality assessment  
and drive future directions



Waste

### 20% reduction

by 2020 in **waste to landfill**  
per guestroom  
from 2012 levels

**DIVERTED  
34.1%**

of waste from landfills  
compared to  
2012 ratio of 17.3%

#### BEHIND SCHEDULE

step up initiatives to reach 2020 goal

Continued emphasis  
portfolio-wide on the  
**importance of recycling  
and diverting waste**



# Strategy and Governance

# Guiding Principles and Corporate Responsibility Policy

## Our Guiding Principles and How They Inform Our Corporate Responsibility Programmes

Mandarin Oriental Hotel Group's mission is to delight and satisfy our guests. Our mission is supported by our Guiding Principles that describe the values of our company and our colleagues.

Our Guiding Principles underpin everything that we do on a daily basis, ensuring that we operate to the highest possible standards:

### Delighting our guests

We are committed to exceeding guest expectations by surprising them with our ability to anticipate and fulfill their wishes.

- *To delight our guests, the management of corporate responsibility topics, including Guest Satisfaction; Guest Health, Safety and Wellness; and Information Protection, are critical.*

### Delighting our colleagues

We provide a caring, motivating and rewarding environment for all our colleagues. We bring out the best in our people through effective training and personal development, enabling a fulfilling career with the Group.

- *Identifying and investing in targeted Learning and Development initiatives that support our corporate responsibility programmes is central to how we operate.*

### Working together as colleagues

We emphasise the importance of teamwork and treat each other with mutual respect and trust. By working together cooperatively, we all contribute to the Group's success.

- *Engaging our colleagues and fostering a culture of Diversity and Inclusion are methods in which we bring this Guiding Principle to life. Additionally, we promote team building through our corporate responsibility activities and programmes.*

### Becoming the best

We intend to be an innovative leader in the luxury hospitality industry and will continually improve the quality of our products and services, ensuring we remain relevant to today's multi-generational audience.

- *Our corporate responsibility programmes are underpinned by the belief that the best ideas come from our colleagues, creating best practices that can be shared across our Company. In partnership with suppliers and vendors, we also aim to continuously embed the principles of sustainability into the delivery of modern luxury to our guests.*

### Acting with responsibility

We maintain integrity, fairness and honesty in all our internal and external relationships. We support initiatives that improve the environment and are responsible members of our communities.

- *We strictly enforce our Code of Conduct and promote our values to our suppliers and business partners. The topics of Energy, Emissions, Water, Waste, Biodiversity and Community Engagement are central to our corporate responsibility platform. Through active stakeholder engagement, we identify opportunities where our corporate responsibility programmes can continue to improve and evolve.*

## Our Corporate Responsibility Policy

Each of our Guiding Principles feed into how we execute our Corporate Responsibility policy:

**Mandarin Oriental is committed to contributing to the communities in which we operate and responsibly managing our environmental impacts and social commitments.**

Our Corporate Responsibility policy is designed to enable the development of a series of complementary programmes that can be deployed across the company and integrated within our corporate culture and across our operations.



The World Travel and Tourism Council estimates that, in 2016, travel and tourism generated 10.2% of global GDP and approximately 1 in 10 jobs worldwide. Growth in tourism and the number of global travellers are expected to continue to rise over the next ten years<sup>1</sup>.

Industry growth trends reinforce the importance of the commitments reflected in our Corporate Responsibility policy.

# Management and Governance

## Our Group Corporate Responsibility Committee

The Group Corporate Responsibility Committee (GCRC) is responsible for Mandarin Oriental's overall sustainability strategy, including the establishment of measurable goals, developing programmes and promoting and soliciting feedback on corporate responsibility initiatives.

With oversight from our Chief Executive Officer James Riley, the GCRC is led by Vincent Marot, our Group Director of Technical Services. Mr. Marot is a member of the Group's Senior Management Team.

## Hotel Corporate Responsibility Committees

At the property level, Hotel

Corporate Responsibility Committees (HCRCs) have also been formed. The Committees must be cross-functional, headed by a Corporate Responsibility champion and comprised of at least 10 colleagues at each property. Specific roles are assigned to colleagues based on particular areas of focus.

## How We Execute Our Corporate Responsibility Policy

The following directives anchor how we execute our corporate responsibility policy:

### Conservation

Conservation and the effective management of resources has been a theme for our Company since its inception, informing how we communicate and deliver on our sustainability goals and aspirations.

### Luxury and Sustainability

As a luxury brand, we aim to make the delivery of luxury services that delight our guests as environmentally sustainable as possible, whilst aligning to the needs and expectations of our guests. This requires a delicate balance.

### Awareness and Integration

Throughout all levels of the organisation's structure, we aim to increase awareness of sustainability concepts to foster collaboration and enable action. Our Corporate Responsibility champions at the hotels and residences support these efforts.

### Local Empowerment

Our corporate responsibility programmes are structured to align with our Group's decentralised nature and enable sustainability to be embedded throughout the organisation. Guided by the Corporate Responsibility champions, each property is empowered to choose local initiatives to support as well as to find creative ways to improve efficiency in their operations.

### Accountability

We emphasise both internal and external reporting mechanisms on corporate responsibility to create accountability, measure progress over time and identify opportunities for continued improvement. Our culture of enthusiasm has shown itself to be a key factor in motivating colleagues and attaining positive results.

### Authenticity

We aim to develop programmes and communications that are authentic to our brand, culture and operating structure. We also aim to maintain an honest view about our current challenges and opportunities relating to sustainability and corporate responsibility.



In order to tackle each property's challenges of advancing sustainability, our committees are dedicated to working together as colleagues—an important guiding principle for Mandarin Oriental. In many cases, advancing sustainability involves being innovative and striving to be the best in order to make real change and to be active members of our communities.



**OUR PERFORMANCE****2016 Audit Results**

Over the past 10 years, audit performance has remained stable, within 2% of the Group's target of 90%. In 2016, the Group's overall average score was 89.3%. Group performance in the environmental section decreased to 80.6%, but it has improved dramatically from its initial score of 42% in 2012, when the environmental guidelines were introduced. The 2016 decrease in both overall and environmental scores can be attributed to introducing new hotels into our Safe, Sound and Sustainable programme.

**Safe, Sound and Sustainable Programme**

Established in 2000, Mandarin Oriental Hotel Group's Safe, Sound and Sustainable programme has expanded to reflect our commitment to go "beyond compliance" and to incorporate best practices that support our corporate responsibility policy. Programme guidelines are continuously improved upon and updated as methods evolve and as new impacts from hotel activities are identified. Executive compensation is based in part on the programme's annual audit results.

Each fully operational hotel is audited annually to monitor its compliance with Safe, Sound & Sustainable guidelines. The audits are conducted by an independent company, PWT Environmental Consultancy, a UK-based consulting firm, and include a verification of documentation and records in place, as well as a physical inspection of the facilities. The annual audit process ensures that hotel management teams are focused on health and safety issues and are prepared to manage crisis and business interruptions. The environmental guidelines cover the Hotel Corporate Responsibility Committee, management of energy and water consumption, greenhouse gas emissions and the generation and disposal of waste.

Over the past few years, we have gradually migrated from announced to unannounced audits to better reflect how our operations are run on a daily basis. Hotels are eligible for unannounced audits four years after their opening, allowing ample time to adapt to the programme. Despite the change, there have been no significant impacts on audit scores, indicating consistency in our operations. We will continue to expand this effort, and all eligible Mandarin Oriental hotels will eventually receive unannounced audits.



## Scope of Safe, Sound & Sustainable Programme

An important way that we have operationalised our commitment to corporate responsibility is through our company's proprietary Safe, Sound and Sustainable Programme, which addresses the following topics:



### Fire Safety

Inspection, testing and maintenance of all fire safety related installations.

*Based on the internationally recognised National Fire Protection Association guidelines*



### Food & Beverage

Health and safety related to Food and Beverage operations.

*Based on the accredited international standard of Hazard Analysis and Critical Control Point standards (HACCP)*



### Occupational Health & Safety

Health and safety topics in the workplace.

*Based on the Occupational Safety and Health Administration (OSHA) standards of the United States government*



### Business Continuity Planning & Risk Management

Overall Risk Management and business continuity.

*Developed on proven risk assessment and risk management methodology*



### Security

Security of guests, colleagues and property.

*Based on international best practices*



### Spa, Fitness & Wellness

Health and safety related to

Spa, Fitness and Wellness operation.

*Based on international best practices*



### Health and Safety

Health and safety topics related to guests.

*Based on British and European standards*



### Environment

Management of the property's environmental impact.

*Based on international best practices*

# Responsible Operating Practices

## Enforcing Our Code of Conduct

The Group conducts its global business in a highly professional and ethical manner. Our standards are clearly set out in the company's Code of Conduct, a set of guidelines to which every colleague must adhere. Our Code of Conduct requires that we comply with all applicable laws, regulations and proper standards of business conduct. The Code requires all colleagues to be treated fairly, impartially and with respect, and that all managers ensure awareness and compliance by direct reports within their organisations.

The Group's Employment Policy also prohibits all forms of harassment and discrimination, such as impeding movement or creating an intimidating, hostile or offensive work environment, and provides procedures by which colleagues can raise, in confidence, any matters of serious concern, such as suspected non-compliance or illegality.



## Respecting and Protecting Human Rights

Mandarin Oriental Hotel Group aims to operate in a manner consistent with the United Nations Universal Declaration of Human Rights and with the International Labour Organisation's Fundamental Conventions with regard to child labour and forced labour, wages and working hours, health and safety, freedom of association, and non-discrimination.

The Group is taking active steps to ensure all colleagues are made aware of the risks of modern slavery and labour exploitation in supply chains and business, including specific training due to be launched in 2017 on the issue in its orientation programme and regular updates and communications.

The Group is also in the process of introducing responsible and sustainable purchasing guidelines across its portfolio in order to ensure that our suppliers, vendors and business partners share our values with regard to fundamental human rights. These guidelines, which will be subject to regular evaluation, require compliance and commitment to anti-slavery and human trafficking laws and principles with respect to all products, services and supply chains.

## Managing Anti-Corruption Risk

Bribery and corruption are explicitly prohibited in our Code of Conduct, with oversight from our Group Finance and Risk Management functions. Additionally, all General Managers and senior colleagues are expected to actively support anti-corruption policies at individual hotels and properties. Certifications of compliance with the Code of Conduct are obtained from all hotels annually with a mid-year update. Internal Control Audits are also conducted at the Group's hotels and corporate offices in Asia Pacific, Europe and the Middle East. In the United States, a third-party audit firm conducts the audits. Additionally, we conduct background checks on prospective partners.

We maintain a whistleblower policy and procedure to encourage the reporting of any inappropriate activity. Any failures to comply with the Code of Conduct are investigated and disciplinary action is taken as appropriate, up to and including termination.

## Enterprise Risk Management

Since the Group's formation in 1963, enterprise risk management has been embedded into our culture and practices. With oversight from the Group's Risk Management Committee, enterprise risks are assessed and reviewed annually and shared with the Board's Audit Committee. In addition to enterprise risks, local risk assessments are conducted by each property. Based on these risk assessments, business continuity plans are updated for each property. Business continuity plans consider a series of property-specific risks, which includes terrorism, contagion and extreme weather events.



## Responding to Emerging Information Protection Challenges

Mandarin Oriental's information protection practices are focused on maintaining the confidentiality, availability and integrity of guest, colleague and company information.

The information protection programme is designed to align with our Guiding Principles and leverage the strength of our company's culture. Policies and best practices are based on the ISO 27001 and 27002 standards for information security. Our Group Risk Management Committee governs the programme, with actions and responsibilities cascading to each of our properties.

In the face of escalating threats to businesses over the past few years, the Group has made a strong commitment to information security with a focus on continuous improvement, so that we can identify and appropriately mitigate our risks and potential exposures to specific threats.

## Long-Term Outlook

Our corporate responsibility policy and programmes help us to monitor and respond within our sphere of influence to a series of emerging socio-economic topics that impact our business, our stakeholders and our brand. The following are four important topics that inform our long-term outlook for corporate responsibility:

Topics	Implications	Strategies
 <p><b>CLIMATE CHANGE</b></p>	<p>In the World Economic Forum's 2017 Global Risk Reports, risks associated with climate change was named among the world's top five risks in terms of likelihood and potential impact<sup>2</sup>.</p> <p>Changing climate patterns may cause an increased occurrence of droughts, hurricanes and typhoons—risks affecting our infrastructure, our colleagues in their livelihoods, our guests' travel plans and the health of our communities.</p>	<p>Mandarin Oriental strives to help mitigate these risks by embedding sustainability strategies into our global business model. Investing in efficient technology and equipment, combined with integrating sustainability practices into our business, affords multiple benefits.</p>
 <p><b>WATER STRESS</b></p>	<p>According to the World Resource Institute, more than a billion people currently live in water-scarce regions, and as many as 3.5 billion could experience water scarcity by 2025<sup>3</sup>.</p> <p>Society and businesses depend on the availability of safe, reliable supplies of water to maintain life, sanitation and human activities.</p>	<p>Mandarin Oriental formally assesses water risks across our portfolio to inform long-term strategies to conserve and protect water.</p>
 <p><b>SUSTAINABLE FOOD</b></p>	<p>Determining a way to sustainably feed the world's growing population presents a series of challenges including soil erosion, destructive fishing practices and the agriculture industry's own impacts to local climates, ecosystems and water supplies.</p>	<p>Across our operations, we plan to continue our support for and sourcing from farmers, ranchers and fisheries that engage in sustainable methods for food production.</p>
 <p><b>CHANGING CONSUMER DEMOGRAPHICS AND PREFERENCES</b></p>	<p>Augmented by technology, connectivity and globalisation, the travel and tourism industry is currently experiencing robust growth and transformation, increased interest in sustainability, a more diverse travel population and the emergence of the sharing economy, among the many trends that we closely monitor.</p>	<p>Our corporate responsibility programmes provide us with methods that support how we can better understand and respond to the changing market landscape in a manner that elevates our brand and how we will delight our guests in the 21st century.</p>

Energy, water, health, employment, biodiversity, sustainable cities and other topics that inform our long-term outlook on corporate responsibility are captured within the United Nations' Sustainable Development Goals and the associated targets for each goal<sup>4</sup>. The Sustainable Development Goals serve as an important reference point for our Company as we execute our corporate responsibility policy and programmes.



# Stakeholder Engagement and Materiality



# Stakeholder Engagement

Mandarin Oriental Hotel Group serves a diverse group of stakeholders, which includes our guests; colleagues; owners and developers of our properties; local communities in which we operate; shareholders; suppliers, vendors and contractors; industry associations and non-government organisations.

Effective consultation and involvement with our stakeholders is crucial to understanding their viewpoints so that we can better align our business with their goals:

Stakeholders	Primary 2016 Engagement Methods	Identified Topics of Concern
<b>GUESTS</b>	<ul style="list-style-type: none"> <li>• Guest Satisfaction Survey</li> <li>• Solicitation of Direct and Target Feedback to Inform Quality Programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Guest Wellness</li> <li>• Food Safety</li> <li>• Information Protection</li> </ul>
<b>COLLEAGUES</b>	<ul style="list-style-type: none"> <li>• Colleague Engagement Survey</li> <li>• Career Development Plans and Performance Reviews</li> <li>• Hotel Corporate Responsibility Committees</li> <li>• Safe, Sound and Sustainable Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation and Benefits</li> <li>• Professional Development</li> <li>• Occupational Health and Safety</li> <li>• Corporate Responsibility</li> <li>• Community Engagement</li> </ul>
<b>OWNERS AND DEVELOPERS</b>	<ul style="list-style-type: none"> <li>• Close Partnerships and Regular Communications Throughout Design, Development, Construction and Management of Properties</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Energy Efficiency</li> <li>• Risk Evaluation and Monitoring</li> </ul>
<b>LOCAL COMMUNITIES</b>	<ul style="list-style-type: none"> <li>• Participation in Local Stakeholder Groups Including:               <ul style="list-style-type: none"> <li>– Hotel Associations</li> <li>– Chambers of Commerce</li> <li>– Business Development Councils</li> <li>– Convention and Visitors' Bureaus and Promotion Organisations</li> <li>– Travel and Tourism Associations</li> <li>– Community Benefit Organisations</li> <li>– Local Heritage Preservation Initiatives</li> <li>– Training and Local Talent Retention Organisations</li> <li>– Local Collectives for Recycling</li> <li>– Employer Organisations and Professional Associations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Economic Presence and Participation</li> <li>• Local Talent Acquisition and Retention</li> <li>• Skills Training</li> <li>• Culture and Heritage Protection</li> <li>• Topics Specific to Individual Communities</li> </ul>
<b>SHAREHOLDERS</b>	<ul style="list-style-type: none"> <li>• Ongoing and Routine Discussions With our Controlling Shareholder Jardine Matheson Group on Financial Performance, Risk Management and other current issues</li> <li>• Financial and Sustainability Reporting</li> <li>• Shareholder Feedback Mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Economic Performance</li> <li>• Customer Satisfaction</li> <li>• Environmental Performance</li> <li>• Risk Evaluation and Monitoring</li> </ul>
<b>VENDORS, SUPPLIERS AND CONTRACTORS</b>	<ul style="list-style-type: none"> <li>• Supplier Meetings to Discuss Sustainable Sourcing Opportunities</li> <li>• Food and Beverage Conference</li> <li>• Partnerships with Local Farmers, Ranchers and Fisheries</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Operational Eco-Efficiency</li> <li>• Climate and Water Risk</li> <li>• Sustainable Food</li> <li>• Human Rights in the Supply Chain</li> </ul>
<b>INDUSTRY PEERS AND TRADE ASSOCIATIONS</b>	<ul style="list-style-type: none"> <li>• Participation in World Travel and Tourism Council's Task Force on Industry Strategies for Climate Change</li> <li>• Participation in Industry Hotel Carbon and Water Measurement Initiatives</li> <li>• Monitoring and Evaluating Industry Corporate Responsibility Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon Emissions Reduction Targets</li> <li>• Human Rights in the Supply Chain and Tourism Industry</li> </ul>
<b>NGOs AND OUTSIDE ADVISORS</b>	<ul style="list-style-type: none"> <li>• Interviews and Panel Discussion to Discuss Opportunities to Improve Corporate Responsibility Programmes and Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, Water, Waste, and Greenhouse Gas Emissions</li> <li>• Colleague Training and Skills Development</li> <li>• Guest Engagement on Sustainability</li> <li>• Human Rights in the Supply Chain and Tourism Industry</li> <li>• Biodiversity</li> <li>• Supply Chain Responsibility</li> </ul>

Additional information on how we engage with our guests, colleagues, communities and suppliers can be found in the *Delivering Excellence, Advancing Sustainability and Championing Communities* sections of this Report.





### Materiality Assessment

In alignment with the framework and best practices set forth in the Global Reporting Initiative (GRI)'s guidelines, we have conducted a materiality assessment to inform the selection of topics for our Sustainability Report.

We conducted an internal workshop facilitated by a third-party consulting firm, Greenview, where the Group Corporate Responsibility Committee evaluated a series of corporate responsibility topics based on the degree of the Group's economic, social and environmental impacts (both actual and potential) and the level of stakeholder concern for each topic. We also considered issues that are specific to the travel and tourism industry.

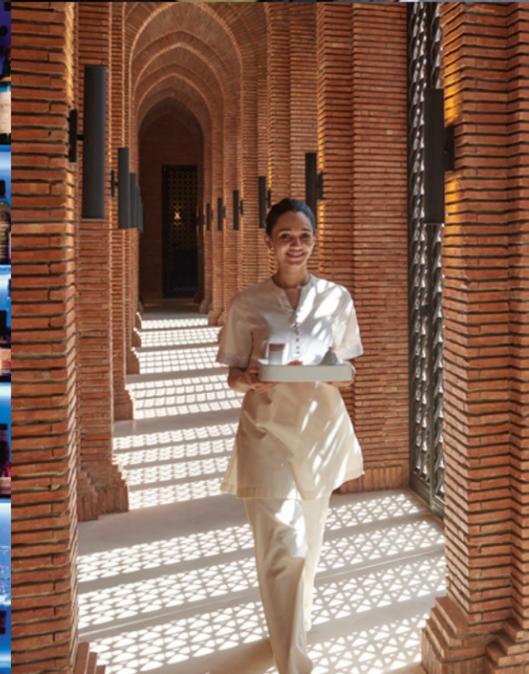
To validate and enhance the Committee's preliminary assessment, we convened a stakeholder panel, which incorporated perspectives from the following organisations:

- Conservation International
- International Tourism Partnership
- *National Geographic Traveler*
- United States Green Building Council
- World Wildlife Fund

Based on the findings of the materiality assessment, we identified the following topics to prioritise within the Group's corporate responsibility reporting and programmes. Moving forward, we plan to evolve and further align our materiality assessments to support the UN Sustainable Development Goals.

Guest Engagement on Sustainability	Human Rights and Diversity	Biodiversity
Guest Health and Safety	Energy	Supply Chain Management
Information Protection	Greenhouse Gas Emissions	Local Community Impacts
Colleague Training and Skills Development	Water	Anti-Corruption
Colleague Health, Safety and Wellness	Waste	Compliance

Our 2016 Sustainability Report includes expanded content that incorporates the GRI reporting guidelines, materiality assessment findings and specific feedback from our stakeholder panel to improve our sustainability reporting.





# Delivering Excellence



# Delighting Our Guests

## Goals and Commitments

To delight and satisfy our guests

## Practices

We evaluate our hotels' performance on a regular and consistent basis against more than 200 of our company's Legendary Quality Experiences guidelines

## Future Directions

Continue to identify compelling ways to integrate sustainability into the guest experience

*Across our hotels around the world, our common mission is to delight and satisfy our guests. Our colleagues are committed to make a difference every day, continuously striving to improve and deliver service from the heart.*

## Creating Legendary Quality Experiences

We measure our hotels' service performance on a regular and consistent basis, and share the results across the Group. We believe that this is important if we are to be recognised as a leader in our industry.

To guide our colleagues, the Group has created the Legendary Quality Experiences (LQEs)—containing more than 200 company guidelines, which focus on experiences rather than basic luxury standards. The LQEs are centred on 11 pillars of service and cover all the important aspects of a guest visit. The LQEs enable our colleagues to go above and beyond our Standard Operating Procedures.

All hotels receive three annual audits for quality assurance, and the results are shared Group-wide. Mandarin Oriental maintains various quality measurement processes to monitor and improve performance, including the international benchmarking standards established by Leading Quality Assurance. We also measure ourselves against other international standards including the American Automobile Association in the United States, the Forbes Travel Guide and the Michelin Guide.



## Going Above and Beyond

At Mandarin Oriental, we believe that a personalised service and attention to the smallest details are critical. We take the time and effort to remember and address each guest by name, document guest preferences and customise meals according to their dietary requirements. This helps us to anticipate special needs or requests that our guests may have.

We empower our employees to go above and beyond to delight our guests with surprise amenities that recognise special occasions and acknowledge our most loyal guests. In 2016, examples included:

### > Happy Kids, Happy Parents

At Mandarin Oriental, Barcelona, a football loving family mentioned that they were Barça fans and were in town to see the football match. The hotel team went out of their way to provide Barça caps and scarves for the family to wear at the match. At Mandarin Oriental, Las Vegas, two music loving teenagers were delighted to receive shirts and a complimentary limousine transfer to the Justin Bieber concert, while at Mandarin Oriental, Jakarta, a family was pleased with the personal attention received from each member of the guest relations team, who provided an Xbox and other amenities designed to keep the children happy throughout their stay.

### > Surprise and Delight

A regular guest of Mandarin Oriental, Boston misplaced a much loved set of rosary beads. The team coordinated with Mandarin Oriental, Milan to obtain and ship a new rosary that had been personally blessed by Pope Francis.

### > Kindness is the Best Medicine

Travel can be exhausting and each of our hotels provides a variety of "get well soon" amenities for guests feeling under the weather. Services range from collecting medicine to providing chicken consommé and peppermint tea. Each hotel is also able to summon emergency medical assistance if required and is happy to assist with family liaison.

## Listening to Our Guests

Managing quality service, and measuring and understanding guest key drivers and detractors influences all areas in our organisation and creates awareness among colleagues. These practices enable us to be guest centric and adapt our services and offerings according to changing guest expectations. We utilise three types of surveys: a post-stay survey for new and repeat guests, a meeting planner survey and a spa survey for day visitors.

Our customer satisfaction and loyalty survey is conducted with the help of a third-party organisation that sends an online questionnaire following a guest's stay. Detailed, actionable monthly feedback is then provided to our managers on property, which helps to enhance our service delivery. In 2016, the Group received over 33,000 guest satisfaction surveys with an overall quality rating of 90%.

Furthermore, we ask guests for direct and targeted feedback. Through guest feedback and our quality assurance results, we can then analyse and understand which areas to celebrate and those that we need to improve upon. We also monitor TripAdvisor and other travel review sites for guest experience feedback, which areas to celebrate and those that we need to improve upon.



**OUR PERFORMANCE****Guest Satisfaction**

**Mandarin Oriental's overall satisfaction ratings indicate a consistently high level of guest satisfaction and loyalty to the brand, varying less than three percentage points since 2009. In 2016, we achieved an overall satisfaction rate of 90%, consistent with our performance range between 88–90% since 2011.**

**Solving Problems**

Each of our hotels is committed to continuous improvement and our guest satisfaction ratings are often used to identify specific areas for improvement. Real time guest satisfaction reports and data drill down are available to our colleagues and draw attention to guest experiences trending outside of the norm.

The Group uses a proprietary Problem Solving Technology programme, based on seven steps, by utilising tools and processes to identify root causes through analysis. Once a root cause is confirmed, ideation tools are used to innovate for solutions, followed by implementation and subsequent measurement.

**Focusing on Innovation**

In 2016, we developed a formal programme to spark innovation across the Group. New ideas generated from the innovation programme included those related to new products and services, as well as new ways to further elevate our guests' experiences. As part of the innovation programme, more than 50 ideas were submitted to a working group. Among these ideas, eight have been selected for further exploration and presentation to our leadership team.

**Promoting Socially Responsible Enterprises**

Mandarin Oriental, Marrakech has partnered with local foundation "Sur Le Chemin de L'Ecole," which helps girls from rural areas in Morocco to access education. At Mandarin Oriental, Boston, the Spa features items from a local jeweller who uses recyclable metals. Some of the proceeds from sales are donated to Maloto, a charity focused on helping the people of Malawi.

**Incorporating Sustainability into the Guest Experience**

In addition to partnering with guests through linen and towel reuse programmes, 2016 highlights from across our properties include:

**> Charging Up**

We have begun installing electric vehicle charging stations at our hotels and residences. The Tesla Model S is now a guest transportation vehicle at select Mandarin Oriental hotels in the United States and Europe.

**> The Library of the Future**

Our hotels have begun providing guests with access to an online library of international newspapers and magazines available upon check-in.

**> Where the Garden Grows**

Mandarin Oriental hotels in Atlanta and London feature onsite herb and floral gardens used for the restaurants and in-room guest amenities.

Mandarin Oriental, Marrakech maintains a botanic garden at its spa. The herbs are used to create freshly grown herbal teas for spa guests to enjoy following treatments. The garden also has a variety of fruits and more than 20 varieties of vegetables that are used in the hotel's three restaurants. There are also over 100 varieties of roses in the garden.

**> Farm-to-Table Luxury**

Mandarin Oriental, Singapore has launched a new guest package, which includes private and guided tours to a local farm and fishery, as well as a gourmet meal with wine pairings.

**> Vegan Friendly**

Several hotels including Mandarin Oriental, Bodrum, London and Washington DC have expanded their vegetarian and vegan menus to support guests' dietary choices.

**> Making Nature Fun**

At Mandarin Oriental, Sanya, a popular destination for families, children can collect stamps for their own personalised "passport" and learn about the nearby Coral Bay's fauna and wildlife in the process.

## Committing to Health, Safety and Wellness

### Goals and Commitments

To provide an environment where our guests and colleagues can be safe and well

### Practices

We rigorously manage health and safety through our Safe, Sound and Sustainable programme but also create authentic, holistic wellness experiences for our guests and colleagues

### Future Directions

Enabling “Wellness Everywhere”—not only in our Spas but across all touch points of the guest experience, promoting “digital wellness” and deepening colleague engagement on wellness

*We take care to look after our guests when they stay with us, so that they can relax and feel at home. We also provide our colleagues with a safe work environment*

### The Importance of Health and Safety

Our guests spend a considerable amount of time in our hotels, and they trust us to provide an environment that is not only comfortable and aesthetically beautiful but that also serves as a safe haven during their visit. It is also critical that our colleagues are provided with a safe work environment.

Hotel operations are complex and require a comprehensive approach to managing the health and safety of our guests and colleagues. We conduct detailed safety inspections, tests of relevant systems, cleaning and maintenance checklists and procedures for ensuring safe use of facilities, equipment and supplies—all of which are strictly audited. Additionally, work-related accidents and incidents are reported to the Group Risk Management Committee and thoroughly investigated to identify the root cause and to initiate corrective and preventive measures.

### OUR PERFORMANCE

#### Occupational Health and Safety

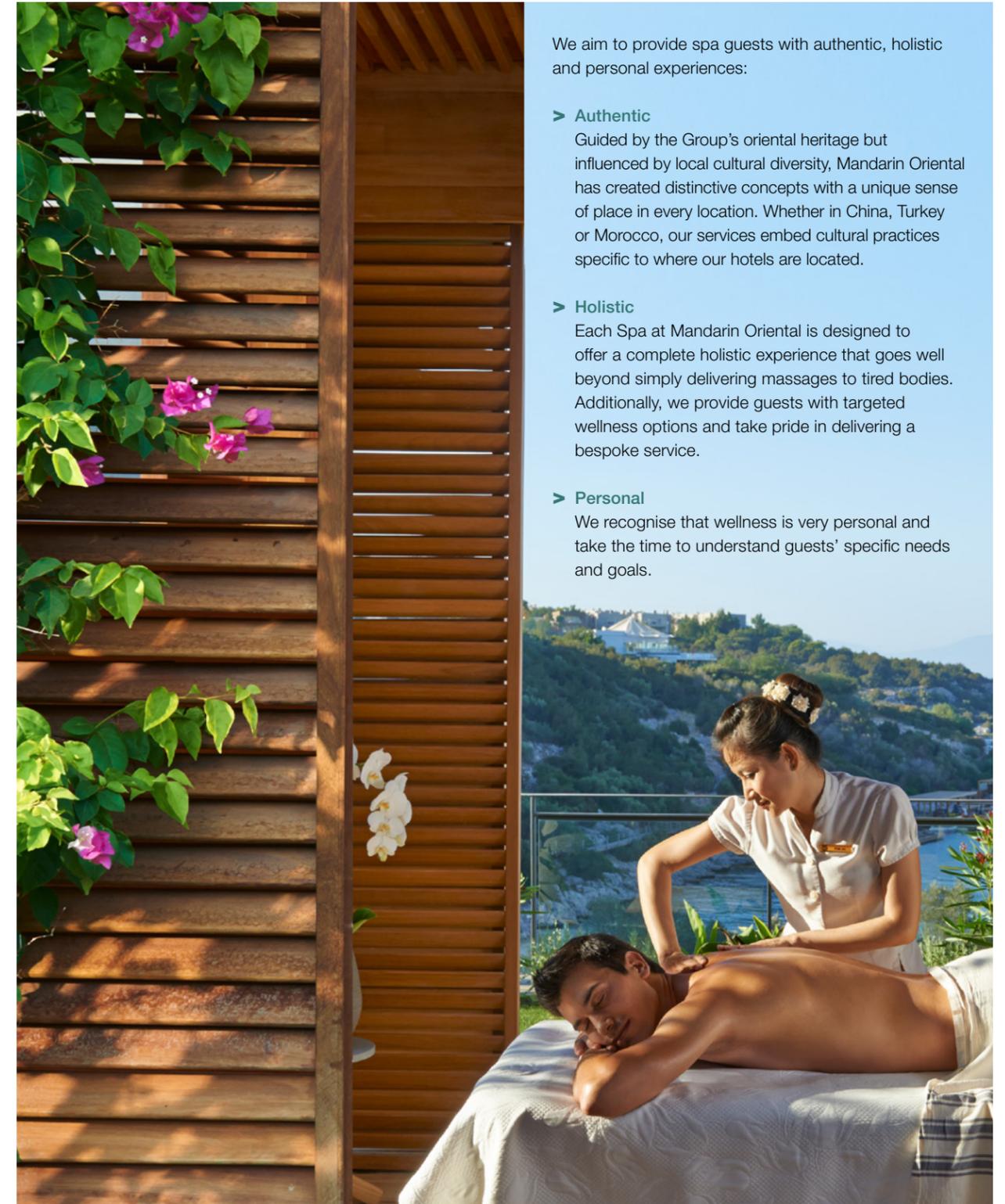
In 2016, there were 7.2 incidents per 100 colleagues resulting in lost time, a 1% increase from 2015 and above the United States Bureau Leisure and Hospitality safety rate of 3.3 incidents per 100 colleagues<sup>5</sup>. The incident rate of our Americas hotels was above the proximate U.S. industry average at 17.9 incidents per 100 colleagues, and increased from the prior year.

The incident severity rate, a measure of lost days per incident also increased by 1% in 2016 to 25.73 lost days per incident per 100 colleagues. The increase in the Group’s incident severity rate was in Europe, while the severity rate in both Asia and the Americas decreased.

*Please see the Appendix for more detailed results.*

### An Authentic, Holistic and Personal Approach to Guest Wellness

Because we also know how important health and wellness are to our guests, Mandarin Oriental strives to provide environments and experiences that are not only safe, but also to consider the long-term wellness of our guests and spa customers.



We aim to provide spa guests with authentic, holistic and personal experiences:

#### > Authentic

Guided by the Group’s oriental heritage but influenced by local cultural diversity, Mandarin Oriental has created distinctive concepts with a unique sense of place in every location. Whether in China, Turkey or Morocco, our services embed cultural practices specific to where our hotels are located.

#### > Holistic

Each Spa at Mandarin Oriental is designed to offer a complete holistic experience that goes well beyond simply delivering massages to tired bodies. Additionally, we provide guests with targeted wellness options and take pride in delivering a bespoke service.

#### > Personal

We recognise that wellness is very personal and take the time to understand guests’ specific needs and goals.

### Sharpening Our Focus on “Digital Wellness”

As new levels of technology continue to consume daily life, it is becoming more difficult to detach from the digital world. In 2016, several of our Spas began to offer digital wellness programmes. For example, Mandarin Oriental’s new digital wellness retreats encourage guests to use their visit as a chance to disconnect and re-evaluate their relationship with electronics. Exercises focus on establishing personal boundaries on the use of electronic devices, clearing mental chatter and creating a healthy, digitally balanced lifestyle.

In 2016, we also launched a “Digital Wellness Escape”, which is an 80-minute experience concentrating on the head, eyes, neck, shoulders, hands and feet. This restorative treatment aims to ease stresses and strains resulting from the frequent use of digital devices. At the end of each treatment, therapists provide guests with a Digital Wellness Tips booklet and explain the importance of healthy habits around technology use at home.

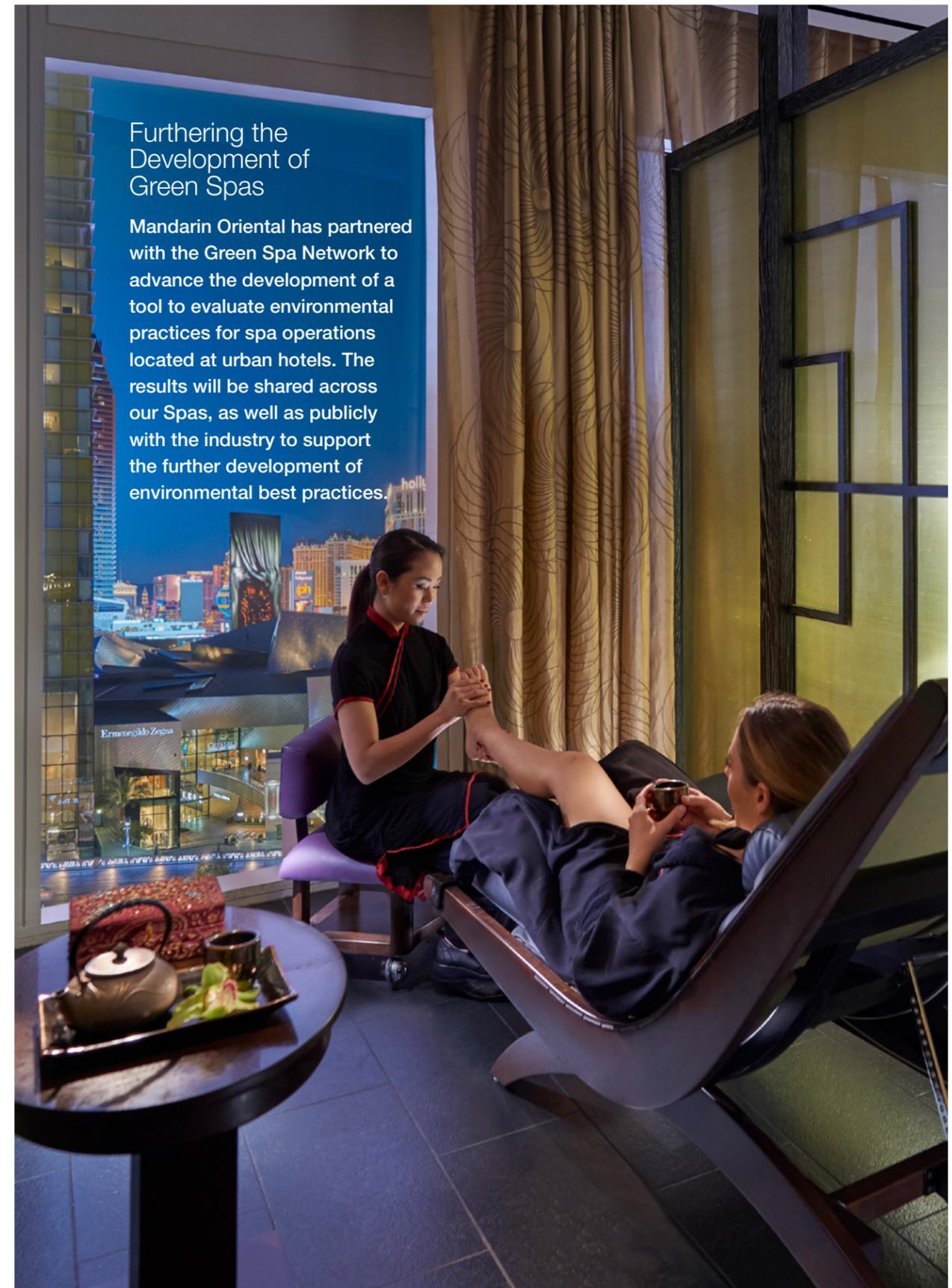
### Expanding Our Visiting Practitioners Programmes

We are motivated by a vision of “Wellness Everywhere” where wellness is cultivated not only in our Spas but across all touch points of the guest experience. To deliver on this vision, we are focused on harnessing the experience of our therapists and their wide range of specialisations: from Tai Chi to Shanghainese pedicures. In addition, we plan to host innovative visiting practitioners, such as iridologists, trichologists and specialised sound healers. We also continue to explore innovative partnerships and share best practices from our spa programmes to enhance the wellness of our colleagues.

### Partnering with Leading Health Experts

Mandarin Oriental Hotel Group partnered with Mayo Clinic to offer the *Mayo Clinic Healthy Living Programme* at Mandarin Oriental, Bodrum—the first collaboration of its kind. With a focus on preventive wellness and designed to inspire a more balanced lifestyle, the wellness programme offered guests a choice of tailor-made experiences from one day assessments to five day retreats, as well as a la carte services.

The *Mayo Clinic Healthy Living Programme* at Mandarin Oriental, Bodrum came to an end in April, 2016, but our relationship with Mayo Clinic continues. In 2016, we worked closely with the leading health experts at Mayo Clinic to promote digital wellness as well as developing a series of wellness events to be offered at Mandarin Oriental, Washington DC in 2017 and working on tailored jet lag recovery services to be launched in 2018.



### Furthering the Development of Green Spas

Mandarin Oriental has partnered with the Green Spa Network to advance the development of a tool to evaluate environmental practices for spa operations located at urban hotels. The results will be shared across our Spas, as well as publicly with the industry to support the further development of environmental best practices.



### Integrating Wellness into Our Corporate Culture

Often inspired by our guest services, colleague wellness has increasingly become part of the corporate culture at our hotels. Colleague wellness activities consider both physical and mental health and provide an opportunity to support team building and engage with communities. In 2016, we continued to deploy wellness initiatives including a variety of fitness classes ranging from yoga and Pilates to rock climbing and salsa dancing, weight loss programmes and educational events across the company.

Our Group has always had a strong culture of colleague wellness, but in 2016 our efforts accelerated. Inspired by Global Wellness Day, we held a Colleague Wellness Week across the Group. The Colleague Wellness Week programmes were so well received that most properties have decided to build upon the momentum and establish permanent programmes based on their Wellness Week activities. Across hotels, a hallmark of Colleague Wellness Week is also engaging the community to participate in wellness week activities.

Colleague wellness highlights in 2016 included:

#### > Know Your Numbers

Mandarin Oriental, Las Vegas has expanded the reach of its biometric screening programme, which is available to colleagues working at both its hotels and residences. In 2016, nearly 300 colleagues participated—a nearly 50% increase in participation levels from 2015.

#### > Join The Club

Colleagues at properties including Mandarin Oriental, Las Vegas, London and Paris and Hotel Ritz, Madrid have formed running clubs. In 2016, 15 colleagues at Mandarin Oriental Hyde Park, London also participated in the Run in the Dark to support research to find a cure for paralysis.

#### > Time to Train

During Colleague Wellness Week, Mandarin Oriental, Miami brought in specialised trainers to teach boxing, self-defence and yoga to colleagues.

#### > Stand Up

Colleagues in our corporate offices and hotels including Mandarin Oriental, Boston and New York have begun to use stand-up desks to promote a healthier and less sedentary lifestyle.

#### > E-mail Free Fridays

Mandarin Oriental, Las Vegas has implemented “E-mail Free Fridays” to encourage more face-to-face communication. Similarly, our properties in Hong Kong and Singapore encouraged “digital wellness” during mealtimes as part of its Colleague Wellness Week

#### > Talking About Stress

The Colleague Wellness Week activities at Mandarin Oriental, Macau included bringing in a local professor to lead a guided discussion with colleagues on how to approach stress in the workplace and their personal lives.

#### > Sun and Heat Protection

Mandarin Oriental, Las Vegas utilised its monthly colleague wellness newsletter to emphasise the importance of sun and heat protection as well as provide protection tips to colleagues.

#### > Healthy Competition

Mandarin Oriental, Milan’s Director of Engineering founded a small soccer team, which has begun competing against other luxury hotels in the city. The team has been so popular that they are considering expanding the league to include volleyball competitions.

At the Group level, we also began sending weekly wellness tips to colleagues and have developed new ideas to advance our 2017 Colleague Wellness Week during 2016. Among these ideas, we plan to promote our focus and emerging expertise on digital wellness practices to our colleagues.



# Engaging our Colleagues

## Goals and Commitments

To recruit, develop and retain the best talent

## Practices

We engage our colleagues through our benefits, recognition and sustainability programmes, and we closely monitor findings from our Colleague Engagement Survey to drive future efforts

## Future Directions

Continuing to identify creative and impactful ways to deepen our engagement with colleagues on sustainability

*In order to be a leader in the markets we serve, we have to recruit, develop and retain the best talent. We want to be known as one of the best employers in the hospitality industry.*

## The Importance of an Engaged Workforce

It is well researched and documented that happy colleagues lead to happy guests. For guests to have a delightful stay with us, it is imperative that our colleagues are happy and engaged in their jobs. An engaged workforce also generates consistency of service delivery, reduces recruitment costs and enables us to more easily transfer our culture across new markets around the world.

We strive to remain an employer of choice and create an environment for colleagues which is passionate and harmonious and where colleagues feel respected. We believe that every colleague should be and feel personally valued.

We continue to focus on recruiting the best talent and have been deepening our engagement with hospitality programmes at schools and universities. We also aim to continuously seek new and better ways to engage our workforce. In 2016, we upgraded MOnet, our colleague intranet, to contain more compelling and robust content, as well as to support discussion, collaboration and sharing of best practices.



## OUR PERFORMANCE

### Colleague Engagement and Turnover

The colleague response rate to our most recent survey in 2016 was 97% and revealed an 86% favourable rating (excellent or above average). Since 2010, the percentage of colleagues rating Mandarin Oriental Hotel Group as favourable has steadily improved from approximately 80%.

Whilst our colleague satisfaction rate remains high, we operate in an industry that is characterised by high turnover. In 2016, Mandarin Oriental experienced a 0.5% decrease in our global turnover rate from the prior year; however, our global turnover rate remains above the current industry average. Colleagues under 30 continue to be the demographic with the highest turnover rate. In 2016, we experienced lower turnover among colleagues under 30. The rate of these colleagues decreased by two percentage points.

We have found that, in addition to compensation and benefits, the primary drivers for engagement and retention among our workforce are career development, a passion for customer service and pride in the reputation of our hotels.

### Beginning the Journey

In the same way that we consider the various touch points associated with the guest journey through our hotels, we also consider the colleague's journey and how we can improve upon the touch points that they experience during their employment with us. Upon commencement with the Group, all new colleagues follow our extensive MOnet orientation process, which introduces them to our unique company culture and heritage.

### Recognising Excellence and Tenure

Each of our hotels have a Colleague of the Month or Quarter programme, which is developed locally to ensure that the recognitions and rewards are relevant to the local environment. At the group level, our Long Service Awards programme rewards colleagues upon every five years of employment. In 2016, we also began celebrating colleagues' first anniversary of working with us through our Long Service Awards programme.

We also recognise colleagues through the MOnet programme, which enables colleagues to stay at our hotels at reduced rates. In 2016, Mandarin Oriental, Prague began awarding colleagues that go above and beyond with complimentary stays at the hotel as well as spa treatments.

During bi-monthly Human Resources meetings, hotels share best practices and ideas so that we can continue to enhance our colleague benefits and recognition programmes.

### Encouraging Feedback and Monitoring the Pulse of Our Workforce

We utilise a series of mechanisms, which include town hall meetings and focus groups, to get feedback from our colleagues to identify areas where we are doing well and where we need to improve. Our Colleague Engagement Survey is the most valuable tool that we employ at the Group level. The survey is a voluntary and anonymous online questionnaire that is issued to the entire hotel workforce.

In 2016, we had an extremely high completion rate of 97% with more than 10,000 colleagues from our hotels participating. The Colleague Engagement Survey was distributed in fifteen languages with 129 questions covering over 20 categories (including sustainability).

Results from the Colleague Engagement Survey are reviewed at the hotel, regional and group levels. Data is also analysed by age, length of service and gender to ensure that we are able to identify any specific concerns among these target groups. During our annual Human Resources Strategy Meeting, the Colleague Engagement Survey results inform the development of the Human Resources Strategic plan for the upcoming year.

## Trading Places

At Mandarin Oriental, Kuala Lumpur, all managers participate in a management “job swap” twice a year. This programme enables managers to gain broader experience and learn about specific challenges, which they would otherwise not encounter.

Beyond the powerful engagement that results from the “job swap”, real progress is made to make the hotel stronger and better. In 2016, Mandarin Oriental, Kuala Lumpur identified approximately 70 specific action points for follow-up to improve both efficiency and quality for colleagues and guests.



## Engaging Our Colleagues on Sustainability

An educated and engaged workforce is key to operating our hotels more sustainably. Equally important, we believe that our sustainability programmes will also lead to greater engagement among our colleagues and connect them with a greater sense of purpose.

Over the past few years, we have made strides to increase colleague awareness of our commitment to sustainability. Our colleague engagement survey includes questions to gauge colleague awareness and satisfaction with our Group’s sustainability performance and practices. Among all topics, we achieved the highest improvement for the topic of sustainability over the past five years. In 2016, our sustainability scores among colleagues was the highest to date. 93% of colleagues responded that their role to help the company achieve its environmental goals is made clear.

The following 2016 highlights exemplify the types of activities that we encourage:

### > Harnessing the Ideas of Colleagues

Mandarin Oriental, Hong Kong has developed the “i-Suggest” campaign where colleagues were invited to submit their suggestions on how to make the hotel more sustainable.

### > A Helping Hand(book)

Mandarin Oriental, Munich’s Corporate Responsibility team has created a Sustainability Handbook for colleagues. To develop the handbook, best practices in Munich as well as those identified at other hotels in Europe, the United States and Asia were collected.

### > Green Awareness Week

Mandarin Oriental, New York dedicated an entire week to engaging its colleagues on environmental awareness in 2016. Topics covered during its Green Awareness Week included “green eating” as well as training on composting and recycling.

### > Earth Walk

In addition to switching off the lights to commemorate Earth Hour in March, colleagues at Mandarin Oriental, Kuala Lumpur also participated in an Earth Night Walk to acknowledge the importance of protecting the environmental health of the planet.

### > Seeing is Believing

Colleagues at The Landmark Mandarin Oriental, Hong Kong visited a nearby Ecopark and plastic recycling centre in addition to a “Clean the World” factory to understand how the hotel’s soap is converted to new soap and donated to people in developing countries. Colleagues at The Excelsior, Hong Kong also visited the largest solar farm in Hong Kong.

### > Colleague Orientation Integration

At Mandarin Oriental, Sanya, all new trainees take part in beach cleaning as part of the resort’s MOve In orientation.

### > A Trip to the Farm

Mandarin Oriental, Singapore organised a 2016 organic farm visit, where colleagues learned about ecological agrarian methods of farming.

### > Car Free Days

As part of its campaign to encourage colleagues to use public transport and carpooling, Mandarin Oriental, Bangkok held a “Car Free Day”. Colleagues also participated in a bike ride to support “Car Free Day” and the hotel’s corporate responsibility activities.

### > Cleaning Up

Mandarin Oriental, Atlanta has adopted a section of the Old Forth Ward Park for park cleanup. On a quarterly basis, colleagues pull weeds and initiate general cleanup of the designated area. In collaboration with the local government, colleagues at Mandarin Oriental, Singapore also collected more than 130 kilograms of litter (83% of which was recyclable) as part of its Operation WE Clean Up! The project supports the Keep Singapore Clean Movement.



# Investing in Training and Education

### Goals and Commitments

To provide opportunities where colleagues can grow within the Group and develop our senior managers from within

### Practices

We emphasise continuous, experiential learning and partner with colleagues to achieve professional development

### Future Directions

Enhance tools and resources available to support colleague learning and development

*We know that career development is vitally important to all colleagues, and we are passionate about the development of our colleagues at all levels of the organisation.*

### Partnering with Colleagues to Chart Their Careers

In our colleague engagement surveys, career development has been rated as the lead driver of colleague engagement. As such, performance and succession planning remain a critical priority to satisfy the career aspirations of our colleagues and support our continued global expansion.

In addition to regular feedback processes, annual performance and succession planning reviews are completed at all levels of the organisation. We have established an online performance management system, which gives colleagues and their managers the ability to track performance, training and overall professional development in real-time. The system also promotes more frequent manager interaction by supplying tools for providing relevant feedback. Colleagues and managers can add developmental or coaching comments at any time during the year. All managers also complete a two-day training programme called "Managing Performance and Development" to provide them with the skills and knowledge to complete effective performance reviews with their colleagues.



### Continuous and Experiential Learning for All Colleagues

Our approach to learning and development is unique in that we emphasise continuous and experiential learning over traditional classroom training methods. Training for competency rather than hours of training continues to be our pathway to ensure success. Our training is personalised rather than a "one-size-fits-all" approach and focuses on the skills and abilities needed for each position.

We carefully measure whether each colleague is able to accomplish the tasks of his or her job to the required standards. We also reinforce the importance of learning through our Line Colleague Certification Programme, which rewards new starters who complete their initial job training within their first three months of employment. In 2016, we have increased participation in the Line Colleague Certification Programme across our hotels.

To be a successful hotel manager, leadership competencies are not enough. Knowing that our managers need to wear many hats, the programme gives managers deeper, "hands on" exposure to many facets of our operations, including sales, information technology, finance, marketing, spa services, rooms and food and beverage operations.

To further develop the functional competencies of our Hotel Managers, we completed the pilot of a new leadership development programme in 2016. Hotel Managers representing five hotels in the United States, Europe and Asia participated in the pilot. We also implemented a "Train the Trainer" programme to further develop our own Learning and Development team.

We continue to focus on enhancing colleague access to e-Cornell online learning modules in a manner that maps target areas identified during a colleague's performance review against the relevant eCornell programmes.

### Building Sustainability Knowledge Across the Workforce

We provide a Sustainability Training Programme for all colleagues. The two-and-a-half hour course is designed to improve knowledge of sustainability issues and reinforce the value of sustainable practices at Mandarin Oriental. Colleagues gain a global perspective on environmental issues important to Mandarin Oriental's business and discuss issues of concern in their local communities.

For all new colleagues, we have developed a Sustainability Awareness Training programme, which is part of the Group's mandatory MOver In orientation programme. We have also developed targeted training for our Corporate Responsibility champions at each hotel.



### Developing and Promoting from Within

We aim to offer opportunities to grow within the Group whilst developing our own senior managers from within. The Group utilises its Learning Framework as a roadmap for colleague development based on current and future career goals, and we evaluate the efficacy of our programmes against our 70 Learning and Development quality standards.

Signature learning and development programmes at the Group include:

#### > MOver Up

A six-month course for supervisors and junior managers focused on competency building and individual and team leadership skills

#### > MOver Forward

A twelve-month, wide-ranging management development programme to enhance business skills and leadership qualities of our experienced managers and department heads

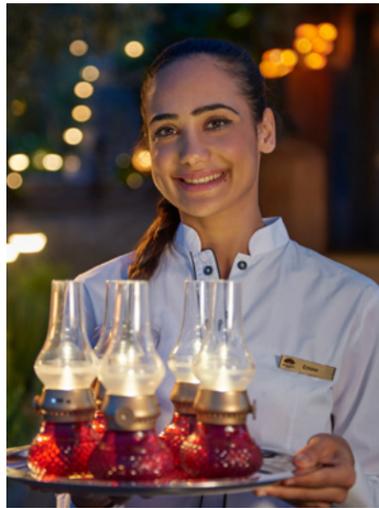
#### > MBA Executive Programme

A company-funded programme with the Royal Melbourne Institute of Technology achieved over a three- to five-year period for hotel and corporate senior managers

These programmes also create value, because they unify colleagues who work in different hotels. Colleagues have the opportunity to travel to other hotels and, as a result, forge deeper regional bonds. We believe that there are opportunities to replicate this model for future cross-location and blended learning programmes. In 2016, we initiated a virtual learning and development programme with 13 participants across Europe.

Ultimately, our success lies in the number of leaders that emerge from within our ranks. For example, the General Manager of Mandarin Oriental, Prague began his career with us as a trainee and became a General Manager, having completed the MBA Programme. We seek to highlight and celebrate these examples of career development. We have developed a dashboard that will track the number of internal promotions. Additionally, we plan to promote and track the number of internal transfers.

To support these efforts, we engage in succession planning at each hotel with the goal to develop focused development plans for colleagues identified with the potential to become General Managers as they grow with our organisation.



**The Mandarin Oriental Executive Development Centre** provides senior managers with feedback to facilitate their personal and career development. Through the Centre's programme, senior managers produce an individual development plan focused on maximising their personal leadership style and enhancing leadership effectiveness towards a General Manager's position. The Mandarin Oriental Executive Development Centre offers support and structure to help uncover our managers' potential for advancement within the Group. In 2017, eight new colleagues will be participating in the next Centre's programme.



# Promoting Diversity and Inclusion

## Goals and Commitments

To create an environment where each colleague feels valued and respected

## Practices

We maintain a diverse population and cultivate inclusive practices across our operations

## Future Directions

Continue to develop and promote activities and programmes that celebrate and leverage our colleagues' individual differences, cultures and perspectives

*The more diverse our colleagues, the greater the set of skills and competencies Mandarin Oriental will have at its disposal. This will assist us to thrive in ever changing markets around the world.*

## Enforcing Our Guidelines and Policies

Mandarin Oriental has Group-wide hiring and employment guidelines as well as strict anti-harassment and anti-discrimination policies. Every colleague receives training on our employment policies upon hire. However, our Group's management approach to diversity and inclusion goes beyond these baseline practices—we believe that celebrating our differences supports and enhances how we deliver on our Guiding Principles.

## Increasing Our Productivity and Creativity

Greater diversity offers different ways of thinking. A broad mix of prior experience and expertise in certain processes encourages colleagues to discuss and learn from each other. Different backgrounds, experiences and skills lead to greater innovation, creativity, enhanced collaboration and teamwork. With a broad range of backgrounds comes an increased level of creative talents and ideas.

## Connecting with Our Global Guest Populations

With colleagues from a wide range of backgrounds and experiences comes a greater understanding of guests' points of views. The more diverse and inclusive our workforce, the more likely it is that we will be able to respond to our individual guests' needs.

Our ultimate goal is to have our hotels staffed with a majority of colleagues from the local community. When hiring managers, we must consider the balance between recruiting locally or transferring from within. A local manager may know the market and have a presence and reputation in the local community. By transferring a manager from within the company, we have an opportunity to introduce the brand and implement the company's culture and operational standards.



## Raising Disability Awareness

On an annual basis, Mandarin Oriental, Paris organises a week-long programme to raise awareness about disabilities in the workplace. In 2016, activities were held each day, which included inviting instructors to teach Braille and bringing visually impaired masseuses onsite to provide massages. Colleagues were also trained on how to welcome disabled guests and participated in running sessions with Louis Radius, a paralympiques medal winner.

The General Managers of Mandarin Oriental, Singapore and The Landmark Mandarin Oriental, Hong Kong also serve on the Steering Committee of MINDSET, an organisation that works to change attitudes regarding mental health disabilities. Some of the participants are given the opportunity to apply for positions within our company.





# Advancing Sustainability



# Reducing Energy and Emissions

## Goals and Commitments

To reduce energy intensity by 20% and greenhouse gas emissions intensity by 25% from 2007 levels by 2020

Our 2016 interim goals were 15% and 17.5% for energy and greenhouse gas emissions reductions, which we achieved

*We aim to employ sound sustainable principles throughout the lifecycle of our properties—from siting to design, development, operations, maintenance and refurbishment.*

## Practices

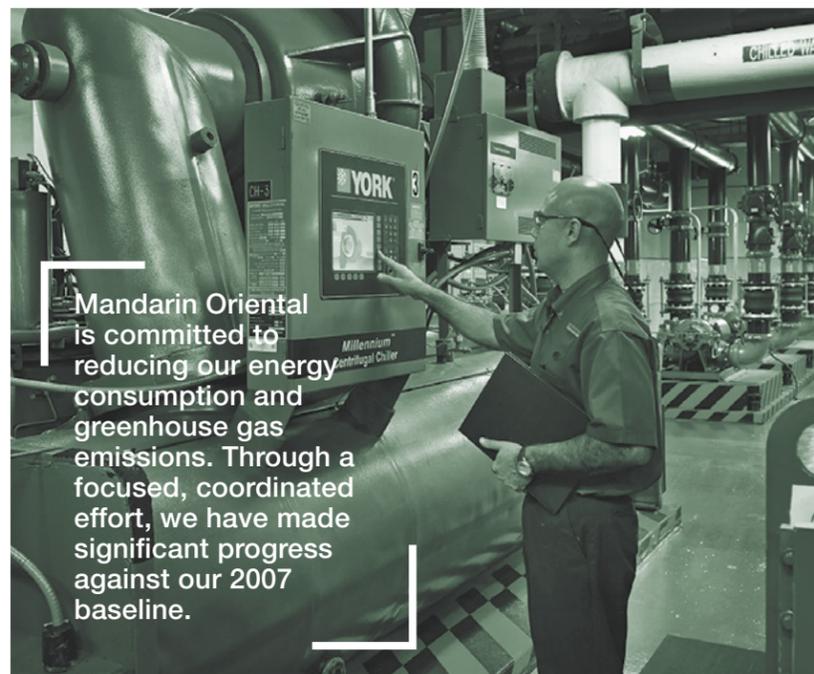
We identify projects through energy audits, retro-commissioning studies and monitoring technological innovations. We rigorously analyse our data and utilise regression analysis to track our true progress against 2020 goals

## Mobilising to Reach Our Energy and Emissions Reduction Goals

We believe that what gets measured gets managed. We have established a 2020 vision with energy and emissions reduction goals based on a 2007 baseline, and interim 2016 goals to track our progress. Each hotel also has individual short-term goals, which are reviewed and adjusted annually.

Investing in efficient technology and equipment, combined with integrating sustainability practices into our business, affords multiple benefits. Since 2007, our Group has achieved cost savings of US\$42 million through our energy and emission reduction projects.

People and process are vital to our overall success. Our colleagues' dedication and enthusiasm for our sustainability efforts makes the difference. The environmental achievements included in this report would not be possible without their commitment.



Mandarin Oriental is committed to reducing our energy consumption and greenhouse gas emissions. Through a focused, coordinated effort, we have made significant progress against our 2007 baseline.

## Future Directions

Continue to increase operational eco-efficiency and develop vision post-2020 that considers science-based targets required to curb greenhouse gas emissions

## Key Strategies to Reach Our 2020 Goals

We acknowledge that we are still in the formative stages of a multi-decade journey to decarbonise our operations. We have established a set of strategies that create a foundation and have driven notable performance improvements against our 2007 baseline:

### > Energy Audits

As part of our Safe Sound and Sustainable programme, we conduct energy audits with guidelines based on ASHRAE's Procedures for Commercial Energy Audits. The audits also consider the particular requirements of each hotel and often target specific mechanical functions, such as chilled water or hot water production. In 2016, energy audits were completed at Mandarin Oriental, Atlanta and Las Vegas.

### > Retro-Commissioning

We apply this process when it is clear that the testing and commissioning process conducted as part of the project handover have been ineffective or when a specific area of concern is identified during an energy audit, such as the balancing of the air conditioning, ventilation, heating or chilled water systems. A more comprehensive retro-commissioning process is applied when there are significant changes to the operation, due to renovations or extensions of the property. In 2016, Mandarin Oriental, Miami, followed up on the Retro-Commissioning conducted in 2015 with significant improvements of indoor air quality conditions.

### > LED Lighting

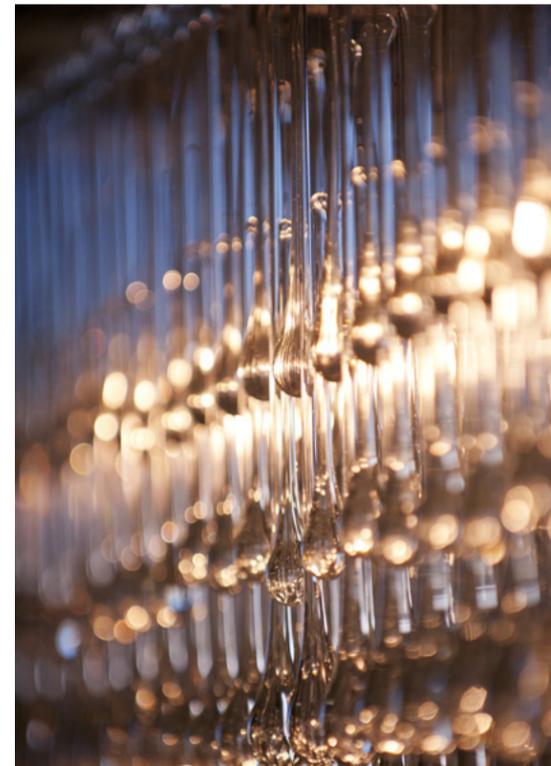
For many years, LED lighting technologies were simply not a viable option for our Group because they did not meet our quality standards and requirements for dimming controls in guest contact areas. Fortunately, there have been great advancements in the technology and we have rapidly acted to deploy LED lighting across our hotels. It is our goal to migrate to LED lighting in all hotels by 2020. To date, we have made notable progress—installing LED lighting in guestrooms, banquet areas, restaurants, corridors, parking garages and back-of-house areas across our hotels and residences.

### > Energy Management Systems

In addition to optimising the efficiency of our systems and equipment, we continue to invest in innovative technology balanced with fundamentally sound engineering practices that do not adversely impact the guest experience. For example, 88% of our hotel rooms are now equipped with automatic systems to reduce energy consumption when guestrooms are unoccupied. Mandarin Oriental, Washington DC upgraded its smart, in-room energy management systems as part of its guestroom renovation.

### > Behavioural Changes

We encourage behavioural changes to identify "low hanging fruit" opportunities. Regular measurement and monitoring, particularly using sub-metering when possible, helps to spur changes in behaviour. For example, management at One Hyde Park, our Group's residences in London, have begun to monitor utility consumption of all residents' apartments and investigate abnormal usage. As a result, some simple behavioural change opportunities have been identified for landlord-controlled areas. Opportunities were also identified to reduce costs for residents.



## Green Building Certifications, Awards and Recognitions

Through the receipt of green building certifications, we are able to demonstrate and promote best practices across our Group. Mandarin Oriental, Paris is the first hotel in France with the country's HQE green building certification for both construction and operations. Mandarin Oriental, Las Vegas is also LEED® Gold certified. In 2016, Mandarin Oriental, Geneva received the "Ambition Negawatt" award from the local utility company, competing with 90 other organisations in Geneva and achieving an energy saving of 13.9%. Mandarin Oriental, Boston also received the TripAdvisor GreenLeaders Platinum designation for the first time in 2016.

## A Better Way to Chill

**Chiller optimisation continues to offer significant improvements.**

**In 2016, Mandarin Oriental, Boston and Miami each completed major chiller optimisation projects. In Boston, the hotel focused on demand flow and was able to partner with a local utility which funded approximately 25% of the investment. The chiller optimisation project in Boston is expected to reduce chiller energy consumption by more than 40%.**

**Mandarin Oriental, Miami's chiller optimisation was identified during a retro-commissioning study conducted in the prior year. The approach was unique in that the property focused on the power of technology—installing software and hardware inside the chiller plant. This technology is able to monitor its performance in real-time. Chiller efficiencies of approximately 15% are expected from the project.**

**At Mandarin Oriental, Washington DC, a chiller optimisation project was also initiated in 2016 and work is scheduled for completion in early 2017.**

## Renewable Energy Consumption and Production

Several of our hotels are able to purchase renewable energy credits (RECs), where energy is sourced either partially or fully from low carbon sources, to procure renewably sourced energy directly from local utilities.

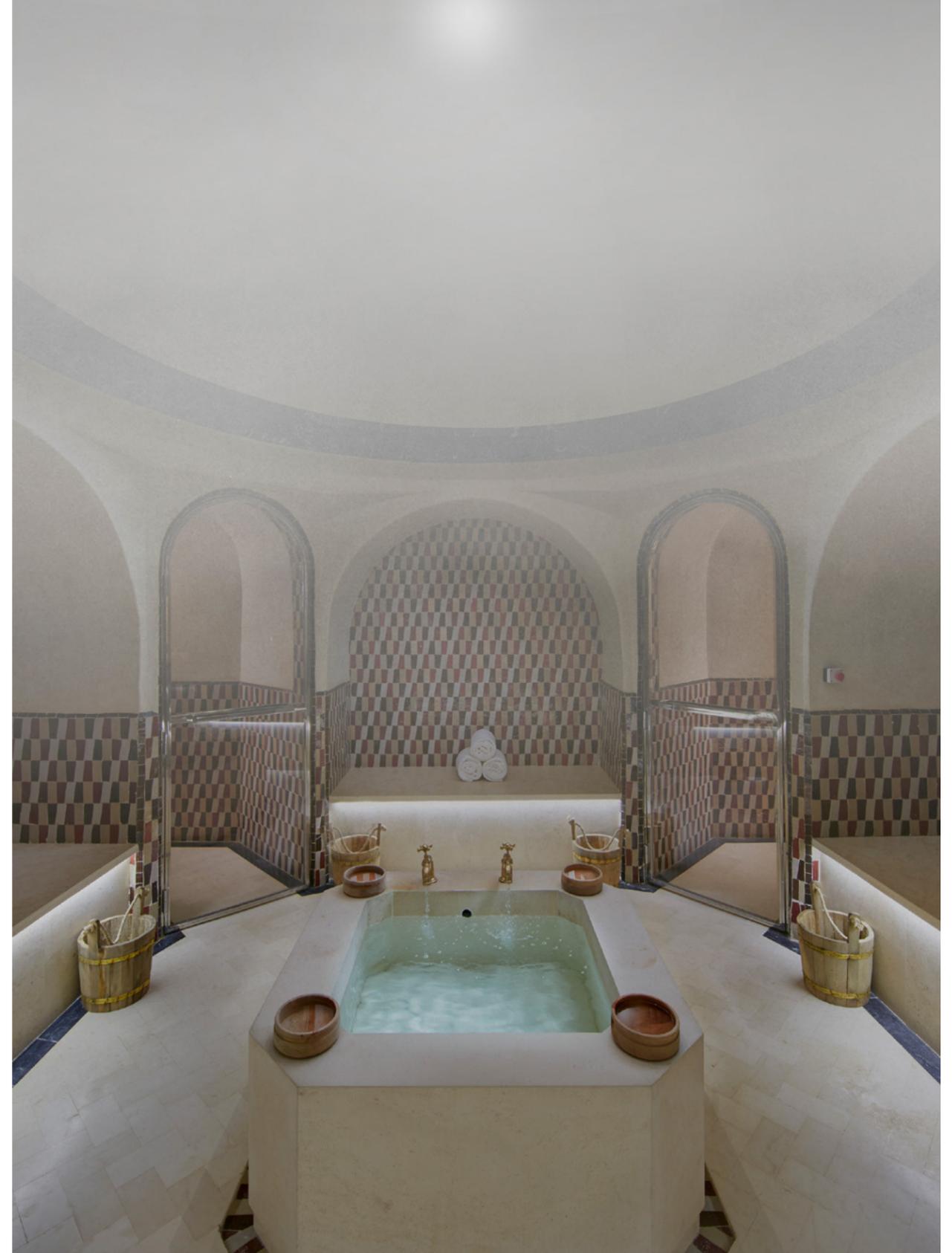
Currently, Mandarin Oriental, Munich, Prague and Washington DC actively purchase renewable energy. In 2016, the purchase of renewable energy reduced the Group's overall footprint by 3.5%, and we foresee more hotels following suit in the coming years.

At Mandarin Oriental, Barcelona and Mandarin Oriental, Bodrum, solar energy is used for hot water heating. In 2016, Mandarin Oriental, Marrakech replaced gas fired boilers with high efficiency biomass boilers that will provide energy to hot water production and heating at its main building and spa as well as heating of its central pool.

We continue to monitor advancements made in the capabilities, pricing and reliability of solar, wind and other forms of low carbon energy. We are hopeful that the national agreements and associated commitments made at the UN Climate Conference in Paris will accelerate innovation and help to make more widespread deployment of low carbon energy sources viable for our Group over the coming decade.



The Spa at Mandarin Oriental, Marrakech



**OUR PERFORMANCE**

**Energy Consumption**

Energy intensity is a normalised measure of energy consumption per square metre of property. This measure allows us to evaluate our energy consumption over time, since the footprint of our company continues to change. Our energy intensity has steadily decreased since 2007.

In 2016, annual energy intensity for the Group decreased further by 0.9% to 1,561 MJ/m<sup>2</sup>/year.

Absolute energy consumption for the Group totalled 1,464 TJ in 2016<sup>6</sup>, an increase of 1.0% over 2015, associated with a 1.9% increase in air conditioned floor area. By implementing energy efficiency measures, the Group avoided 209 TJ of energy consumption in 2016<sup>7</sup>. The total avoided consumption 2007 to 2016 was 1,066 TJ.

**Industry Collaboration on Climate Change and Carbon**

Mandarin Oriental also participates in the Hotel Carbon Measurement Initiative (HCMI), led by the World Travel and Tourism Council (WTTC) and the International Tourism Partnership. The HCMI is a standard methodology for the hotel industry to calculate carbon emissions. The HCMI's common approach to carbon measurement provides greater clarity to guests and event planners that aim to better understand the environmental impact of a guest stay.

We also participate in the Cornell Hotel Sustainability Benchmark, an endeavour to deepen the understanding of the relative and collective greenhouse gas footprints of hotels worldwide. Additionally, we served on a task force for the WTTC to prepare a report that assessed the preparedness of our industry to address climate change in advance of the UN Climate Conference in Paris.

**Addressing Fugitive Emissions**

Fugitive emissions are emissions that are unintentionally released into the atmosphere. Fugitive emissions typically occur from leaks in refrigeration systems or whilst handling refrigerants. In 2012, we began to manage these emissions in a more systematic way by incorporating these emissions in the Safe, Sound & Sustainable programme. Through these collective efforts, fugitive emissions are down 53% since the start of the programme and represented only 2.7% of total emissions in 2016.



**OUR PERFORMANCE**

**Greenhouse Gas Emissions**

Emissions intensity is a normalised measure of greenhouse gas emissions per square metre of property. In 2016, the Group's emissions intensity decreased by 1.5% over the prior year to 185 kg CO<sub>2</sub> per square metre. Since 2007, we have reduced our emission intensity by a total of 22.0%.

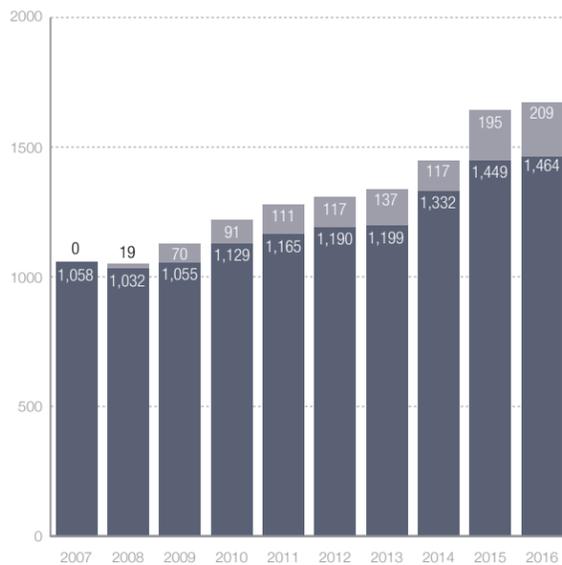
In 2016, absolute emissions generated by the Group amounted to 173,752 metric tons of CO<sub>2</sub> equivalent (including reductions from RECs)<sup>8</sup>. 78% of our emissions were from electricity consumption. From 2007 to 2016, our total avoided emissions are estimated at 146,167 metric tons of CO<sub>2</sub> equivalent<sup>9</sup>. This is equivalent to taking 28,660 cars off the road<sup>10</sup>.

Our energy intensity has steadily decreased since 2007; decreasing further by 0.9% in 2016.

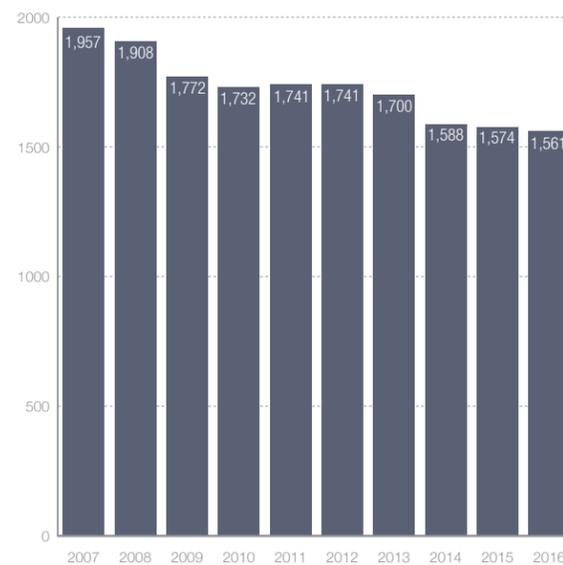
From 2007 to 2016, our total avoided emissions were equivalent to taking 28,660 cars off the road.

**ABSOLUTE ENERGY CONSUMPTION**  
2007–2016 (TJ/year)

■ ABSOLUTE ENERGY CONSUMPTION  
■ REDUCED ENERGY CONSUMPTION

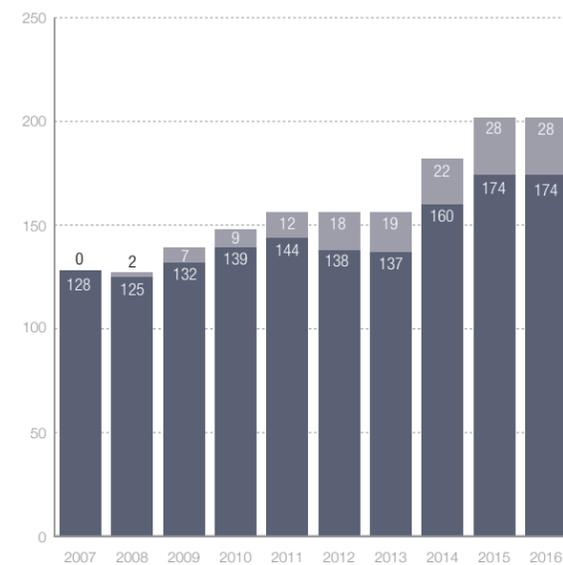


**ENERGY INTENSITY**  
(MJ/m<sup>2</sup>/year)

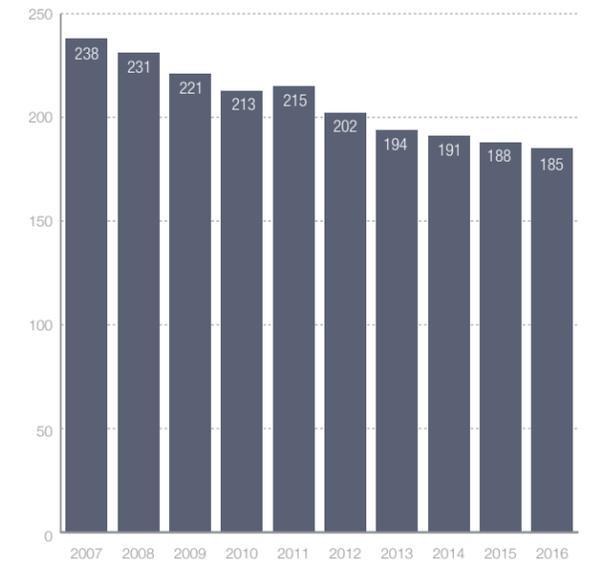


**ABSOLUTE GREENHOUSE GAS EMISSIONS**  
2007–2016 (1000 × t CO<sub>2</sub>-Eq/year)

■ ABSOLUTE GREENHOUSE GAS EMISSIONS  
■ REDUCED GREENHOUSE GAS EMISSIONS



**GREENHOUSE GAS EMISSION INTENSITY**  
(kg CO<sub>2</sub>-Eq/m<sup>2</sup>/year)



# Conserving Water

## Goals and Commitments

To reduce water intensity per guest night by 20% from 2007 levels by 2020

Our 2016 interim goal was to reduce water intensity by 15%, which we almost achieved

*The availability of clean, accessible water is essential to the services we provide and critical to the health and economic vitality of the communities where we operate.*

## Practices

We execute on a series of water conservation strategies including investing in water efficient technologies, stimulating process improvements and re-using and recycling water

## Future Directions

Leverage the findings from our water risk assessment to drive development of new strategies and projects with a focus on hotels in water stressed locations

## Understanding Our Water Risks

Water is a finite natural resource whose value is not always reflected in its relatively low cost. When droughts and other water challenges arise, we experience notable increases in costs. In recent years, the United States has been most affected on a cost basis, with average rates estimated to have increased by 48% from 2010–2015<sup>11</sup>. However, cost is merely a small part of the equation when considering the potential implications that water risks could pose to our business and the communities where we operate.

Mandarin Oriental has conducted a Group-wide water risk assessment using the World Resources Institute's Aqueduct tool<sup>12</sup>. Based on the location of our properties, we considered our exposure on a site-by-site basis to a series of risks, which included baseline water stress, flood occurrence and drought severity. The assessment reviewed the current condition as well as a projection for 2020. The water risk assessment identified 13 properties in our existing portfolio and seven development projects that are located in high water stressed areas. The key findings of the water risk assessment will be used to identify and prioritise target water conservation actions and programmes. For example, Mandarin Oriental, Bangkok ran a campaign to educate colleagues on water conservation during the 2016 drought in Central Thailand.



## Conservation Measures to Support Our 2020 Goal

We have a set a goal to achieve a 20% reduction in our water consumption per guest night from 2007 levels by 2020. As we work toward this goal, we are focused on implementing best practices to conserve water:

### > Motion Sensors and Low Flow Fixtures

We continue to retrofit motion sensor and low flow fixtures in our properties' common areas, back-of-house areas and guestrooms. In 2016, Mandarin Oriental, Bangkok, Singapore and Hong Kong installed new low flow toilets in their guestrooms.

### > Process Improvements and Water Efficient Technologies

From our buildings' heating and cooling systems to our kitchen, laundry and gardening operations, the stimulation of process improvements that conserve water has helped to support the Group's progress toward our 2020 goal. Each of our hotels and residences are actively identifying and implementing water efficiency technologies and process improvements to conserve water. In 2016, Mandarin Oriental, Hong Kong introduced an alternative system for defrosting food, eliminating the traditional use of freshwater. Mandarin Oriental, Boston has begun to offer soakless pedicures to reduce water associated with spa services.

### > Behavioural Change Initiatives

Due to behavioural change initiatives, we have been able to support a culture of conservation. At Mandarin Oriental, Hong Kong, overnight cleaning water consumption is monitored daily and water saving opportunities are reviewed with the kitchen team on a monthly basis. In 2016, colleagues at Mandarin Oriental, Marrakech began placing water conversation labels next to all back office water taps as a gentle reminder not to be wasteful when using water.

## Capitalising on Opportunities to Recycle and Reuse Water

Central to our water conservation plan is to increase the amount of water that we are able to recycle and reuse as well as using alternative methods to provide cooling to the chiller system whilst maintaining high system efficiency. This is best implemented at the design stage or in conjunction with major system or property renovations.

Best practices are beginning to emerge across the Group and throughout our properties:

### > Our Gardens

Mandarin Oriental, Sanya uses recycled treated grey water for irrigation throughout the resort's extensive gardens. At Mandarin Oriental, Marrakech, ground water is used for irrigating its landscaping and vegetable garden.

### > Back-of-House

Mandarin Oriental, Milan is using groundwater for the chiller system rather than evaporative cooling towers. Mandarin Oriental, Bodrum engages in a similar process, using seawater instead.

### > Guestrooms

Mandarin Oriental, Hong Kong and The Excelsior, Hong Kong recycle water from the cooling towers for toilet flushing. Mandarin Oriental, Tokyo also uses recycled water for toilet flushing in part of the building.



### Approaching End-of-Life Replacements Strategically

When replacing piping and other components of water systems at our properties, we have been able to identify opportunities that support our 2020 water conservation goal as well as our broader corporate responsibility platform. In 2016, Mandarin Oriental, Las Vegas selected new Aquatherm replacement piping to prevent leaks as well as maintain water quality. The new pipes have an added benefit as well—they are made from 100% recyclable materials and are estimated to require 75% less energy to produce in comparison to traditional metal piping. They are also free from VOCs, BPA, chlorides and heavy materials, and are projected to last more than twice as long as copper or steel piping alternatives.

### Challenges and Opportunities

We recognise that our guestrooms and spas are very water intense and that we therefore need to increase our efforts and identify additional initiatives to further improve efficiencies in other areas. This includes application of technology as well as training to encourage behavioural change.

To measure progress against our 2020 reduction goals, we utilise the number of guest nights as our intensity metric. However, variations in the number of guest nights can either accelerate or decelerate our progress.

We continue to focus our efforts of reducing water consumption in areas where it is not directly impacting guest experience and the sense of luxury associated with our brand. Moving forward, we also aim to improve communication processes with developers on the importance of water efficiency, continue to drive process improvements and capitalise on opportunities to reuse and recycle water. Additionally, our water risk assessments will continue to play an important role in driving future strategies, especially in water stressed areas.



## OUR PERFORMANCE

### Water Consumption

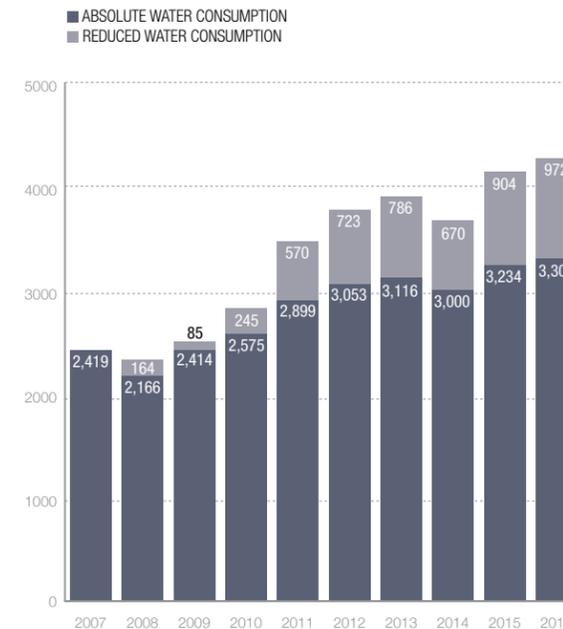
In 2016, the Group's absolute water consumption, including irrigation, cooling towers, swimming pools and guestrooms, was 3,301,374 cubic metres<sup>13</sup>. In 2016, water intensity increased over the prior year by 2.5%. Since 2007, we have reduced our water intensity by a total of 13.9%.

Municipal water supplies provide water for all hotels with the exception of Mandarin Oriental, Bangkok, which relies partially on surface water, and Mandarin Oriental, Bodrum, which predominantly uses groundwater purified by reverse osmosis. Municipal supply accounts for 92.5% and surface and groundwater represents 7.5% of our total water supply.

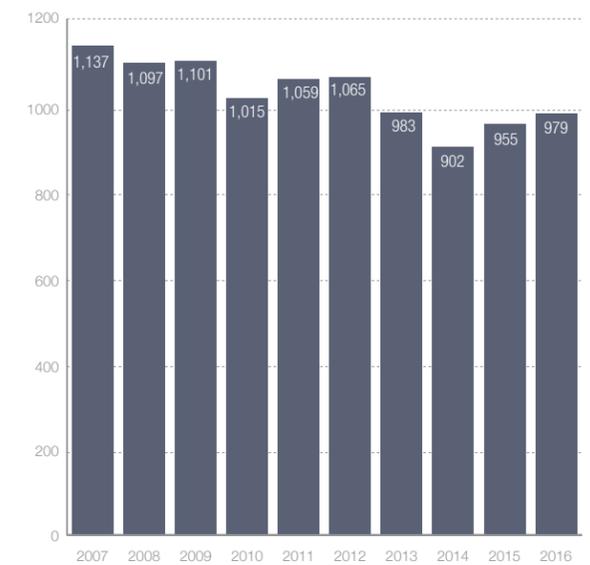


Since 2007, we have reduced our water intensity by a total of 13.9%.

ABSOLUTE WATER CONSUMPTION  
2007–2016 (1,000 m<sup>3</sup>/year)



WATER INTENSITY  
2007–2016 (litres/guest night)



## Managing Waste

### Goals and Commitments

To reduce waste-to-landfill per guest night by 20% from 2012 levels by 2020

Our 2016 interim goal was to reduce waste intensity by 10%, which we did not reach—making our 2017-2020 efforts more critical

*The staggering amount of waste generated by society is rapidly becoming a global issue. At Mandarin Oriental, we assume responsibility for reducing the amount of waste we generate and strive to identify resourceful ways to minimise our environmental impact.*

### Practices

We divert waste from the landfill through materials reduction, reuse, recycling, donation, composting and conversion to bioenergy and farm feed

### Future Directions

Continue to develop new partnerships and practices and further engage colleagues on the importance of recycling and diverting waste from landfills

### Managing Our Waste Streams

Our hotels' waste streams are mapped to more than 30 waste categories, which include glass, aluminum, metal, wood, paper, food, used oil, soap bars, bottled amenities, landscaping waste, batteries, used appliances and printer toners.

For each of these waste streams, each hotel has identified disposal methods that avoid landfills based on local available options. These methods include recycling, donation, composting, use for bioenergy and use for farm feed.

Over the past five years, we have engaged in significant efforts to obtain credible data that will enable us to measure progress against our goals. In 2016, 96% of our operating hotels provided waste data compared with 63% when we started this initiative in 2012.

### A Tried and True Model

We utilise the three "R"s—Reduce, Reuse and Recycle—as a model that support, our efforts to reduce the amount of waste sent to landfill per guest night:

#### > Reduce

Several of our waste streams present opportunities to reduce the amount of waste that we generate. Whilst each hotel focuses its efforts in the areas where it makes most sense for their operation, we have identified food and plastic waste as overall target areas for our Group.

#### > Reuse

We reuse whenever possible, and we have been able to identify numerous ways to donate materials for community re-use and benefit across our locations of operation.

#### > Recycle

We actively recycle materials and engage our colleagues to promote recycling.



Waste management centre at  
Mandarin Oriental, Kuala Lumpur



## Learning From Our Successes

**In 2016, Mandarin Oriental, Hong Kong increased its waste diversion rate by 6% (now at nearly 40% diversion). The Corporate Responsibility team attributes these positive results to continuously pushing toward improvement—leveraging colleague training as well as waste audits and focused planning. To reduce paper consumption, the hotel assigned responsibilities to each department to come up with an action plan. Once all ideas were submitted, they were consolidated and shared throughout the hotel with monthly follow-ups. The result—annual paper consumption was reduced by nearly 20% in 2016.**

**Mandarin Oriental, Kuala Lumpur and Munich have also made strong progress over the past few years. Both properties cite the importance of recent audits as well as colleague education and ensuring that the right waste bins are in place.**

**With an onsite recycling centre, Mandarin Oriental, Las Vegas is able to hand sort its glass, metal, plastic, paper, and cardboard. In 2016, Mandarin Oriental, Las Vegas saved nearly US\$50,000 from finding recoverable silverware in its waste bins. To promote recycling at its residences, the property also places recycling bins in all residence service landings.**

## Food Waste

Food waste has a significant impact on the overall weight of the waste being disposed. Our efforts are primarily focused on eliminating food waste in the first place. We are working to transform our operations so that the practice of sending food waste to the landfill is consistently avoided.

Colleague engagement is critical and we aim to continue promoting best practices, such as those at Mandarin Oriental, Hong Kong where “Zero Food Waste” days are held in the staff canteen monthly and colleagues are given chopsticks that promote the message of *“Take just enough. Do not waste food.”* As a part of the food waste reduction programme at Mandarin Oriental, Singapore, colleague awareness is enhanced through educational videos, refrigerator magnets and table top reminders in the canteen.

Most of our hotels have also identified composting or recycling options, notably for cooking oil. Cooking oil is recycled at properties including Mandarin Oriental, Guangzhou and New York. In 2016, Mandarin Oriental, Miami implemented a newly recyclable oil system for its main kitchen fryers.

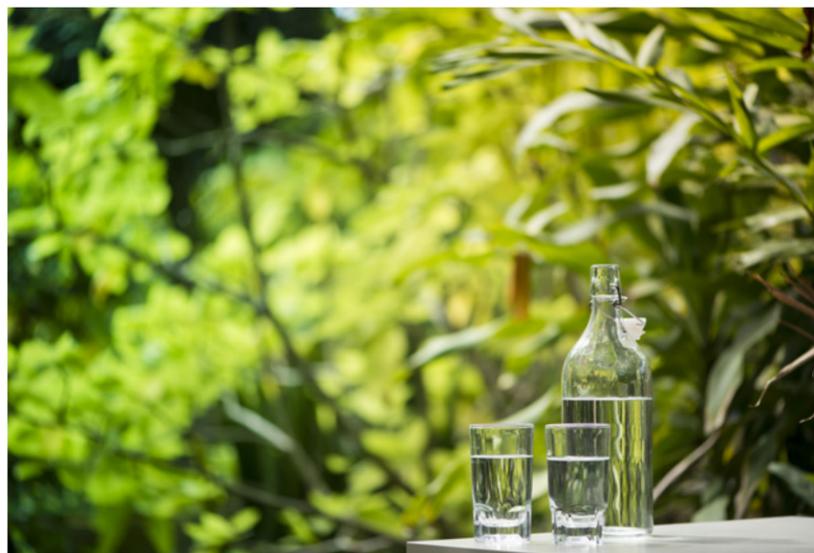
## Plastic Bottles

Plastic bottles are used for drinking water provided to guests in guestrooms, spa, fitness and wellness areas, restaurants, banqueting and limousine services. An increasing number of our hotels have provided alternatives where reusable glass bottles or drinking water units are used. Although we are at a very initial stage, we made significant progress to reduce plastic bottle waste in 2016 and are optimistic that we can replace a significant amount of plastic bottles in the near future using these methods.

In 2016, Mandarin Oriental, Geneva became the first hotel in our Group to introduce reusable water bottles in guestrooms. Other hotels throughout the portfolio also plan to incorporate this practice.

## Driving Positive Impact Through Reuse

Our hotels have very strict standards on which items can be guest facing. For example, a mere chip on a plate will render that plate unusable for our operations. That said, just because we can no longer use specific items, these items can still be reused and enjoyed by others including our colleagues and those in need. As such, donations are a key method that enable us to divert waste from landfills.



In 2016, highlights and best practices across the Group included:

### ► Identifying Items for Re-use Onsite

Towels that are in good condition but do not meet our standards for guestrooms are reused as foot mitts in the Spa at Mandarin Oriental, Macau. Mandarin Oriental, New York has implemented a programme to reuse all wire hangers in the hotel, estimated to diverting about 75,000 hangers from landfills annually.

### ► Sharing with Our Colleagues

At Mandarin Oriental, Macau, leftover produce is shared with colleagues. Mandarin Oriental, Atlanta also enables colleagues to reuse hotel mattresses, linens, cooking equipment, china and silverware in exchange for a nominal fee, which is used to fund the hotel's corporate responsibility initiatives.

### ► A New Home for Used Linens

Mandarin Oriental, Miami has donated its used linen to local animal rescue charities. Mandarin Oriental, Macau donated towels to a local home for the elderly and a local charity. Mandarin Oriental, Barcelona also donated used towels, linens and bathrobes to charitable causes.

### ► A Life After “Lost and Found”

In 2016, the Excelsior, Hong Kong donated 250 kilograms of lost and found items to a charity that provides help to the poor and disadvantaged in Hong Kong and Mainland China, with particular emphasis upon displaced persons. Mandarin Oriental, Boston also donated nearly 130 pairs of lost eyeglasses to Lion's Club International for re-use.

### ► Leftover Food and Flowers

Mandarin Oriental, Singapore partners with the “Food from the Heart” organisation to donate surplus pastries and breads monthly for distribution to welfare homes, children, senior citizens and other needy families on the island. Working with the organisation ‘Food Bank Singapore’, surplus cooked food from the hotel is also collected and distributed to underprivileged communities in the city. After large events where there is a surplus of flowers, the hotel donates to Happy Flowers, a charity that repacks and sends the flowers to those in hospice care and nursing homes.



## Composting to Close the Food Cycle Loop

**Properties including Mandarin Oriental, Boston and Las Vegas are able to send composted materials to local pig farms. At Mandarin Oriental, Boston, approximately 120 tons of compost were sent to a local pig farm in 2016. Mandarin Oriental, Bangkok and New York have also begun to compost plant and flower waste.**

**Several of our hotels have also invested in food waste bioreactor machines for composting. At Mandarin Oriental, Washington DC, approximately 150,000 kilograms of food waste are composted annually using its two waste bioreactors.**

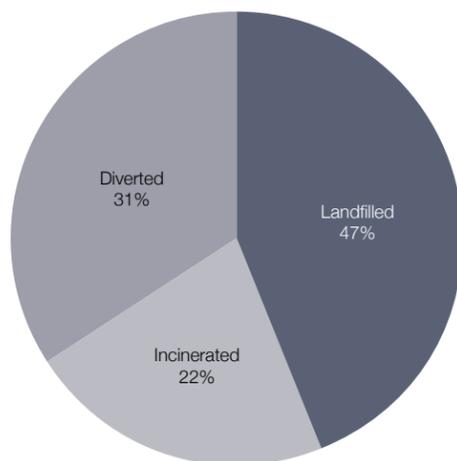
**OUR PERFORMANCE**

**Waste-To-Landfill Diversion**

Waste data collection began in 2012, and we refer to 3.59 kg waste sent to landfill/guest night as our 2012 baseline year measurement. In 2016, the Group assessed 3.66 kg waste sent to landfill/guest night<sup>14</sup>, a 2.0% increase over 2016 figures and higher than our 2012 baseline. We attribute this increase in part to our Group’s enhanced data collection procedures and increased data boundary.

Although not part of our goals, we monitor our waste diversion performance closely as this provides us with an indication on how effective the properties are in diverting waste from landfill. Since 2012, our waste diversion factor has doubled. In 2016, our waste diversion factor was 34%, compared to 31% in 2015 and 17% in 2012.

WASTE BY DISPOSAL METHOD  
2016



**Strengthening Our Organisation Through Recycling**

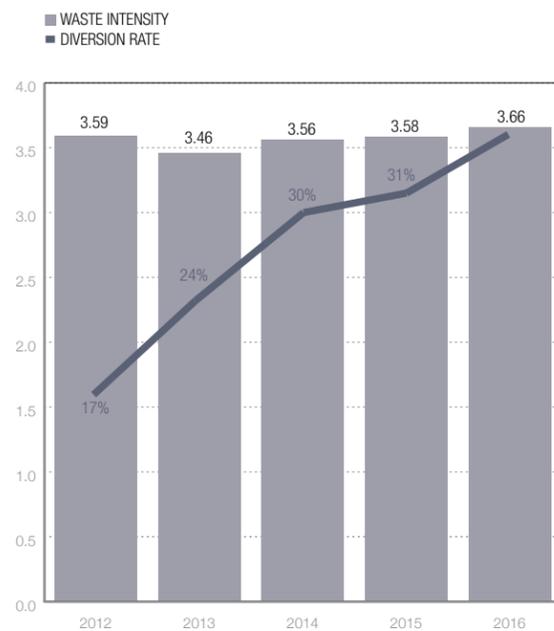
Recycling has provided unexpected revenues in many locations, which has helped to fund corporate responsibility initiatives at our hotels. For example, Mandarin Oriental, Bangkok was able to generate thousands of dollars from sending scrap metal from its recent renovation back to the contractor for recycling. Mandarin Oriental, Jakarta was also able to recycle old pipes and kitchen equipment in collaboration with a third-party vendor.

Across the Group, we continue to identify new opportunities for recycling beyond traditional waste streams, which include the following:

- Mandarin Oriental, Singapore has identified a local partner to recycle expended lamps.
- Mandarin Oriental, Las Vegas has selected a vendor to increase the amount of electronics and metals that can be recycled.
- Several hotels, including Mandarin Oriental, Guangzhou and Prague, have begun to recycle used coffee capsules—providing a notable opportunity in the aggregate.

Colleague engagement is critical to increasing the amount of recycled waste at each property. Led by our Corporate Responsibility Champions, many of our hotels have enacted awareness and education measures. We also support colleagues to recycle in their own lives. In 2016, Mandarin Oriental, Atlanta and Las Vegas provided electronics recycling opportunities to colleagues. At Mandarin Oriental, Barcelona, bottle caps have been collected to support the “Lids for a Life” programme, which helps disabled children to get access to medical treatments.

WASTE INTENSITY AND DIVERSION RATE  
(kg/guest night and percentage)



**Challenges and Opportunities**

We believe that it is important to think globally but act locally in order to transform leading edge practices to practical processes that we can implement. To achieve our landfill waste diversion goals for 2020 and beyond, we must address specific local challenges.

Limited waste infrastructure for recycling and composting is a challenge for some of our destinations. Waste separation and measurement in hotels that are part of a mixed-use development can also be a challenge. As such, a review of the waste management process at the construction stage for new developments is particularly important, especially for mixed-use developments.

To reach our 2020 goals, we must continue to build awareness and education among our colleagues on the importance of recycling and diverting waste from landfills. It is also critical that we continue to enhance how we account for the high volume of heavy waste, such as “wet” waste and glass generated at our food and beverage operations.



**Promoting Hygiene in the Developing World**

Since 2010, we have partnered with Clean the World, where used soap, shampoo and other amenities are donated for reuse to support those in developing nations. In 2016, 19 of our properties donated more than 25,000 pounds of soap and bottled amenities to Clean the World. To date, Group donations have helped to distribute nearly 250,000 bars of soap to developing countries.

We aim to extend our partnership with Clean the World as its network expands to other locations where we operate. Colleagues at Mandarin Oriental, Las Vegas also supported the Clean the World Volunteer Day—coming together to wash and organise used shampoos, conditioners and soap containers for re-use.

## Sourcing Responsibly

### Goals and Commitments

To increase our purchasing of sustainable, ethically-sourced and local materials across our operations

*We support a complex, global supply chain that encompasses multinational vendors and local farmers and ranchers. From our food and beverage to our cleaning and laundry operations, we are inspired by the opportunities to accelerate our commitment to responsible sourcing.*

### Practices

In close partnership with our colleagues, suppliers and vendors, we engage in environmentally preferable purchasing and consider broader societal issues including fair trade practices, sustainable fisheries, the world's bee population and human health

### Our Supply Chain

Mandarin Oriental Hotel Group supports a large supply chain with thousands of suppliers when aggregated across each property. Our approach to managing procurement and vendor relationships is mostly decentralised, with properties directly selecting and purchasing most of the items used to support daily operations—most notably food, cleaning and spa products. Beyond our regular and ongoing purchases of items required for daily operations, our Group also procures building materials, information technology, furniture, fixtures and equipment for our hotels and residences.

### Environmentally Preferable Purchasing

Each hotel is encouraged to identify and partner with suppliers that provide environmentally preferable purchasing opportunities, such as recycled and reusable materials, that meet our needs and support our brand.



### Future Directions

Develop and enhance standards and practices that can be applied consistently throughout the Group

## Environmental and Social Screening

It is extremely important to our Group that we partner with vendors and suppliers who actively support sustainability and act with social responsibility, because their products and services are an extension of our services that we provide to guests. As such, they should reflect our brand, values and guiding principles. Vendors and suppliers that we work with are carefully selected to ensure they comply with local regulations, match our values and take sustainability and social responsibility as seriously as we do.

**We are in the process of upgrading and standardising the responsible and sustainable purchasing guidelines across our portfolio in order to ensure that all our suppliers, vendors and business partners share our values and are clear on our expectations.**



Each year, new opportunities are identified. In 2016, highlights included:

#### > Organising for Success

The Landmark Mandarin Oriental, Hong Kong began to implement a sustainable procurement policy with procedures that were piloted in the property's Food & Beverage and Property Operations & Maintenance departments. The hotel notified all vendors and contractors that more sustainable products and services will be deemed as "preferred", and selected key vendors and contractors were asked to complete a questionnaire. Specific products were reviewed to assess new environmentally preferable purchasing opportunities, including those related to packaging and local products. Progress to date, as well as future opportunities, are reviewed on a monthly basis.

#### > Biodegradable Guestroom Toiletries

Mandarin Oriental, Kuala Lumpur now purchases biodegradable toothbrushes, combs and shower caps for its guestrooms. The biodegradable toiletries are disposed of separately, and associated cost savings are used to help fund the hotel's community and colleague engagement activities.

#### > Compostable Products Only

The Corporate Responsibility Committee at Mandarin Oriental, Milan introduced a "compostable products only" policy in its colleague dining room. As part of the policy, all consumables, such as tissues and coffee cups, are 100% biodegradable and everything else is washable.

#### > Size Matters

At Mandarin Oriental, Las Vegas, branded water bottles have been reduced in size by 40% to 10 ounces. As more than 120 water bottles are distributed daily, this change is expected to result in notable reductions in both cost and waste-to-landfill with minimal impact on guest experience.

#### > The "Green" Ground Beneath Our Feet

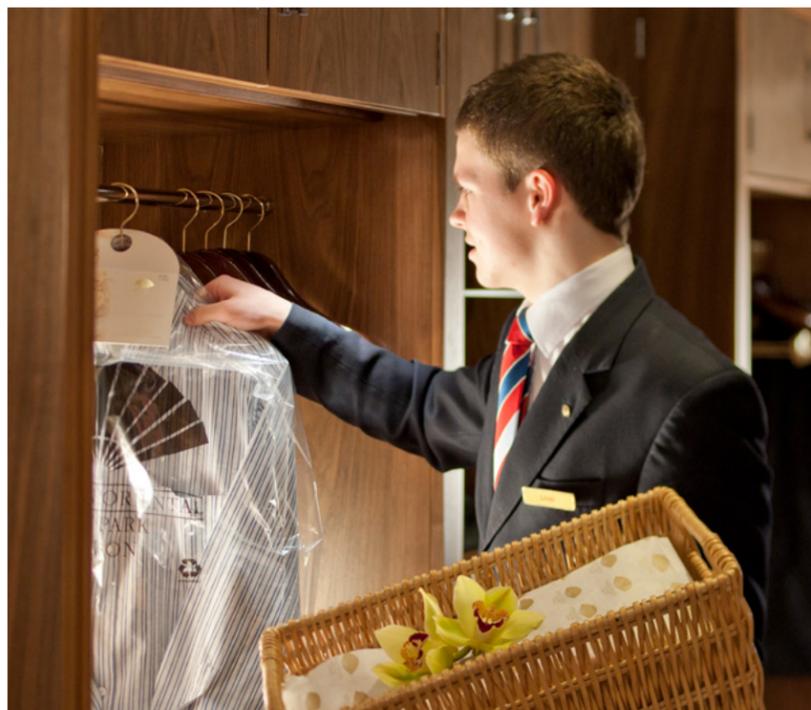
Mandarin Oriental, Atlanta upgraded its fitness centre to include flooring made from recycled tires. When renovating its guestrooms, Mandarin Oriental, Kuala Lumpur selected eco-friendly underlays for the carpets. These underlays are made of 100% recycled fibres and are also recyclable at end of life.

## Cleaning Supplies and Detergent

Cleaning supplies and detergents can have a considerable impact on both the environment and human health through their ingredients, manufacturing process, packaging, use and disposal. Housekeeping colleagues at our properties are making strides toward use of biodegradable chemicals over more traditional cleaners. Through strategic relationships with key suppliers focused on sustainability, we also aim to use more sustainable products that incorporate the best alternatives available across each of our properties.

To reduce impacts associated with our laundry operations, several properties utilise Ecolab Aquanomic products that are less chemically intensive and require 40% less energy and water use when compared to traditional laundry operations. The energy and water efficiencies are due in part to a streamlined wash process and subsequent lower water temperatures.

In the Americas region, we have begun to partner with hospitality procurement service company Avendra to leverage their buying power with key suppliers of cleaners and consumables. With a wide range of available suppliers and products, Avendra has been working with our Group over several years to identify renewable, recyclable and eco-friendly products that support our sustainable procurement goals.



## Engaging with Our Suppliers

Our experience has been that our suppliers and vendors are enthusiastic to partner with our Group, share common commitments to the highest levels of service and luxury, and listen to our feedback—particularly as it relates to our sustainability goals and aspirations.

Beyond daily procurement processes, we also demonstrate our values and engage with our suppliers through waste management and community initiatives. We include suppliers and vendors in relevant community projects and are able to drive greater positive impact as a result of their support.



## Joining Forces with Local Suppliers to Help Make a Difference

Through its Supplier Appreciation Programme, Mandarin Oriental, Singapore proactively engages its suppliers to participate in its waste diversion initiatives, which includes using reusable containers for deliveries and donating basic necessities for the needy in partnership with the hotel. As a gesture of appreciation and to get their buy-in for the hotel's environmental initiatives, complimentary dining and hotel stay experiences are extended to supportive suppliers.

Mandarin Oriental, Singapore also collaborates with its Food and Beverage suppliers to bring awareness and make contributions to its Ring Tabs Collection programme. Through this programme, used or discarded can tabs are recycled to create prosthetic limbs for the disabled with the support of our suppliers in addition to our colleagues and their friends and family. To date, the ring tab donations contributed to the production of more than 100 prosthetic legs. Mandarin Oriental, Bangkok is also engaged in a similar programme—collecting 72 kilograms of aluminium cans over the past two years to be recycled for nearly 20 prosthetic limbs.

Local suppliers and vendors are invited to join Mandarin Oriental, Singapore in donating food and basic necessities to children from low-income families. Alongside our colleagues, suppliers and vendors have volunteered their time to help to pack “goodie bags” for children in need. Mandarin Oriental, Kuala Lumpur also invited suppliers to participate in its annual “Waste Not Want Not” charity sale, which raised nearly US\$1,500 in 2016.

## Protecting the World's Bees

Bees are critical to food and vegetable production in addition to protecting biodiversity. Bees pollinate food crops that supply approximately 90% of the world's nutrition. Honey bees perform about 80% of all pollination worldwide, which includes fruits, nuts and vegetables. A single bee colony can pollinate 300 million flowers each day<sup>15</sup>.

In recent years, population declines for these crucial pollinators have raised concerns about the coinciding impacts on our food supply and ecosystem functions. At Mandarin Oriental, we believe that this is a critical issue to address, and as such, we have begun to expand our beekeeping programme. Our objective is for several of our hotels to invest in employing beekeepers, so that we can serve honey to guests—further integrating sustainability into the guest experience.

Onsite beekeeping is a best practice that is currently in place at some of our hotels, including Mandarin Oriental, Paris, which features a rooftop beehive. In 2017 and beyond, we expect to accelerate our efforts to protect the world's bees through both onsite and offsite beekeeping.

## Our Food and Beverage Operations

Our Group maintains very complex food and beverage operations with the highest commitment to service and quality. Twelve of our restaurants have been honoured with a total of 18 Michelin stars—more than any other hotel group in the world. Our restaurants feature world-renowned chefs who are given freedom to develop menus and space to express their culinary creativity whilst respecting our commitment to the environment and sustainability.

A common thread is a determination to “be the best” in the markets we serve, and we believe that sustainably and ethically sourced food is not only a moral responsibility. As such, we are sharpening our focus on key initiatives, which includes support for fair trade sourcing, beekeeping, local producers and sustainable seafood.

## Committing to Fair Trade Products

We have committed to switch at least one product per year to ensure that coffee, cocoa, tea and vanilla is purchased only from fair trade producers.

In 2016, we reviewed our tea programme Group-wide and reached out to our suppliers for their assurance of fairly sourced and traded business practices. We have garnered the assurance that the teas served at our hotels meet the standards set forth. In 2017, we will be focusing next on fair trade coffee in our supply chain.



Beehive at Mandarin Oriental, Paris



## Partnerships with Local Farmers and Ranchers

Our chefs and sommeliers maintain close relationships with our local suppliers who produce food for our guests. We know that a mutual interdependence exists, as we are a large customer to several local farmers and ranchers. We also write our menus accordingly to align with the amount of protein and produce that these vendors are able to produce.

## Support for Sustainable Seafood

We are sensitive to the impacts caused by overfishing and environmentally destructive fishing methods. The Group has initiated a project to upgrade and standardise the responsible and sustainable purchasing guidelines across our portfolio in order to ensure that all our suppliers work with sustainable seafood and fish produce. Many hotels work closely with local suppliers to ensure sustainable products are delivered to our guests. For example, Mandarin Oriental, Geneva increased its commitment to sustainable, local fish by adding to its menu local perch that is only available seasonally due to practices implemented to avoid overfishing.

## Challenges and Opportunities

With the recent commitments to Group-wide beekeeping, fair-trade sourcing and sustainability assessment procedures, we have begun to develop the blueprints for a bolder vision for supply chain responsibility. The principles of supply chain responsibility are innately complex, with specific challenges among product types, such as traceability and impacts on ecosystem services, and within individual product categories.

To source as responsibly and sustainably as possible, we aim to encourage innovation and continue to socialise the importance when evaluating associated costs or potential changes to the guest experience.

## A Ban on Shark's Fin

Since 2012, shark's fin has been banned from all Group restaurants and banqueting menus worldwide. Despite the prominence of this dish for ceremonial dining in Asia, business impact from the ban has been minimal. We attribute the minimal economic consequences to the support of our guests who believe in the need to preserve ocean biodiversity.

# Respecting Biodiversity

## Goals and Commitments

To promote biodiversity protection and prevent any potential adverse impacts to protected areas within our sphere of influence

*Biodiversity provides society with vital goods and services to sustain life and encourage growth. From food, water to climate, the cohabitation of ecosystem services provides countless benefits to our business and the travel and tourism industry.*

## Practices

We have engaged in a formal process to assess biodiversity risk and sponsor local initiatives to support biodiversity

## A Strategic Priority

Biodiversity enables the continuous flow of ecosystem services, such as food production, clean water and climate regulation, which are critical to local economies but not fully valued using traditional financial methods. Whilst our Group's properties are predominantly located in urban areas, the products of biodiversity are experienced throughout our hotels: from our restaurants to our spas and public areas.

## Assessing Our Risks

To better understand potential negative natural and cultural impacts from a loss in biodiversity, we have conducted a Group-wide biodiversity risk assessment for our current properties in addition to those that are planned or in development. The assessment considered the International Union for Conservation of Nature (IUCN) Protected Areas, Ramsar Wetlands of International Importance, UNESCO World Heritage Sites, Biosphere Reserves recognised within the framework of UNESCO's Man and Biosphere Programme in addition to Natura 2000 sites. Endangered species habitats were not included in this assessment due to the location of our properties.

## Sharing Key Findings

The biodiversity risk assessment confirmed that no properties are located in internationally-determined protected areas; however, nine of our properties are located near areas with biodiversity risk. Three of our properties—Mandarin Oriental, Prague, Las Vegas and Washington DC—are located near IUCN protected areas. Additionally, Mandarin Oriental, Milan is located near Valle del Ticino, an ecologically important ecosystem where two key rivers meet, that is recognised as a biosphere reserve within UNESCO's Man and Biosphere Programme. Based on the findings, these four properties will be subject to future evaluation, and we plan to engage with these properties' Corporate Responsibility Committees to determine future actions and opportunities.



## Future Directions

Deepen how we factor biodiversity into the design, construction and operation of our properties, and partner with guests and suppliers to protect biodiversity



Mandarin Oriental, Tokyo colleagues participate in the Nihonbashi Bridge cleaning.

## Incorporation into Planning and Operations

During the planning stage for new projects, the Group's Technical Services department is responsible for identifying whether planned projects are located in sensitive areas and conducting detailed assessments as required. Any potential risks and considerations are reviewed to inform execution during the construction stage.

Once our hotels are open and operational, we utilise our Safe, Sound and Sustainable Programme to audit environmental practices. Our hotels also have been executing on local opportunities to support the protection of biodiversity with a focus on ecosystem protection and educational initiatives.

## Caring for Our River Basins

Mandarin Oriental, Tokyo partners with the local community to help keep the Nihonbashi River clean. This river runs behind the hotel, and many tourists enjoy boat trips on the river. Colleagues take pride in doing their part to keep the river clean and healthy, particularly when fish can be seen in small shoals, indicating the health of the river system. Mandarin Oriental, Singapore has also adopted the marina reservoir across from the hotel. Colleagues at Mandarin Oriental, Geneva and Paris helped to clean the Rhône and Seine rivers in 2016.

## Using Biopori Holes to Improve Soil

**We also take steps to protect soil in consideration of its relationship to the function of waterways and ecosystems. At Mandarin Oriental, Jakarta, we maintained 50 biopori holes, which enable our food waste to be used to improve soil condition in the city. The biopori holes are believed to support proper absorption of rainwater to minimise floods in the area.**

## Coming Together to Adopt a Panda

At Mandarin Oriental, hotels across the Group have come together to adopt a living panda in China through the non-profit organisation, Pandas International. To celebrate this effort, we provide a panda stuffed toy as a welcome gift for children who stay at our hotels.

### Protecting the Coasts

For several years, Mandarin Oriental, Boston has participated in the International Coastal Clean Up event at a nearby beach. Mandarin Oriental, Miami also participated in the International Coastal Clean Up Event in 2016, collecting approximately 70 pounds of waste. Colleagues in Boston and Miami brought their families along to join them in their efforts. Colleagues at Mandarin Oriental, Sanya clean the nearby beach on a weekly basis as part of its operating procedures. The Landmark Mandarin Oriental, Hong Kong also participates in beach cleaning.

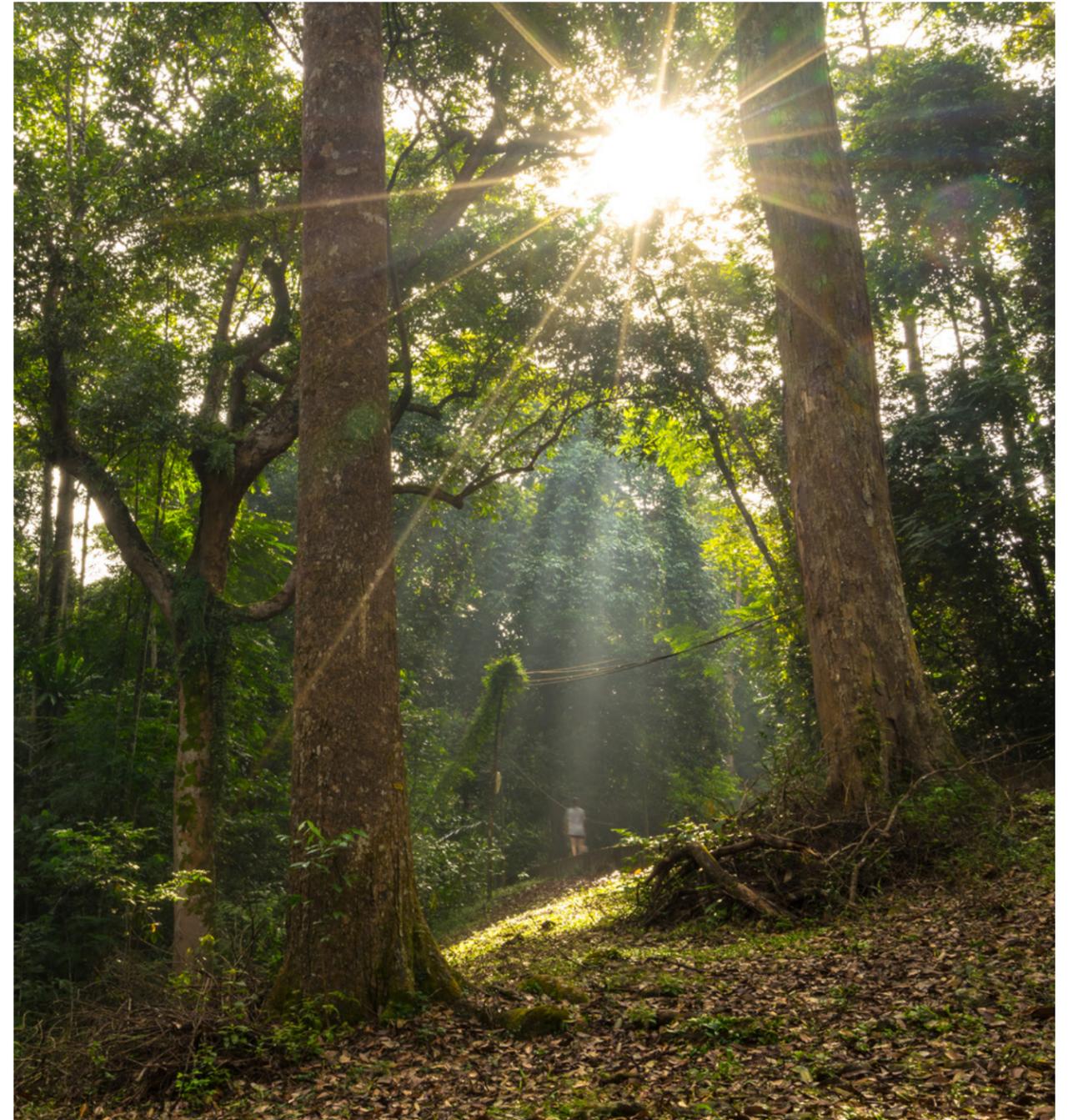
### Bringing Forests into Focus

Mandarin Oriental, Kuala Lumpur's Corporate Responsibility Committee organised a colleague event at the Forest Reserve Institute of Malaysia for a colleague outing. Nearly 50 colleagues participated in the event, which included an educational tour of the local water authorities that process raw water for distribution to homes around the district, followed by a clean-up of the surrounding areas.

At Mandarin Oriental, Munich, a new initiative has been identified to purchase chocolates from a social enterprise. A tree will be planted or saved to commemorate each box purchased by the hotel.

### Promoting Education and Awareness

Mandarin Oriental, Sanya engages guests on coral conservation through its Kid's Resort Passport programme. In 2016, a coral painting activity was introduced at its MO Kids Camp to educate children on the importance of coral reef protection. Additionally, colleagues at the hotel have also helped to coordinate the release of turtles with Sea Turtle 911, a non-profit organisation focused on protecting turtles in the South China Sea.



### Looking Ahead

Biodiversity is an important topic, presenting numerous opportunities where we can advance our efforts and programmes. Building upon the findings of our biodiversity risk assessment, we aim to enhance our consideration of potential impacts through all stages of its lifecycle: from planning to construction and operation.

Additionally, we aim to consider supply chain impacts as products derived from biodiversity resources are consumed across all components of property construction, operations and management. We also have the opportunity to promote sustainable recreational activities and excursions that support conservation and help to build awareness among guests.



# Championing Community

# Championing Community

## Goals and Commitments

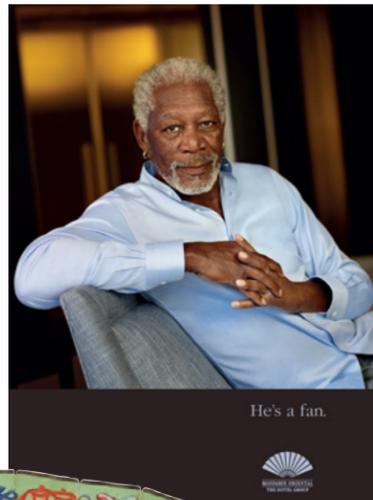
To positively impact our local communities and celebrate our cultural heritage

## Practices

We allocate our time, talents and resources to projects that enhance the well-being of the communities in which we operate through projects that aid and empower those in need

## Future Directions

Further inspire colleague imagination to drive positive change and monitor our progress through the use of impact metrics



## Championing Community

As a leader in luxury hospitality, Mandarin Oriental encourages each of its hotels to discover impactful ways to interact with its communities. Through outreach programmes and non-profit partnerships, we call on our colleagues to develop enduring, meaningful relationships with local organisations. We strongly believe that acting responsibly involves not only our colleagues or the impact we have on the environment, but also positively enriches the communities we are a part of. As such, we participate in charitable causes ranging from cultural heritage preservation and poverty eradication to food security and quality education.

Over the years, Mandarin Oriental's international advertising campaign 'He's a Fan / She's a Fan', has gathered 'fans' from around the world. The campaign connects our well-recognised symbol—the fan—with international celebrities who are frequent guests at our hotels. Importantly, we thank all of our fans for their participation in our campaign by making a donation from Mandarin Oriental to the charity of their choice. Since the campaign launched in 2000, Mandarin Oriental has donated more than US\$500,000 to various local and international charities that are supported by our philanthropic fans.

## Cultural Heritage

Mandarin Oriental's widely recognised 11-blade fan logo is a profoundly meaningful symbol of the Group's Asian heritage. In addition, each Mandarin Oriental hotel has its own individual hallmark fan to represent the unique heritage of the destination in which the property is located. Each hotel's fan is sensitively and artfully imbued with a strong sense of place to visually represent the cultural spirit of each location.

## Mandarin Oriental, Tokyo Signature Fan

The distinctive fan for Mandarin Oriental, Tokyo was designed by Ibasen, a venerable company founded in 1590 that had the honour of serving as purveyor of fans to the Tokugawa shogunate established by Tokugawa Ieyasu, the leader noted for first unifying Japan. Ibasen created the special fan to herald the Tokyo property's opening in December 2005. Alluding to the rich culture and history of the city, the fan depicts scenes of the iconic Nihonbashi Bridge and the surrounding neighbourhood.

## Mandarin Oriental, Singapore Signature Fan

Mandarin Oriental, Singapore's signature fan is an antique Mandarin design made circa 1860. The fan paper leaf depicts a court scene showcasing figures with painted faces wearing clothes of applied silk, while the red lacquer sticks are painted in black with figures set against a garden scene surrounded by scrolling flowers.

The signature fan of  
Mandarin Oriental, Tokyo.

# Mandarin Oriental Fellowship with the Asian Cultural Council



Founded in 1963, the non-profit Asian Cultural Council (ACC) supports transformative cultural exchange by awarding grants to Asian and American artists, scholars and organisations for creative work and study in the United States and Asia. Mandarin Oriental Hotel Group has partnered with the ACC since 2005, when it established a dedicated fellowship for the preservation of indigenous arts, cultures and traditions of Asia.

In 2015, the Mandarin Oriental Fellowship was awarded to Indonesian dance artist Danang Pamungkas. Trained in classical Javanese dance since the age of six, Pamungkas is a graduate of the Indonesian Institute of the Arts Surakarta in 2005. Throughout his career, he danced with renowned Indonesian choreographers and worked with important international artists in Asia, including dance legend Lin Hwai Min, founder and director of Cloud Gate Dance Theatre in Taiwan. Pamungkas' training in Taiwan gave him a rare

and valuable opportunity to experience Cloud Gate's intricate marriage of traditional and contemporary influences. Since returning home, Pamungkas has become one of the most sought-after dance artists in Indonesia.

Through his Mandarin Oriental Fellowship, Pamungkas participated in a five-week residency in the International Choreographers Residency Program (ICRP) at the American Dance Festival in Durham, North Carolina. The prestigious ICRP at the American Dance Festival gathers outstanding emerging choreographers from around the world and gives its participants the opportunity to create new work, share their experiences with American Dance Festival students and present their work at a public showing towards the end of the festival. From taking dance classes and interacting with his fellow ICRP participants to giving workshops on Javanese classical dance, Pamungkas has had a rich and fulfilling experience at ADF. Following the festival, he travelled to New York to explore new ideas about dance and movement with fellow artists in the city's rich performing arts environment.

'I was so happy and honoured to have been part of the American Dance Festival (ADF). This was a big opportunity for me to open my mind and see art in the world. ADF was the first stop in my six-month fellowship, and I met a lot of artists and shared my own experience. I took classes, saw shows, choreographed a new piece and discussed art with other international artists in my programme every day. I am so thankful for the Mandarin Oriental Fellowship from the ACC which has given me so much opportunity in my career'.

Highlighting the collaborative nature and deep connections forged through the fellowship experience, several ACC fellows performed together at the Tenri Cultural Institute on 6 September 2016. Pamungkas showcased his original choreography accompanied by shamisen player Keigo Ayusawa performing Fireflies from the suite Kasukani [Faintly] 2013 composed by Yuji Takahashi.

## Promoting Quality Education

Mandarin Oriental firmly believes that robust educational opportunities are critical for ensuring long-term cultural vitality. Our hotel colleagues make meaningful commitments to promote quality education and enhanced learning opportunities within our local communities. To illustrate, we are proud to share a few of these success stories.

### Mandarin Oriental, Las Vegas Helps Lead the Fight Against Bullying

In 2016, Mandarin Oriental, Las Vegas chose the Public Education Foundation as its 'Fantastic Match' charity of choice. 'Fantastic Match' is a programme that matches annual funds up to US\$10,000 raised by Mandarin Oriental colleagues.

Established in 1991 as an independent 501(c)(3) non-profit Nevada corporation, the Public Education Foundation defines possibilities and offers solutions to the challenges of educating a growing and diverse Southern Nevada population.

In October, 50 colleagues held a trivia night at the hotel to raise money in support of Public Education Foundation's anti-bullying campaign, which, among other initiatives, funds motivational speakers and provides sensitivity training for teachers. Colleagues could purchase a seat or a table at the event. Encouraged by the success of the event, which raised a total of US\$6,000, the hotel plans to hold a second annual charitable trivia night in 2017.



### Mandarin Oriental, Washington DC Funds Computer Needs for Public Education

In October, Mandarin Oriental, Washington DC colleagues and guests laced their running shoes for the hotel's sixth annual FANTastic March 5K fundraiser to support the purchase of laptop computer carts for students at Amidon-Bowen Elementary. The public elementary school serves 345 students from grades pre-kindergarten through five in DC's Southwest Waterfront community. In 2012, the hotel's charitable efforts raised over US\$40,000 to help rebuild the school's library.

The run began on the hotel's front drive, led by 'Teddy Roosevelt', one of the Racing President mascots from The Washington Nationals baseball club. The route carried runners to the U.S. Capitol Building and around the Washington Monument before returning them to the hotel for a celebratory breakfast and silent auction. With the Group's matching grant, colleagues raised nearly US\$40,000 for Amidon-Bowen Elementary's computing needs.



### Mandarin Oriental, Taipei Launches Two-Pronged Effort for Remote Schools

In December, Mandarin Oriental, Taipei launched a 'Love Share' panda charity event, by selling 200 stuffed Mandarin Oriental pandas and handmade cookies, to raise money for school equipment for the Shan-Mei Elementary School in the remote mountainous area of Alishan County. Colleagues donated US\$6,500 from the event and were warmly received by the local Taiwanese aboriginal students wearing traditional costumes.

To continue the 'Love Share' Panda initiative, a team of housekeeping colleagues donated their time to design and tailor-make exclusive Christmas outfits for Mandarin Oriental's stuffed panda mascots. Launched together with a Christmas tree lighting ceremony, 200 limited-edition pandas were offered with special handmade Christmas cookies by the hotel's pastry chef for US\$40 each. The proceeds helped purchase musical instruments for Taiwanese aboriginal children at Qin-Ai Elementary School in the remote Nantou region.

### Mandarin Oriental, Boston Provides Basic School Supplies for Those in Need

For its 2016 campaign, Mandarin Oriental, Boston colleagues sought to focus their 'Fantastic Match' efforts on a local charity that would have a significant impact on children living in low income and homeless situations in the community. Throughout the months of September and October, 24 hotel colleagues volunteered their time to support Cradles to Crayons, an organisation that helps disadvantaged children ranging from birth through age 12. Colleagues met at the organisation's headquarters, where they spent their time packing school supplies, books and clothing to be provided at no cost to children in need. Together with the Group's matching grant, colleagues donated US\$8,000.



### Mandarin Oriental, Bangkok Honours the Legacy of the Late King by Supporting Quality of Life Initiatives

On 12 November, more than 800 colleagues, friends and families gathered at Lumpini Park in remembrance of His Majesty King Bhumibol Adulyadej. As a revered monarch, His Majesty tirelessly led the Kingdom for 70 years. His unwavering devotion to improve the standard of living for all Thai people establishes a standard Mandarin Oriental, Bangkok strives to emulate.

FANTastic Fundraiser bore testament to the hotel's commitment to nurture local communities. Since the programme's inception in 2013, the property has raised more than THB5 million for non-profit organisations that help those less fortunate, including underprivileged schools. Throughout the year, Mandarin Oriental, Bangkok supported Phra Dabos Foundation, under the Royal Patronage of His Majesty, to provide occupational training for the poor, and Lerdsin General Hospital Foundation. It also funded scholarships at King Mongkut's University of Technology, as well as the property's own Oriental Hotel Apprenticeship Programme (OHAP).



## Supporting Local Orphanages

As a global company with a social conscience, we recognise that the plight of orphans is a worldwide issue that demands attention. We have acted both corporately and as individual properties to address the issue in ways to meet the immediate needs of orphans, as well as establishing a stable foundation to help with their future happiness and wellbeing.

### Mandarin Oriental's Food & Beverage Division Pledges Multi-Year Support for Bangkok Orphans

Following the Group's 2015 Global Food and Beverage Conference at Mandarin Oriental, Bangkok, the F&B division endeavoured to leave a lasting social imprint while furthering its relationship with the children of a local orphanage, Baan Nokkamin Foundation. All hotels collectively vowed to raise a minimum of US\$500 each per year for the orphanage until the next F&B conference scheduled for 2019. Fundraising activities have ranged from bake sales at Mandarin Oriental, Hong Kong to GBP1 donation from every purchase at The Rosebery Lounge at Mandarin Oriental Hyde Park, London. In 2016 alone, more than US\$16,000 raised from the combined efforts was presented to Baan Nokkamin during the December holiday season.



### Mandarin Oriental, Munich Celebrates Oktoberfest With Local Children

In October, 2016 Mandarin Oriental, Munich organised an Oktoberfest party at a local orphanage for nearly 130 children between the ages of one and 18. Colleagues decorated gingerbread hearts, tied floral wreaths and joined the children in games. A Bavarian buffet feast offered delights such as pork roast with dumpling, Obadzda with pretzel, cake pops and a chocolate fountain. Various Munich-based companies joined the hotel in sponsoring raffle prizes, entertainment and decorations. Donated raffle items included a summer camp with Phillip Lahm, a jersey of FC Bayern Munich player Joshua Kimmich and a birthday party at Munich Airport. In 2017, the hotel plans to provide a number of teenagers at the orphanage with internships at the hotel.

### Mandarin Oriental, Tokyo Hosts Tea Time for Youth

In November, Mandarin Oriental, Tokyo visited a care home in Tokyo, 'Kiitos', to spend quality time with 20 children and young adults ranging in age from 10 to 27 years who are facing dire family challenges. Hotel colleagues, led by the pastry chef, held a cake-decorating session that allowed everyone to observe a professional demonstration followed by hands-on participation to gain real experience. Once all the cakes were decorated, hotel colleagues served tea and coffee, paired with the fresh confectionary creations, around one large family-style table for the enjoyment of all.



## Helping The Fight Against Hunger

With one in nine people among the world's population suffering from chronic undernourishment, Mandarin Oriental hotels continue in their diligent efforts to provide meaningful solutions to help end global hunger.

### Mandarin Oriental, Kuala Lumpur Fills the Gap after Fire Damages Kirtarsh Home

Upon learning that Kirtarsh Home was heavily damaged by a catastrophic fire in December 2015, Mandarin Oriental, Kuala Lumpur assisted by contributing daily food necessities over a period of six months. At the time of the fire, the home housed 60 underprivileged children and elderly residents suffering from mental challenges and other disabilities. However, after the fire, caregivers and residents were left to relocate to various areas whilst damages to the house were assessed with authorities. Although the public provided tremendous support after the fire, the home struggled to collect adequate funds to rebuild the residence whilst keeping the costs for rent, daily meals and healthcare as low as possible. The hotel helped offset those expenses through its food contributions.



### Mandarin Oriental, New York Joins Forces with Non-Profit to Fight Hunger in the City

In 2016, Mandarin Oriental, New York participated in various mobile markets and held internal fundraising events in support of City Harvest, a non-profit that has operated to provide food rescue, distribution and education throughout the city since 1982. During the course of the year, New York colleagues logged more than 200 volunteer hours and raised US\$25,000 with Mandarin Oriental's Fantastic Match grant. On 12 April the hotel sponsored the annual 'Evening of Practical Magic' gala, for which Master Sommelier and Wine Director Laura Williamson served as the 'wine pairings selector', and the 22nd annual 'Bid Against Hunger' event on 6 October.



### Mandarin Oriental, Barcelona Banker's Bar Funds Breakfast for Children

During September, Mandarin Oriental, Barcelona's Banker's Bar was made-over to recreate PDT (Please Don't Tell), the legendary New York speakeasy named World's Best Bar. Some of the world's most recognised chefs (Joan Roca, Carme Ruscalleda, Ángel León, Gastón Acurio and Albert Adrià) created gourmet hot dogs for the event. US\$2 from the sale of each hot dog was donated to la Caixa Foundation, raising a total of US\$3,600 used to provide healthy breakfasts for 2,800 needy children. For more than a century, la Caixa Foundation has managed the considerable charitable and social commitments of CriteriaCaixa, Europe's foremost financial and business holding company.

# Community Programmes

Here are some examples of charitable activities undertaken by our hotels to support their local communities.



## Mandarin Oriental, Prague

Mandarin Oriental, Prague donated 10 per cent of proceeds from the sale of its local treatment, Linden Embrace, to Rakovina Vec Verejna, a local foundation that funds cancer research. The hotel provides additional support throughout the year with spa voucher donations for fundraising events and hosts an annual event before Christmas. In 2016 the event launched a fairy-tale book written by Czech celebrities with revenue from the sales donated for cancer research.



## Mandarin Oriental, Singapore

Mandarin Oriental, Singapore scheduled two events to support REACH Community Society Services, which organises activities for children and youth. On 6 September, Executive Pastry Chef Ming hosted 17 children through REACH for 'Bakerholics', where he taught skills ranging from piping to glazing the treats created with their own hands from ingredients donated by the hotel.

In September, 15 Mandarin Oriental, Singapore colleagues teamed with 15 members of REACH for a Dragon Boat race. The hotel prepared pre-race bento boxes as well as post-race goodie bags. The hotel posted snapshots of the day on social media to increase awareness of the outreach programme.



## Mandarin Oriental, Taipei

In January, colleagues from The Spa at Mandarin Oriental, Taipei visited Haoran Senior Citizens' Home for a special visit with residents. The professional aromatherapists offered relaxing massage treatments to share the joy of Chinese New Year. Operated by the Department of Social Welfare of Taipei City, the residence, also known as Haoran Nursing Home, is one of few public organisations in the city providing nursing service for the elderly.



## Mandarin Oriental, Atlanta

In support of '30 Days of Teal', Mandarin Oriental, Atlanta introduced a variety of delightful promotions in November to benefit the Georgia Ovarian Cancer Alliance. From tempting desserts to relaxing spa treatments, the hotel offered unique ways to support the cause by donating 20 per cent of proceeds from all treatments, products and meals sold. With the Group's matching grant, colleagues donated US\$1,000 to the Georgia Ovarian Cancer Alliance.



## Mandarin Oriental, Milan

Mandarin Oriental, Milan launched a series of donation initiatives in 2016 following the August earthquake in Central Italy. Mandarin Bar & Bistrot added the 'Spaghetti all'Amatriciana' to its menu and donated EUR2 for every dish served to fund reconstruction in the area. The hotel also donated EUR1,000 to 'Croce Rossa Italiana' (the Italian Red Cross), one of the primary organisations supporting those directly affected by the earthquakes.



## Mandarin Oriental Pudong, Shanghai

Last Christmas season, Mandarin Oriental Pudong, Shanghai continued its support of Mifan Mama through the hotel's Christmas tree lighting. Guests could choose to contribute to the 'Independent Wheelchair' project to purchase wheelchairs and wheelchair parts for disabled children. Guests selected an MO Fan Card from the Christmas tree, each listing a specific wheelchair part with its cost, then wrapped the card along with the donation.



# Appendices



## Total Workforce

TOTAL WORKFORCE	MALE	%	FEMALE	%	TOTAL	%
<b>By Region</b>	<b>6,771</b>	<b>54%</b>	<b>5,714</b>	<b>46%</b>	<b>12,485</b>	
Asia	3,870	54%	3,258	46%	7,128	57%
Europe	1,449	59%	1,108	41%	2,467	20%
The Americas	1,332	52%	1,247	48%	2,579	21%
Corporate	120	39%	191	61%	311	2%
<b>By Employment Contract</b>	<b>6,771</b>	<b>54%</b>	<b>5,714</b>	<b>46%</b>	<b>12,485</b>	
Full-time	6,428	55%	5,206	45%	11,634	93%
Part-time	102	33%	208	67%	310	2%
Casual	241	45%	300	55%	541	4%
<b>By Colleague Category</b>	<b>6,771</b>	<b>54%</b>	<b>5,714</b>	<b>46%</b>	<b>12,485</b>	
Line Staff	4,092	54%	3,494	46%	7,586	61%
Management	2,086	56%	1,614	44%	3,700	30%
Executive	192	63%	114	37%	306	2%
Other (Casual/Trainee)	401	45%	492	55%	893	7%
<b>By Age Group</b>	<b>6,771</b>	<b>54%</b>	<b>5,714</b>	<b>46%</b>	<b>12,485</b>	
Under 30	2,251	50%	2,223	50%	4,474	36%
30 to 50	3,482	57%	2,652	43%	6,134	49%
Over 50	1,038	55%	839	45%	1,877	15%
EXECUTIVE TEAM & BOARD OF DIRECTORS	MALE	%	FEMALE	%	TOTAL	%
<b>By Age Group</b>						
Under 30	-	-	-	-	-	-
30 to 50	1	100%	-	-	1	7.7%
Over 50	9	75%	3	25%	12	92.3%
<b>By Nationality</b>						
Europe	8	80%	2	20%	10	76.9%
North America	1	50%	1	50%	2	15.4%
Oceania	1	100%	0	0%	1	7.7%

## Turnover

NEW HIRES	MALE	%	FEMALE	%	TOTAL	% OF TOTAL
<b>Hires by Age Group</b>	<b>2,757</b>	<b>53%</b>	<b>2,428</b>	<b>47%</b>	<b>5,185</b>	<b>41.5%</b>
Under 30	1,598	50%	1,627	50%	3,225	62.2%
30 to 50	1,017	60%	690	40%	1,707	32.9%
Over 50	142	56%	111	44%	253	4.9%
<b>Hires by Region</b>	<b>2,757</b>	<b>53%</b>	<b>2,695</b>	<b>46%</b>	<b>5,895</b>	<b>45.9%</b>
Asia	1,343	51%	1,278	49%	2,621	50.5%
Europe	1,072	59%	745	41%	1,817	35.0%
The Americas	320	47%	366	53%	686	13.2%
Corporate	22	36%	39	64%	61	1.2%
TOTAL TURNOVER	MALE	%	FEMALE	%	TOTAL	% OF TOTAL
<b>Separations by Age Group</b>	<b>2,540</b>	<b>54%</b>	<b>2,200</b>	<b>46%</b>	<b>4,740</b>	
Under 30	1,252	50%	1,247	50%	2,499	52.7%
30 to 50	1,024	58%	729	42%	1,753	37.0%
Over 50	264	54%	224	46%	488	10.3%
<b>Separations by Region</b>	<b>2,540</b>	<b>54%</b>	<b>2,200</b>	<b>46%</b>	<b>4,740</b>	
Asia	1,132	52%	1,065	48%	2,197	46.4%
Europe	1,064	58%	757	42%	1,821	38.4%
The Americas	320	49%	333	51%	653	13.8%
Corporate	24	35%	45	65%	69	1.5%
<b>Turnover Rate by Age Group</b>		<b>37.5%</b>		<b>38.5%</b>		<b>38%</b>
Under 30		55.6%		56.1%		55.9%
30 to 50		29.4%		27.5%		28.6%
Over 50		25.4%		26.7%		26.0%
<b>Turnover Rate by Region</b>						
Asia		29.3%		32.7%		30.8%
Europe		73.4%		74.4%		73.8%
The Americas		24.0%		26.7%		25.3%
Corporate		20.0%		23.6%		22.2%

## Health & Safety Incidents: Audit Results

PERFORMANCE INDICATOR	UNIT	REGION	2010	2011	2012	2013	2014	2015	2016
<b>Safe Sound &amp; Sustainable</b>									
Audit Results	% Compliance		89.3	90.3	89.8	88.3	90.1	90.8	89.3
Lost Time Incident Rate	Lost time Incidents / 100 employees	ALL	2.73	2.90	2.46	3.01	2.32	6.66	7.17
		Asia	2.86	3.04	2.40	2.71	2.35	2.85	3.03
		Europe	2.27	3.91	4.58	4.20	3.56	14.30	10.58
		The Americas	2.56	1.90	1.16	3.06	1.44	13.84	17.95
Lost Time Incident Severity Rate	Severity of incidents / 100 employees	ALL	19.49	24.27	24.59	27.30	25.07	24.29	25.73
		Asia	17.62	23.54	23.05	26.89	22.69	19.84	18.54
		Europe	29.18	36.37	42.49	40.42	31.98	33.12	46.62
		The Americas	20.40	20.57	16.96	19.11	27.52	32.73	25.08

## Environmental Performance Summary

PERFORMANCE INDICATOR	UNIT	2013	2014	2015	2016
<b>Energy</b>					
Absolute Energy Consumption (Actual)	GJ	1,199,172	1,332,327	1,449,334	1,463,682
	MMBTU	1,136,596	1,262,803	1,373,704	1,387,302
Absolute Energy Consumption (Baseline)	GJ	1,336,540	1,449,528	1,644,669	1,672,601
	MMBTU	1,266,795	1,373,887	1,558,846	1,585,320
Energy Intensity (Actual)	MJ / m <sup>2</sup>	1.700	1.632	1.613	1.561
	MMBTU / ft <sup>2</sup>	150	144	142	137
Scope 1	Percentage	32%	29%	31%	30%
Scope 2	Percentage	68%	71%	69%	70%
<b>Emission</b>					
Absolute Emissions (Actual)	tons (metric) of CO <sub>2</sub> -e	136,735	159,875	173,310	173,752
	tons (US) of CO <sub>2</sub> -e	150,723	176,230	191,040	191,527
Absolute Emissions (Baseline)	tons (metric) of CO <sub>2</sub> -e	155,631	181,867	202,893	202,050
	tons (US) of CO <sub>2</sub> -e	171,552	200,471	223,649	222,720
Emission Intensity (Actual)	kg CO <sub>2</sub> -e / m <sup>2</sup>	194	196	193	185
	lb CO <sub>2</sub> -e / ft <sup>2</sup>	52	61	66	66
Scope 1	Percentage	15%	13%	13%	13%
Scope 2	Percentage	85%	87%	87%	87%
<b>Water</b>					
Absolute Water Consumption (Actual)	m <sup>3</sup>	3,115,732	2,999,818	3,233,580	3,301,374
	million gallons (US)	823	793	854	872
Absolute Water Consumption (Baseline)	m <sup>3</sup>	3,208,705	3,234,307	3,410,695	2,329,863
	million gallons (US)	848	855	901	616
Water Intensity	litres / guest night	983	902	955	979
	gallon (US) / guest night	260	238	252	259
<b>Waste</b>					
Total Waste	kilograms	9,635	12,599	14,447	15,743
	pounds	21,242	27,777	31,849	34,707
Diverted Waste	kilograms	2,286	3,742	4,419	5,363
	pounds	5,039	8,250	9,742	11,823
Waste Landfill Intensity	kilograms / guest night	3.46	3.56	3.58	3.66
	pounds / guest night	7.63	7.84	7.89	8.07
Diversion Rate	percent	24	30	31	34
<b>Operational Data</b>					
Total Air Conditioned Area	m <sup>2</sup>	705,227	816,413	898,305	937,935
	ft <sup>2</sup>	7,590,998	8,787,787	9,669,270	10,095,843

Mandarin Oriental, Sanya and Mandarin Oriental, Bodrum have been excluded from water intensity measures. In general, properties have been excluded if the data is distorted by major changes or abnormally high values (where, for example, irrigation is included).

Mandarin Oriental, Bodrum have been excluded from the waste figures due to incomplete data.

Mandarin Oriental, Marrakech and Hotel Ritz, Madrid have been excluded from all environmental data.

## GRI G4 Content Index

To facilitate stakeholders in understanding and benchmarking our corporate responsibility performance, our reporting follows the Global Reporting Initiative G4 disclosure framework, which is an internationally recognised set of indicators for economic, environmental and social aspects of business performance. GRI guidelines help companies in selecting material content and key performance indicators. For additional information, please visit [www.globalreporting.org](http://www.globalreporting.org).

INDICATOR	DESCRIPTION	LOCATION
<b>I. General Standard Disclosures</b>		
<b>Strategy and Analysis</b>		
G4-1	Statement from the most senior decision-maker about the relevance of sustainability and organisation's strategy	Message From The CEO (p. 4)
<b>Organisational Profile</b>		
G4-3	Name of the organisation	About The Mandarin Oriental Hotel Group (p. 3)
G4-4	Primary brands, products, and services	About The Mandarin Oriental Hotel Group (p. 3)
G4-5	Location of the organisation's headquarters	About The Mandarin Oriental Hotel Group (p. 3)
G4-6	Number of countries where the organisation operates	About The Mandarin Oriental Hotel Group (p. 3)
G4-7	Nature of ownership and legal form	About The Mandarin Oriental Hotel Group (p. 3)
G4-8	Markets served, and types of customers and beneficiaries	About The Mandarin Oriental Hotel Group (p. 3)
G4-9	Scale of the organisation	About The Mandarin Oriental Hotel Group (p. 3) Scope of 2016 Operations (p. 6)
G4-10	Total number of employees by employment contract and gender	Appendix: Total Workforce (p. 88)
G4-11	Percentage of total employees covered by collective bargaining agreements.	Data is not consolidated at the Group level for the reporting period.
G4-12	Description of supply chain	Sourcing Responsibly (p. 66)
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	There were no significant changes during the reporting period.
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation.	Goals, Commitments and Practices (p. 6) Safe, Sound and Sustainable Programme (pp. 14-15) Long-Term Outlook (p. 18)
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	None during the reporting period.
G4-16	Memberships in associations and national/international advocacy organisations	Stakeholder Engagement (p. 22)
<b>Identified Material Aspects and Boundaries</b>		
G4-17	All entities included in the organisation's consolidated financial statements or equivalent documents	<a href="#">2016 Annual Report ("Principal Subsidiaries, Associates, Joint Ventures and Managed Hotels", p. 76)</a>
G4-18	Process for defining the report content and the Aspect Boundaries	Materiality Assessment (p. 24)
G4-19	All the material aspects identified in the process for defining report content.	Materiality Assessment (p. 24)
G4-20	The aspect boundary for each material aspect within the organisation and whether the aspect is material for all entities within the organisation	Materiality Assessment (p. 24)
G4-21	Whether the aspect boundary for each material aspect is outside the organisation	Materiality Assessment (p. 24)
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	None during the reporting period.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None during the reporting period.
<b>Stakeholder Engagement</b>		
G4-24	List of stakeholder groups engaged by the organisation.	Stakeholder Engagement (p. 22)
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement (p. 22)
G4-26	Organisation's approach to stakeholder engagement	Stakeholder Engagement (p. 22)
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	Stakeholder Engagement (p. 22) Materiality Assessment (p. 24)

INDICATOR	DESCRIPTION	LOCATION	
<b>Report Profile</b>			
G4-28	Reporting period for information provided.	Our reporting period is calendar year 2016.	
G4-29	Date of most recent previous report	2015 Sustainability Report	
G4-30	Reporting cycle	Annual	
G4-31	Contact point for questions regarding the report or its contents.	<a href="mailto:sustainability@mohg.com">sustainability@mohg.com</a>	
G4-32	GRI Index with "in accordance" option chosen and references to External Assurance Reports	We have self-reported in accordance with the G4 framework at the "Core" level.	
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report	We did not seek external assurance during the reporting period.	
<b>Governance</b>			
G4-34	Governance structure of the organisation, including committees of the highest governance body and those responsible for decision-making on economic, environmental and social impacts.	Management and Governance (pp. 12–13) (Additional information on our Directors can be found in the "Investors" section of our <a href="#">corporate website</a> .)	
<b>Ethics and Integrity</b>			
G4-56	Describe the organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Guiding Principles and Corporate Responsibility Policy (pp. 10–11) Responsible Operating Practices (p. 16)	
<b>II. SPECIFIC STANDARD DISCLOSURES</b>			
<b>1. Economic</b>			
Economic Performance	DMA	Disclosure on management approach	<a href="#">2016 Annual Report</a>
	G4-EC1	Direct economic value generated and distributed	2016 Annual Report (Financial Statements, p. 24)
	G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Enterprise Risk Management (p. 17) Long-Term Outlook (p. 18)
	G4-EC3	Coverage of the organisation's defined benefit plan obligations	2016 Annual Report (Pension Obligations, p. 59)
<b>2. Environmental Stewardship</b>			
Energy	DMA	Disclosure on management approach	Reducing Energy and Emissions (pp. 50–55)
	G4-EN3	Energy consumption within the organisation	Our Performance: Energy Consumption (p. 54) Appendix: Environmental Performance Summary (p. 90)
	G4-EN5	Energy intensity	Our Performance: Energy Consumption (p. 54) Appendix: Environmental Performance Summary (p. 90)
Water	DMA	Disclosure on management approach	Conserving Water (pp. 56–59)
	G4-EN8	Total water withdrawal by source	Our Performance: Water Consumption (p. 59) Appendix: Environmental Performance Summary (p. 90)
Biodiversity	DMA	Disclosure on management approach	Respecting Biodiversity (pp. 72–75)
	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Respecting Biodiversity (pp. 72–75)
Emissions	DMA	Disclosure on management approach	Reducing Energy and Emissions (pp. 50–55)
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Appendix: Environmental Performance Summary (p. 90)
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Appendix: Environmental Performance Summary (p. 90)
Effluents and Waste	G4-EN18	Greenhouse gas (GHG) emissions intensity	Our Performance: Greenhouse Gas Emissions (p. 55) Appendix: Environmental Performance Summary (p. 90)
	DMA	Disclosure on management approach	Managing Waste (pp. 60–65)
Supplier Environmental Assessment	G4-EN23	Total weight of waste by type and disposal method	Our Performance: Waste-To-Landfill Diversion (p. 64) Appendix: Environmental Performance Summary (p. 90)
	DMA	Disclosure on management approach	Sourcing Responsibly (pp. 66–71)
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Environmental and Social Screening (p. 67)	

INDICATOR	DESCRIPTION	LOCATION	
<b>3. Labour Practices and Decent Work</b>			
Employment	DMA	Disclosure on management approach	Engaging Our Colleagues (pp. 38–41)
	G4-LA1	Employee turnover	Our Performance: Colleague Engagement and Turnover (p. 39) Appendix: Turnover (p. 89)
Occupational Health and Safety	DMA	Disclosure on management approach	Safe, Sound and Sustainable Programme (pp. 14–15) Committing to Health, Safety and Wellness (pp. 32, 36–37)
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Our Performance: Occupational Health and Safety (p. 32) Appendix: Health & Safety Incidents: Audit Results (p. 89)
Training and Education	DMA	Disclosure on management approach	Investing in Training and Education (pp. 42–45)
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Investing in Training and Education (pp. 42–45)
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Partnering with Colleagues to Chart Their Careers (p. 42)
Diversity and Equal Opportunity	DMA	Disclosure on management approach	Promoting Diversity and Inclusion (pp. 46–47)
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Appendix: Total Workforce (p. 88)
Supplier Assessment for Labour Practices	DMA	Disclosure on management approach	Respecting and Protecting Human Rights (p. 16) Sourcing Responsibly (pp. 66–71)
	G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Environmental and Social Screening (p. 67)
<b>4. Human Rights</b>			
Supplier Human Rights Assessment	DMA	Disclosure on management approach	Respecting and Protecting Human Rights (p. 16) Sourcing Responsibly (pp. 66–71)
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Environmental and Social Screening (p. 67)
<b>5. Society</b>			
Local Communities	DMA	Disclosure on management approach	Championing Community (pp. 78–87)
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	All operations had local community engagement programs during the reporting period.
Anti-Corruption	DMA	Disclosure on management approach	Responsible Operating Practices (pp. 16–17)
	G4-SO4	Communication and training on anti-corruption policies and procedures	Managing Anti-Corruption Risk (p. 17)
<b>6. Product Responsibility</b>			
Customer Health and Safety	DMA	Disclosure on management approach	Safe, Sound and Sustainable Programme (pp. 14–15) Committing to Health, Safety and Wellness (pp. 32–35)
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Safe, Sound and Sustainable Programme (pp. 14–15)
Product and Service Labeling	DMA	Disclosure on management approach	Delighting Our Guests (pp. 28–31)
	G4-PR5	Results of surveys measuring customer satisfaction	Our Performance: Guest Satisfaction (p. 30)
Customer Privacy	DMA	Disclosure on management approach	Responding to Emerging Information Protection Challenges (p. 17)
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Responding to Emerging Information Protection Challenges (p. 17)

## Endnotes

- 1 World Travel & Tourism Council: Global Economic Impact & Issues 2017: <https://www.wttc.org/-/media/files/reports/economic-impact-research/2017-documents/global-economic-impact-and-issues-2017.pdf>
- 2 World Economic Forum “Global Risks 2017” 12th Edition, 2017. [http://www3.weforum.org/docs/GRR17\\_Report\\_web.pdf](http://www3.weforum.org/docs/GRR17_Report_web.pdf)
- 3 World Resources Institute, <http://www.wri.org/our-work/topics/water>
- 4 UN Sustainable Development Goals: <https://sustainabledevelopment.un.org/sdgs>
- 5 United States Bureau of Labor Statistics “Work-related Fatalities, Injuries, and Illnesses”, 2015. [www.bls.gov/iag/tgs/iag72.htm](http://www.bls.gov/iag/tgs/iag72.htm)
- 6 In 2016, we excluded Mandarin Oriental, Marrakech and Hotel Ritz, Madrid from our energy and emissions boundary because they are new to our portfolio and full-year, credible data sets are not available.
- 7 Reductions—in energy use, greenhouse gas emissions and water use—are calculated as the difference between the absolute performance in the current year and a “baseline” value, which assumes that no measures have been taken to increase efficiency since the reference year 2007. The baseline is corrected for variable factors such as occupancy, weather or number of meals served, to ensure that data is comparable from year to year. The method we developed follows the guidelines established by the International Performance Measurement and Verification Protocol (IPMVP).
- 8 Scope 1 emissions are composed of emissions from direct energy sources, including natural gas, diesel and propane. Scope 2 emissions are the sum of emissions from indirect energy sources, including electricity generation, chilled water and heated water/steam. Due to the nature of our business, indirect emissions (Scope 2) make up the largest component of our emissions. Electricity emission factors for properties outside the US have been obtained from the International Energy Agency. Electricity emission factors for US properties have been based on the eGrid of the US Environmental Protection Agency (EPA). Chilled water purchased from external sources such as district or centralised cooling has been converted to energy and emissions using the simplified approach for electric-driven compressor and a COP of 4.2 as defined by California Climate Change Registry. Steam or heating purchased from external sources such as district or centralised heating has been converted to emissions using Energy Information Administration, Voluntary Reporting of Greenhouse Gases, Appendix N.
- 9 Renewable Energy Certificates (RECs) are included in the emission calculations, Annual average greenhouse gas emissions per passenger vehicle is 5.10 t CO<sub>2</sub>-e per year as in [www.epa.gov/cleanenergy/energy-resources/refs.html](http://www.epa.gov/cleanenergy/energy-resources/refs.html). Emissions from stationary combinations, such as boilers, have been based on the Greenhouse Gas Protocol Cross Section Tools.
- 10 U.S. Environmental Protection Agency: <http://www.epa.gov/cleanenergy/energy-resources/refs.html>
- 11 Circle of Blue: <http://www.circleofblue.org/waterpricing/>
- 12 WRI Aqueduct: <http://www.wri.org/our-work/project/aqueduct>
- 13 Mandarin Oriental, Sanya and Mandarin Oriental, Bodrum are included in absolute water consumption figures, but not included in water intensity figures due to incompatibility in the data. Mandarin Oriental, Marrakech and Hotel Ritz, Madrid are excluded from our boundary because they are new to our portfolio and full-year, credible data sets are not available.
- 14 Mandarin Oriental, Bodrum, Mandarin Oriental, Marrakech and Hotel Ritz, Madrid have been excluded from our waste boundary due to incomplete data.
- 15 Greenpeace’s Save the Bees website: <http://www.greenpeace.org/usa/sustainable-agriculture/save-the-bees/>



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