



MANDARIN ORIENTAL
THE HOTEL GROUP

SUSTAINABILITY
REPORT **2017**

Our Hotels



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 31 hotels and eight residences in 21 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\$5.7 billion as at 31st December 2017.

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 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, while continuing to seek further selective opportunities for expansion around the world. Mandarin Oriental Hotel Group regularly receives recognition and awards for outstanding service and quality management.

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.



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.



Table of Contents

VIEWPOINTS, STRATEGY & HIGHLIGHTS	4
Message from James Riley, CEO	5
Supporting the UN Sustainable Development Goals	6
2017 Highlights	8
DELIVERING EXCELLENCE	12
Safety & Security	14
Health & Wellness	16
Inclusive Business	19
ADVANCING SUSTAINABILITY	23
Operational Footprint	24
Green Building & Eco-Design	33
Sustainable Food	37
CHAMPIONING COMMUNITY	40
APPENDICES	48
2017 Performance Tables	49
Global Reporting Initiative Index	52
UN Sustainable Development Goals Index	60
ENDNOTES	61

Message from the CEO



‘We believe that the travel and tourism industry is well-positioned to help support and accelerate industry best practices for sustainable tourism, and the Group is therefore focusing its sustainability efforts around the United Nations Sustainable Development Goals’.

For more than 50 years Mandarin Oriental Hotel Group has been recognised as a leader in luxury hospitality. The Group remains committed to delivering service excellence and to operating its hotels and residences in responsible and sustainable ways.

As the Group extends its global reach, it is important to have a framework of sustainability strategies and programmes in place to address critical topics including decent work and economic growth as well as clean energy and water scarcity. We believe that the travel and tourism industry is well-positioned to help support and accelerate industry best practices for sustainable tourism. The Group is therefore focusing its sustainability efforts around the United Nations Sustainable Development Goals.

This 2017 Sustainability 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 residences and aim to be transparent about the challenges we face.

Our accomplishments in 2017 were made possible due to the hard work and dedication of the Group’s colleagues across the globe who continue to identify impactful ways to respond to local community and environmental needs.

As we look to the future, we aim to further integrate sustainability into our operations and culture so that we can deliver measurable results by harnessing the passion and dedication of our colleagues.

James Riley
Group Chief Executive



Supporting the UN Sustainable Development Goals

Doing More for a Sustainable Future

The Sustainable Development Goals (SDGs) serve as an important reference point for the Group as we execute our corporate responsibility policy and programmes. We have begun to prioritise specific SDGs that we believe can help to drive progress and support critical global operations in each of the markets in which we operate:



SUSTAINABLE AGRICULTURE

We partner with local farmers and ranchers to promote sustainable agriculture and help tackle hunger for those in need.



WELLNESS

Anchored by our award-winning spas, we are guided by a vision of wellness across all touchpoints of the guest and colleague experience.



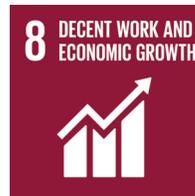
WOMEN & GIRLS

We aim to further develop and empower women in our workforce and support causes that promote opportunities for women and girls.



WATER

We maintain targets to reduce our water intensity—prioritising hotels located in watersheds in those areas of highest water risk.



INCLUSIVE GROWTH & SUSTAINABLE TOURISM

As we grow, we are inspired by a vision to create local economic opportunities across our operations, while advancing sustainable tourism.



SUSTAINABLE CONSUMPTION

We actively identify opportunities to promote a circular economy through our supply chain and achieve our targets to reduce waste intensity per guest room.



GREENHOUSE GAS EMISSIONS

We have embarked on a long-term strategy to reduce our greenhouse gas emissions from our 2007 baseline.



OCEANS

We aim to mitigate impacts caused by overfishing and environmentally destructive fishing methods, while promoting clean, healthy marine life.



BIODIVERSITY

Guided by a Group-wide biodiversity assessment, we have identified a holistic set of actions encompassing development, operations and procurement.

Creating a Sense of Place

At Mandarin Oriental we believe that creating a sense of place is critical to delivering excellence, advancing sustainability and championing communities.

In each community in which we operate, our goal is not only to reduce our environmental footprint, but also to support local economies, advance prosperity and protect human rights. Within our sphere of influence, we also aim to enhance the cultural authenticity of each location through integrating local architecture, design, goods and services; preserving historic monuments and sites and protecting the local heritage and traditions of communities.

Creating a sense of place is a source of pride in the 21 countries and territories where our hotels are located, providing a compelling mandate to connect our sustainability programmes and initiatives. This mandate also challenges us to continually ask ourselves how we can do more for a sustainable future in each community.



2017 Highlights

Began installation of onsite water filtration systems to **prevent plastic bottles from going to landfills**



Initiated pilot **sustainable procurement and seafood standards**



Expanded our programme to achieve our goal to onsite and offsite beekeeping at all properties to help **protect the world's bees**

Conducted **disability awareness weeks** in prioritised markets

Reduced 2017 greenhouse gas emissions intensity by 22.3% (from 2007 baseline)
On track to reach 25% target by 2020



He's a fan.



Donating over US\$500,000 to local and international charities since our "I'm a Fan" campaign began



Supported more than **50 charities and community organisations**



Completed **7th year of our Fantastic Match programme** where we match grants to our hotels in the United States

Diverted 33.2% of waste from landfills (compared to 2012 ratio of 17.3%)



Extended our **ethical sourcing commitments** to cover coffee and tea—with cocoa and vanilla targeted by 2020

2017 Highlights



Reduced 2017 water intensity by 17.0%
(from 2007 baseline)
On track to reach 20% target by 2020

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

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

Organised volunteer events to clean up **local beaches, rivers and forests** in the United States, Europe and Asia



On track to meet 2020 goal to migrate all hotels to **LED lighting**



Completed year three of Group-wide support for the **Baan Nokkamin Foundation's orphanage in Thailand**



Over 56,699 kilograms of used soap and bottled guestroom amenities diverted from landfill to date and donated to support those in need through our partnership with Clean the World

17th year of execution on the **Group's Safe, Sound, and Sustainable programme** where each fully-operational hotel is annually audited for compliance

More than US\$49 million saved due to our energy conservation measures since 2007

3.4% of greenhouse gas emissions reduced from the utilisation of **renewable energy credits**

“We are the Champions”

Our corporate responsibility programmes are structured to align with our Group’s decentralised nature, thereby allowing sustainability to be embedded throughout the organisation.

At the property level, Corporate Responsibility Committees have been formed, led by a Corporate Responsibility Champion and comprising at least ten colleagues. Specific roles are assigned to colleagues based on particular areas of focus— all support our environmental targets and community objectives.

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

Guided by Corporate Responsibility Champions, each hotel is empowered to choose local initiatives to support and also encouraged to find creative ways to improve efficiency in their operations.



Clockwise, from top left: Kirtash Handicap Charity Home with Mandarin Oriental, Kuala Lumpur; Mandarin Oriental Hyde Park, London Halloween MOCARE; Mandarin Oriental, Miami colleagues volunteer at Ronald McDonald House; Charity Run at Mandarin Oriental, New York.

Making Sustainability Part of the Guest Experience

At Mandarin Oriental we aim to deliver environmentally-sustainable luxury services that not only delight our guests, but also meet their expectations of a global luxury brand. This requires a delicate balance. Across the globe, each of our properties are tasked with identifying unique ways to integrate sustainability into the guest's luxury experience whilst fostering the sense of place that makes each hotel special:



Where the Garden Grows

Mandarin Oriental hotels in Atlanta, London and Paris feature onsite herb and floral gardens that provide produce used for the restaurants, bars and in-room guest amenities. Mandarin Oriental, Marrakesh maintains a botanic garden at their spa, thereby offering freshly-grown herbal teas to spa guests after their treatments. The garden also grows fruits and more than 20 varieties of vegetables that are used in the hotel's three restaurants. The garden also grows more than 100 varieties of roses.



A Warm, Local Welcome

Guests at Mandarin Oriental, Kuala Lumpur are greeted upon arrival with Tapping Tapir—a locally-sourced sparkling soda with iconic Malaysian spices and herbs that introduces guests both to the hotel and also to the local culture.

The Library of the Future

Our hotels have begun providing guests, upon check-in, access to an online library of international newspapers and magazines—an alternative that avoids printed copies and provides them a greater choice of media.



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.



Vegan Friendly

Several of our 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 are provided with a fun activity where they collect stamps for their own personalised "passport" and learn about the nearby Coral Bay's fauna and wildlife in the process.

Promoting Socially Responsible Enterprises

Mandarin Oriental, Marrakech has partnered with a local foundation called "Sur Le Chemin de L'Ecole", which helps girls from rural areas in Morocco to access education. To support the foundation's programmes, the hotel provides television advertisements on the guest channels as well as information on the programme in rooms.

Delivering Excellence

A photograph of a modern restaurant interior. The space features a curved ceiling with large, circular, illuminated light fixtures. The walls are covered in large, lush green plants, creating a natural and vibrant atmosphere. In the foreground, a staff member in a white shirt and dark skirt is leaning over a round table, setting it with glassware and plates. In the background, several other tables are occupied by guests, some of whom are smiling and engaged in conversation. The overall lighting is warm and inviting, highlighting the architectural details and the natural elements.

Mandarin Oriental Hotel Group's mission is to completely delight and satisfy our guests. We are committed to continual improvement, to making a difference every day and to being the best. Supported by our long-standing guiding principles, this is how we aim to deliver excellence and create shared value for our guests, colleagues and stakeholders.

Our Guiding Principles

Delighting our guests

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



Working together

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.



Delighting our colleagues

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

'We are committed to leading through innovation and excellence, and our sustainability programmes and practices will guide us towards being the best-in-class globally'.

**—Christoph Mares,
Chief Operating Officer**



Becoming the best

We intend to be an innovative leader in the luxury hospitality industry. We will continually improve our service delivery, as well as the quality of our products and facilities, ensuring we appeal to a multi-generational audience.



Acting with responsibility

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

Safety & Security

Our Highest Priority

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 also one that serves as a safe haven during their visit. It is also critical that our colleagues are provided with a safe work environment.



Mandarin Oriental
Hyde Park,
London

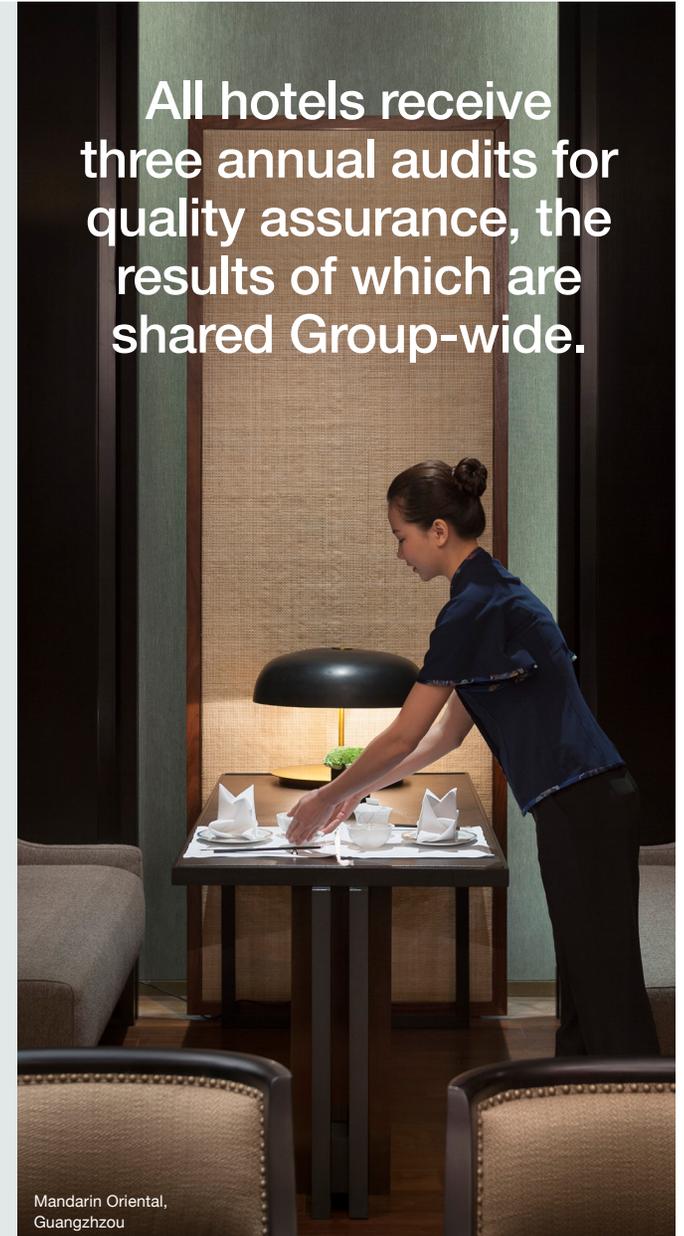
Creating Legendary Quality Experiences

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

To guide our colleagues, the Group has created the Legendary Quality Experiences (LQEs)—containing more than 100 company guidelines which focus on experiences over-and-above basic luxury standards. The LQEs are centred on eleven pillars of service and cover all the important aspects of a guest visit. In 2017, the LQEs were refreshed to further enable our colleagues to go above and beyond our Standard Operating Procedures.

All hotels receive three annual audits for quality assurance, the results of which 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*.

All hotels receive three annual audits for quality assurance, the results of which are shared Group-wide.



Mandarin Oriental,
Guangzhou

Our 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 sustainability strategy.

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.

Our proprietary Safe, Sound and Sustainable Programme includes 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*
-  **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*
-  **Security** Security of guests, colleagues and property. *Based on international best practices*
-  **Health and Safety** Health and safety topics related to guests. *Based on British and European standards*
-  **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)*
-  **Business Continuity Planning & Risk Management** Overall Risk Management and Business Continuity Management. *Developed around proven risk assessment and risk management methodology*
-  **Spa, Fitness & Wellness** Health and safety related to Spa, Fitness and Wellness operations. *Based on international best practices*
-  **Environment** Management of the property's environmental impact. *Based on international best practices*

Each fully-operational hotel is audited annually to monitor their compliance with these Safe, Sound & Sustainable guidelines. Audits are conducted by an independent auditing company 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, the management of energy and water consumption, greenhouse gas emissions and generation and disposal of waste.

2017 Safe, Sound and Sustainable Audit and Occupational Safety Results

Over the past ten years, audit performance has remained stable, within 2% of the Group's target of 90%. In 2017, the Group's overall average score was 88.7%. Group performance in the environmental section increased to 82.9% and has improved dramatically from its initial score of 42% in 2012 when the environmental guidelines were first introduced.

In 2017, there were 6.7 incidents per 100 colleagues resulting in lost time, a 6% decrease from 2016 and above the United States Bureau Leisure and Hospitality safety rate of 3.3 incidents per 100 colleagues¹. At 20.6 incidents per 100 colleagues, the incident rate of our hotels in the Americas was above the proximate U.S. industry average, having increased from the previous year.

The incident severity rate, a measure of lost days per incident, decreased by 3% to 24.89 lost days per incident per 100 colleagues. Whilst the Group's incident severity rate increased in Europe, the severity rate decreased in both Asia and the Americas.

Please see our 2017 Performance Tables for more detailed results.



Health & Wellness

‘We look at every new spa that we open as an innovation lab, where we can test out new ideas, facilities and experiences’. —Jeremy McCarthy, Group Director of Spa

An Authentic, Holistic and Personal Approach to Guest Wellness

As we are conscious of the critical importance of health and wellness to our guests, Mandarin Oriental strives to provide environments and experiences that are not only safe but also take into consideration 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 our guests’ individual needs and goals.

Follow Your Passions

We want to enable our guests to pursue their passions while on the road. From running clubs to new jogging maps using the Strava® app to Peloton® bikes for virtual spin classes and in-room and onsite yoga classes, we are constantly evolving our guest services. This helps our guests maintain balance and consistency in their own wellness journeys during their stay with us. In most of our hotels we now feature a selection of complimentary wellness videos from Grokker® including yoga, Pilates, fitness and meditation.

For those with a literary passion, in 2017 Mandarin Oriental, Washington DC joined sister property Mandarin Oriental, New York, in initiating a bedside reading programme enabling guests to read and take home a complimentary selection of books provided by their bedside; this new programme is further enhanced by a Loaner Lenses programme which allows guests to borrow reading glasses from an exclusive luxury purveyor of eyeglasses.



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. Several of our spas have begun to offer digital wellness programmes. Mandarin Oriental's 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.

We also launched a “Digital Wellness Escape”, 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 booklet of Digital Wellness Tips and explain the importance of healthy habits around using technology in the home.

In 2017, we held our third annual Silent Night wellness event to provide mindfulness and a sense of calm. As part of the event, Mandarin Oriental spas around the world went silent in the early evening. No talking, no music, just a chance for individuals to experience a quiet time of contemplation and mindfulness during their spa treatment.

Mandarin Oriental's digital wellness retreats encourage guests to use their visit as a chance to disconnect and re-evaluate their relationship with electronics.

Industry Leadership on Greening Urban Spas

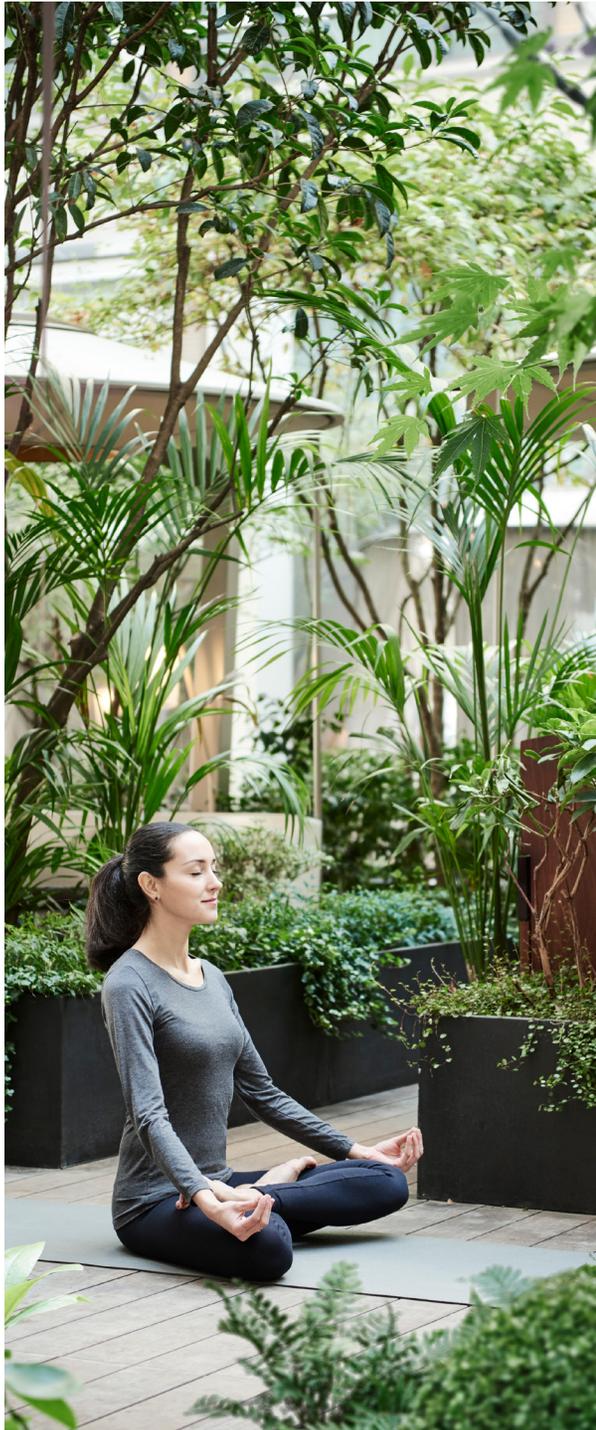
In 2017, Mandarin Oriental joined forces with the Green Spa Network, a non-profit organisation dedicated to the idea that “vital people can make a vital planet possible”. The cooperation sought to advance the development of a tool to evaluate environmental practices for spa operations located in urban hotels.

The result was a “Group Sustainability Assessment” tool for use in global, multi-property hotel brands. Mandarin Oriental was the first group to take the Group Sustainability Assessment and subsequently became the first international hotel group to enlist all of its properties as members in the Green Spa Network.

The results of the Group Sustainability Assessment have been used to develop a Group-wide sustainability mission for spas, supported by goals that seek to minimise consumption of resources, reduce waste, positively impact local communities, celebrate local cultural heritage and deepen colleague engagement around sustainability. In 2018, a Group-wide working group was established to support our sustainability strategy for the spas at Mandarin Oriental. Representatives from our Spa division then spoke at the Green Spa Network's annual conference to encourage others in the industry to take the same approach.



The Spa at
Mandarin Oriental, Bangkok



Expanding Our Wellness Practitioners Programs

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

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 take into account both physical and mental health, while providing an opportunity to support team building and also engage with local communities. In 2017 we continued to deploy wellness initiatives across the enterprise including a variety of fitness classes, from yoga and Pilates to rock climbing and salsa dancing, as well as weight loss programmes and educational events. Colleagues also came together and connected through running clubs and other wellness events at many properties around the world.

In 2017, we held our second annual Colleague Wellness Week across the Group. The Colleague Wellness Week programmes were so well received that most properties have decided to capitalise on the momentum and establish new permanent programmes based on the activities undertaken during this time. For example, properties have emphasised stress management and provided colleagues with the necessary education and resources to promote mental well-being and sound financial decision-making. In 2017, events included workshops on sleep therapy, sounds baths, meditation, mandalas, aromatherapy and breathing.

At Mandarin Oriental, Macau, the hotel extended wellness activities to cover an entire month and formed a wellness committee who took charge of organising year-round activities for colleagues. Mandarin Oriental, Singapore introduced a Legendary Quality Wellness Experience colleague engagement event, which integrated wellness with our signature programme. As part of the curriculum, a fun ‘Stairway to Heaven’ challenge was held where colleagues were quizzed on guest experience standards while climbing the hotel’s stairs.



Inclusive Business

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 Organization's Fundamental Conventions with regard to child and forced labour, wages and working hours, health and safety, freedom of association and non-discrimination.

The Group is taking active steps to ensure that all colleagues are made aware of the risks of modern slavery and labour exploitation in supply chains and business. This includes specific training due to be launched in the orientation programme along with regular updates and communications.

The Group is also in the process of introducing responsible and sustainable purchasing guidelines across its portfolio 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.

The Group is taking active steps to ensure that all colleagues are made aware of the risks of modern slavery and labour exploitation in supply chains and business.

“Time to Get to Work”

For decades, Mandarin Oriental has maintained 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. Our Group's management approach to diversity and inclusion aims to go beyond these baseline practices—we believe that celebrating our differences supports and enhances both the guiding principles within our organisation and how we deliver on our mission.

We recognise that there is always more that can be done to further promote diversity, inclusion and gender equity across our value chain. Preparations are underway to launch a working group focused on expanding human rights and inclusivity practices as well as identifying metrics to measure our progress.



Developing Our Human Capital

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.

Our approach to learning and development is unique in that we emphasise continuous and experiential learning over traditional classroom training methods. Training for competency continues to be our pathway to ensure success. Our training is personalised and focuses on the skills and abilities needed for each position.

We have an established online performance management system which gives colleagues and their managers the ability to track performance, training and overall professional development in real-time. We also maintain our signature MOve Up, MOve Forward and MBA Executive programmes which target supervisors, junior managers, experienced managers and department heads. Additionally, The Mandarin Oriental Executive Development Centre provides senior managers with feedback to facilitate their personal and career development as they advance towards a General Manager position within our Group.

In recognition of our efforts, Mandarin Oriental was honoured to receive the Best Leadership Development Strategy Award at the Jardine Matheson 2017 Human Resources Conference.

‘Every day, we work to create a culture where we can all grow together. We take a personalized approach to enable dynamic, experiential learning experiences for our colleagues’.
— Jacqueline Moyses, Head of Group Organisational Development



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.

The Sustainability Training programme is part of the Group's mandatory MOve In orientation programme for new colleagues. Additional and more targeted training has been developed for our Corporate Responsibility champions at each hotel.



2017 Performance: Colleague Engagement and Turnover

Whilst our colleague satisfaction rate remains high and has steadily improved over the past decade, we operate in an industry that is characterised by high turnover. In 2017, Mandarin Oriental experienced a 1% decrease in our global turnover rate; however, our global turnover rate remains above the current industry average. Colleagues under 30 continue to be the demographic with the highest turnover rate.

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.

In 2018, we are transitioning to using more frequent pulse surveys to monitor colleague engagement levels and respond to opportunities on an ongoing basis.

Raising Disability Awareness

On an annual basis, Mandarin Oriental, Paris organises a week-long programme to raise awareness about disabilities in the workplace. Activities are held daily with the aim of fostering empathy for both guests and staff with disabilities. This includes offering Braille instruction and hosting visually-impaired masseuses onsite to provide massages. Colleagues are also trained on how to welcome disabled guests, while some have participated in running sessions with Louis Radius, a Paralympics 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. MINDSET was founded in 2002 by the Jardine Matheson Group. Some of the participants of the MINDSET programme are given the opportunity to apply for positions within our company. We continue to seek out opportunities to include people with disabilities to join our teams. For example, Mandarin Oriental Pudong, Shanghai added nine new employees with special needs to its workforce in 2017.



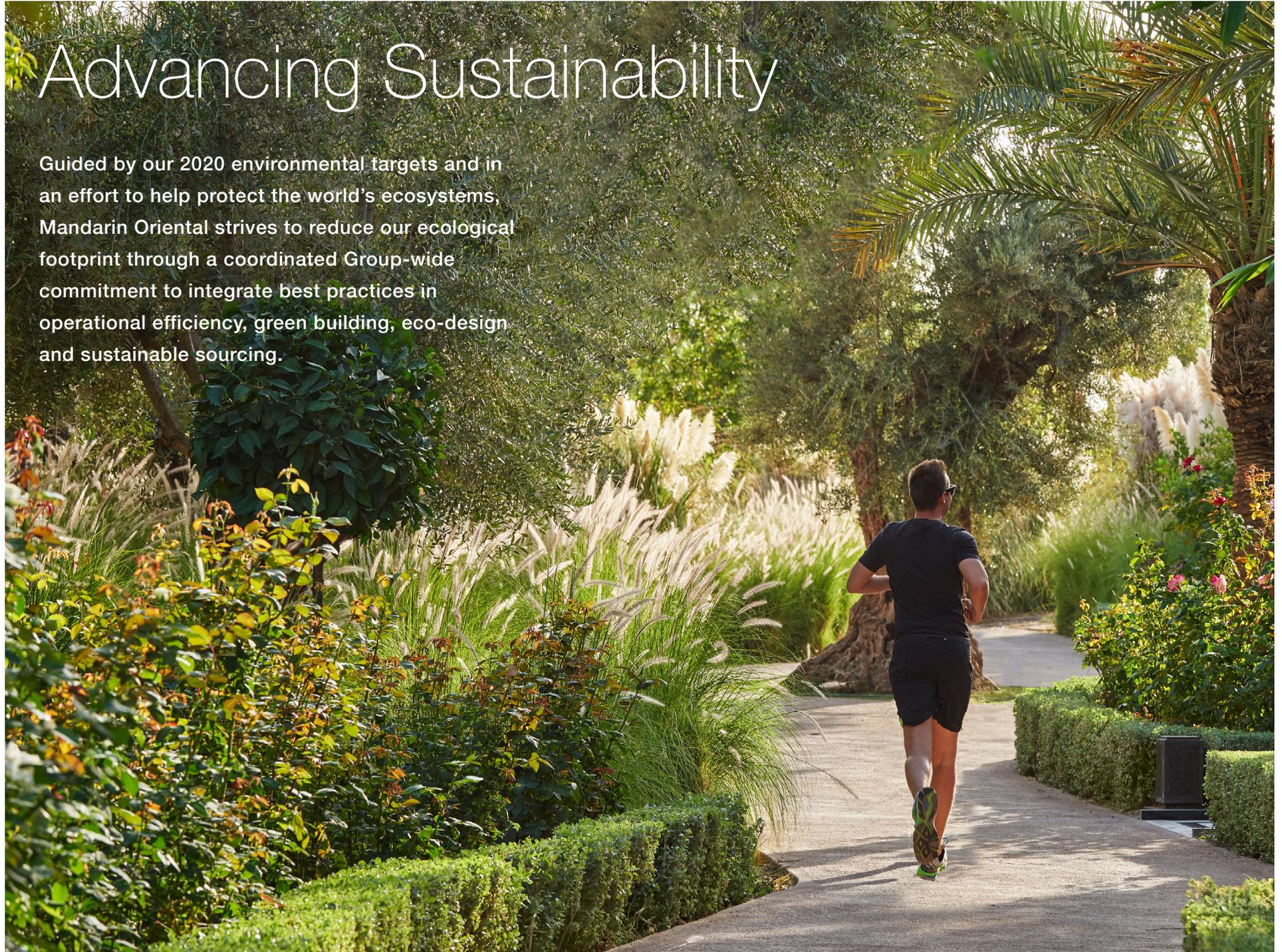
Joining Forces with Our Suppliers to Help the Disabled

Mandarin Oriental, Singapore collaborates with its Food and Beverage suppliers to bring awareness and make contributions to its Ring Tabs Collection programme. Through it, used or discarded can tabs are recycled to create prosthetic limbs for the disabled. The programme received additional support from our colleagues and their friends and family. To date, these ring tab donations have contributed to the production of more than 100 prosthetic legs. Mandarin Oriental, Bangkok is also engaged in a similar programme—collecting nearly 200 kilograms of aluminium cans to be recycled for the creation of over 20 prosthetic limbs over the past three years.

To date, Group ring tab donations have contributed to the production of more than 120 prosthetic limbs.

Advancing Sustainability

Guided by our 2020 environmental targets and in an effort to help protect the world's ecosystems, Mandarin Oriental strives to reduce our ecological footprint through a coordinated Group-wide commitment to integrate best practices in operational efficiency, green building, eco-design and sustainable sourcing.

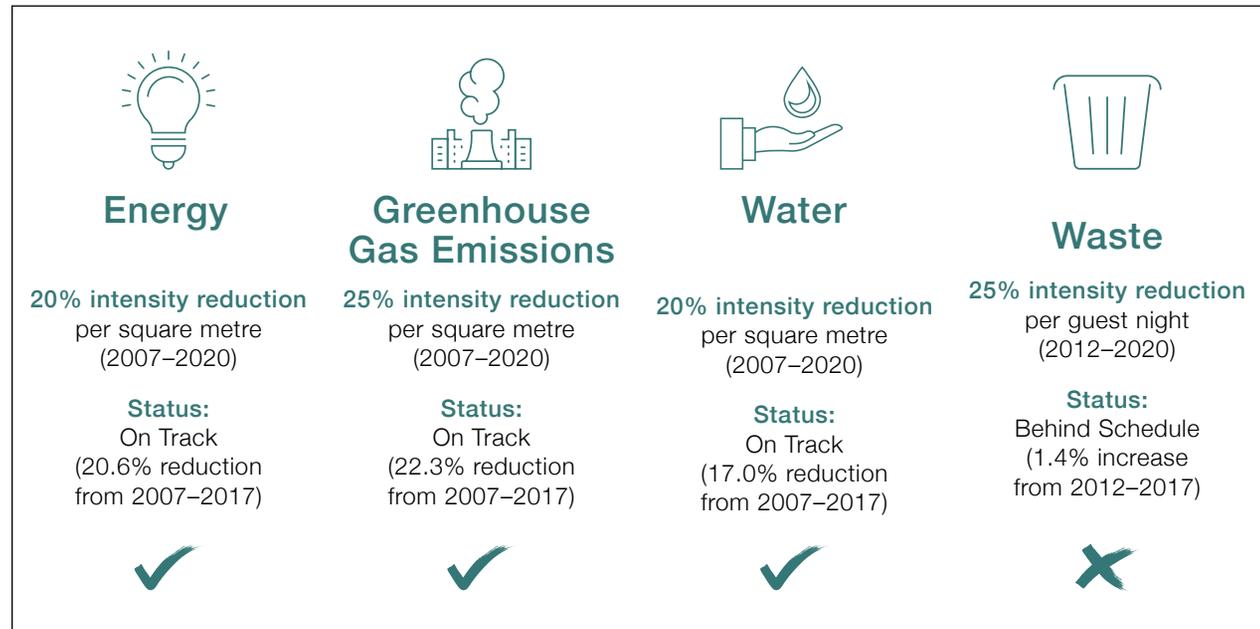


Operational Footprint

‘We are incorporating sustainability into the DNA of how we plan, design, construct and operate our hotels and residences’.
 – Vincent Marot, Group Director of Technical Services

Our 2020 Environmental Targets

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



We believe that what gets measured, gets managed. We have therefore established a 2020 vision with energy and emissions reduction goals based on a 2007 baseline, along with interim 2016 goals to track our progress. Each hotel also has individual short-term goals which are reviewed and adjusted annually. To track our true progress against 2020 goals, we also rigorously analyse our data and utilise regression analysis to evaluate the Group’s true performance. In 2018, we plan to continue increasing our operational eco-efficiency, developing a vision post-2020 that considers science-based targets required to curb greenhouse gas emissions.

Reflections on our Journey

2017 marked the tenth year of our journey to significantly reduce our operational footprint. It has also presented an opportunity for reflection. We attribute much of our progress to a rigorous approach to data monitoring, with accountability and ownership cascading to individual properties. Third-party audits and retro-commissioning studies were key elements towards identifying initial projects and investments. To date, we estimate that nearly US\$49 million in savings have been made from our efforts over the past decade, with dramatic reductions at individual properties such as Mandarin Oriental, Macau, which has reduced its energy consumption by nearly 27% since its initial 2011 energy audit.

As we look ahead to the next decade in our journey, colleague engagement will be essential, as will engagement with key stakeholders including owners and local municipalities. The application of emerging technology and training to encourage behavioural change will also be necessary to further reduce our energy, water and waste footprint while maintaining and elevating the guest experience associated with our luxury brand.

To measure progress against our 2020 reduction goals for water and waste, we utilise the number of guest nights as our intensity metric. However, variations in the number of guest nights can have a considerable effect on our progress. This has been particularly challenging with regard to waste performance.

Energy and Emissions

Central to our energy and emissions reduction strategy is the use of energy audits, retro-commissioning studies and energy metering. 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 requirements of each hotel and often target specific mechanical functions, such as chilled water or hot water production. A more comprehensive retro-commissioning process is applied as needed to supplement an energy audit, or when significant changes to the operation, due to renovations or property extensions, have occurred. The use of energy metres, which helps us to better understand consumption patterns, has become increasingly operationalised through our Safe Sound and Sustainable programme.

As LED lighting met our brand quality standards, we are now set to deploy this energy-saving feature with

a goal to migrate all hotels to LED lighting by 2020. We are on track and ahead of schedule to meet this goal through the installation of LED lighting in guestrooms, banquet areas, restaurants, corridors, parking garages and back-of-house areas.

Fugitive emissions typically occur from leaks unintentionally released into the atmosphere from refrigeration systems or whilst handling refrigerants. Fugitive emissions are notable for their high global warming potential. By incorporating them in to the Safe, Sound & Sustainable programme, fugitive emissions are down 52% and represented only 2.7% of total emissions in 2017.

To reduce our Scope 3 footprint associated with commuting, in 2017 we also provided colleagues at Mandarin Oriental, Geneva and Washington DC with new resources for carpooling, bikeshare systems and public transit.



Real Time with Mandarin Oriental

We continue to invest in innovative technology balanced with sound engineering practices that do not adversely impact the guest experience. Today, nearly all our hotel rooms are equipped with automatic systems to reduce energy consumption when guestrooms are unoccupied.

Chiller optimisation also continues to offer significant improvements to our overall environmental footprint with notable reduction achieved in some hotels. Mandarin Oriental, Miami's performance optimisation approach is unique in that the property is installing software and hardware inside the chiller plant and its HVAC and water supply systems. This technology can monitor its performance in real-time and chiller efficiencies of approximately 18% are expected from the initiative.

Similarly, Mandarin Oriental, Washington DC completed a major energy efficiency project in 2017 whereby all pumps, fans and chillers were optimised based on demand monitoring. The investment is expected to yield substantial energy savings and pay for itself within two years. In 2017, Mandarin Oriental, Boston also completed a chiller optimisation project, expected to improve plant efficiency by 38%.

We continue to invest in innovative technology balanced with sound engineering practices that do not adversely impact the guest experience.

2017 Performance: Energy and Greenhouse Gas Emissions

Energy intensity is a normalised measure of energy consumption per square metre of property, allowing us to evaluate our energy consumption over time as the company develops and changes. Our energy intensity has steadily decreased since 2007 and, in 2017, annual energy intensity for the Group decreased by a further 0.5% to 1,554 MJ / m² / year.

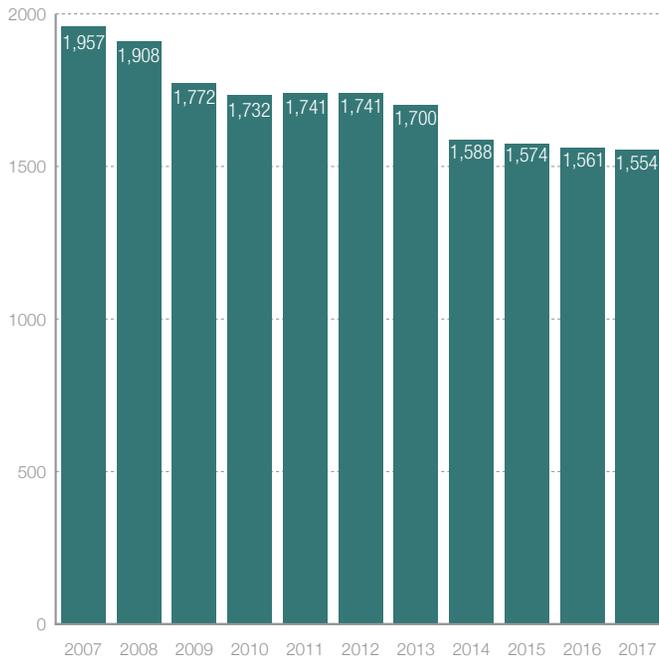
Absolute energy consumption for the Group totalled 1,481 TJ in 2017², an increase of 1.1% over 2016, associated with a 1.6% increase in air-conditioned floor area. By implementing energy efficiency measures, the Group avoided 244 TJ of energy consumption in 2017³. The total avoided consumption 2007 to 2017 was 1,309 TJ.

As a corollary to our energy consumption, we also track the intensity of our greenhouse gas emissions

per square metre of property. In 2017, the Group's emissions intensity decreased by 0.4% over the prior year to 185 kg CO₂ per square metre. In 2017, absolute emissions generated by the Group amounted to 175,900 metric tons of CO₂ equivalent (including reductions from RECs)⁴.

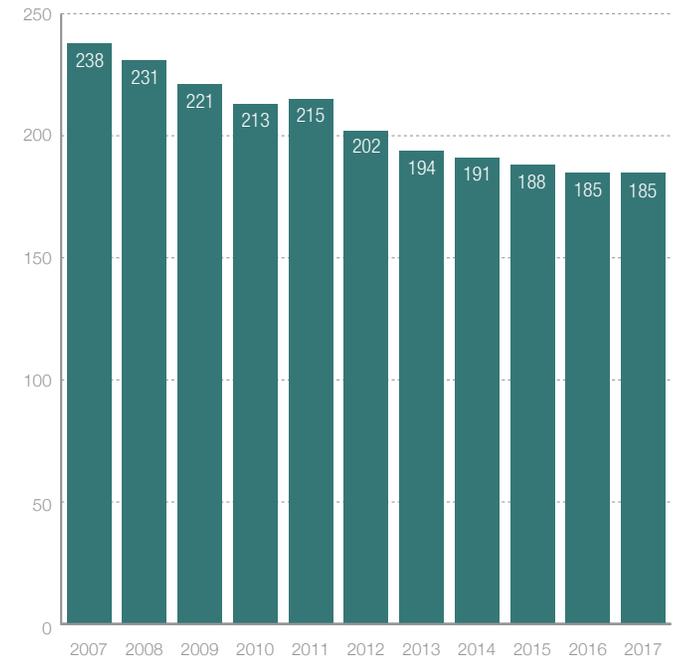
From 2007 to 2017, our total avoided emissions are estimated at an equivalent 179,341 metric tons of CO₂. This equates to taking 35,136 cars off the road⁵.

ENERGY INTENSITY
(MJ/m²/year)



From 2007 to 2017, our total avoided emissions are estimated to be equivalent to taking approximately 35,136 cars off the road.

GREENHOUSE GAS EMISSION INTENSITY
(kg CO₂-Eq/m²/year)



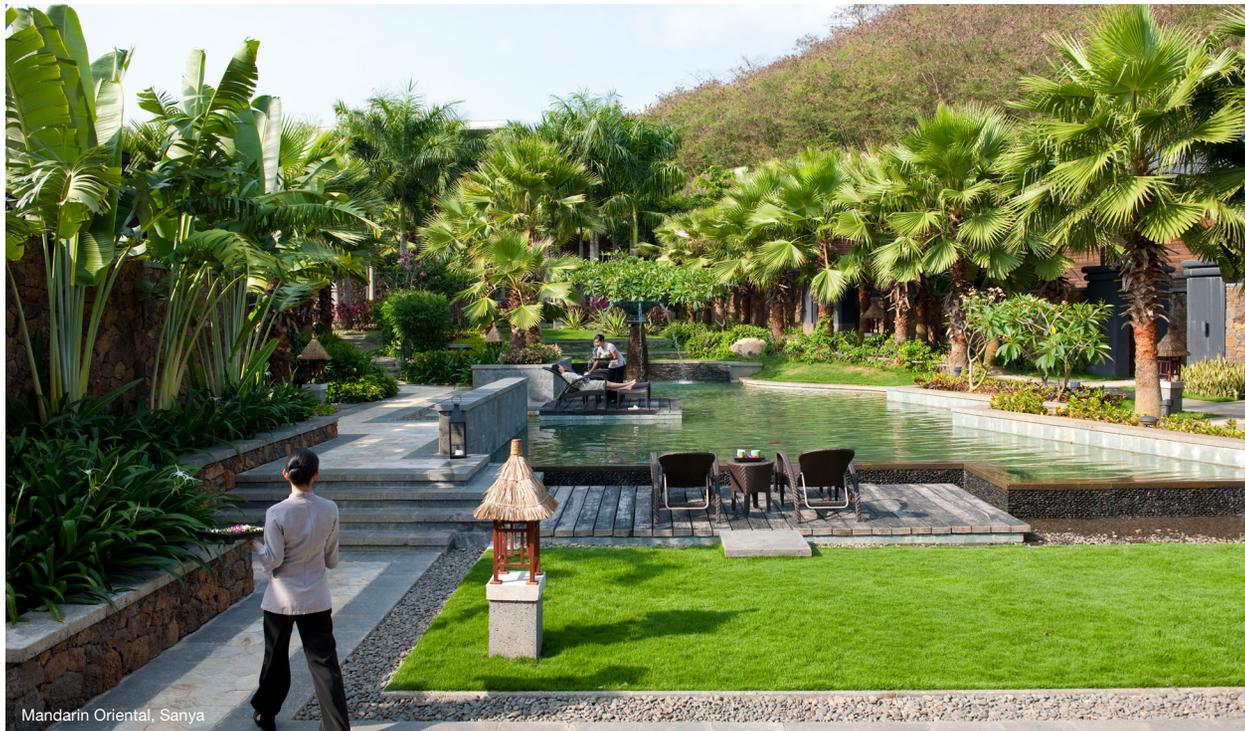
Water

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. We also recognise that our guestrooms and spas are water intense. As such, we take water conservation seriously.

To reduce our water footprint, we execute a series of water conservation strategies including investing in water efficient technologies, stimulating process improvements and reusing and recycling water. Each of our hotels and residences are actively identifying and implementing water efficiency technologies and process improvements to conserve water, targeting kitchens, laundry areas, gardens, spas, and heating and cooling systems. We also continue to retrofit motion sensors and low flow fixtures in common areas, back-of-house areas and guestrooms. Behavioural change is also critical. In 2017, The Excelsior, Hong Kong, Mandarin Oriental hotels in

Pudong, Shanghai, Washington DC and Tokyo each identified colleague behavioural changes and new technologies to reduce water consumption in their kitchens.

Central to our water conservation plan is an increase in the amount of water that we can recycle and reuse, 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. For example, 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 gardens. Both 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 parts of the building.



Mandarin Oriental, Sanya

Understanding Local Water Risks

Water is a finite natural resource whose value is not always reflected in its relatively low cost. 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.

Since 2015, Mandarin Oriental has conducted an ongoing Group-wide water risk assessment using the World Resources Institute's Aqueduct tool⁷. Based on the location of our properties, we considered our exposure to a series of risks on a site-by-site basis. These included baseline water stress, flood occurrence and drought severity. Our 2017 assessment reviewed the current scenario as well as a projection for 2020. We identified fourteen properties in our existing portfolio and one development project located in high water-stressed areas. The key findings of the water risk assessment are intended to help identify and prioritise target water conservation actions and programmes.

In 2017, Mandarin Oriental, Singapore participated in the city's Water Ambassador Programme to further train colleagues to serve as ambassadors and advocate for conservation and education in Singapore.

Mandarin Oriental has conducted an ongoing Group-wide water risk assessment using the World Resources Institute's Aqueduct tool.

2017 Performance: Water Consumption

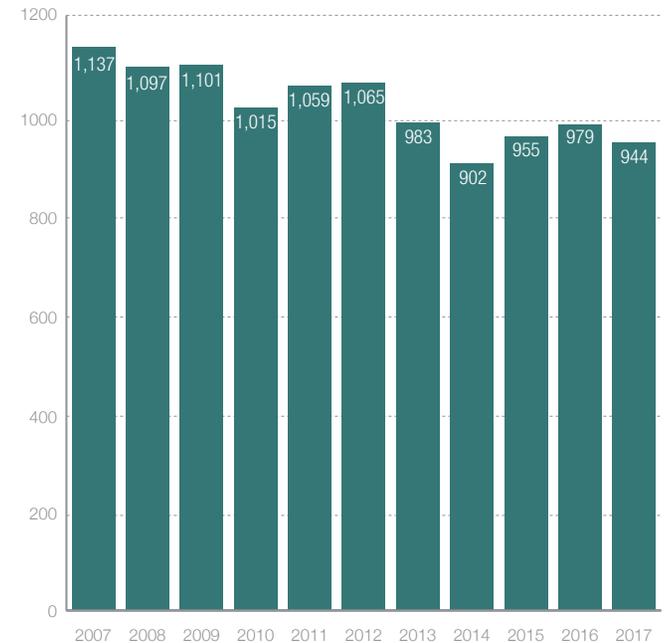
In 2017, the Group's absolute water consumption including irrigation, cooling towers, swimming pools and guestrooms, was 3,584,630 cubic metres⁹, a decrease of 1.9% over the prior year.

Municipal water supplies provide water for all hotels except for Mandarin Oriental, Bangkok, which relies partially on surface water, Mandarin Oriental Marrakech, which uses groundwater for irrigation, and Mandarin Oriental, Bodrum, which predominantly uses groundwater purified by reverse osmosis. Municipal supply accounts for 92% and surface and groundwater represent 8% of our total water supply.

In 2017, the Group's water intensity including irrigation, cooling towers, swimming pools and guestrooms decreased by 3.5% over the prior year.



WATER INTENSITY
2007–2017 (litres/guest night)



Waste

Our hotels' waste streams are mapped to more than 30 waste categories, including glass, aluminium, 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. Approaches vary across waste streams with significant strides made thus far to reduce paper and e-waste.



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 2017, eighteen of our properties donated more than 14,515 kilograms of soap and bottled amenities to Clean the World.

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

Best Practices

- Printer-less meetings, guest communications and corporate materials
- Office supply trading across departments to avoid unnecessary purchases and disposals
- Compacting food waste using bio-digesters
- Installation of water filtration systems to avoid use of plastic bottles

Reuse

Best Practices

- Donations of reusable items including mattresses, linens, towels and food to colleagues, communities, suppliers and partners
- Composting and donating food, cooking oil and landscaping waste for bioenergy and farm feed
- Upcycling used light bulbs
- Collecting used toiletries for re-use in the developing world
- Collecting used cans to create prosthetic legs

Recycle

Best Practices

- Waste stream segregation
- Waste audits and action plan development
- Colleague training and engagement
- Behavioural change
- Engagement with local municipalities and waste management partners
- Local partnerships to recycle e-waste, metals, lamps and batteries
- Coffee capsule recycling



Waste Not, Want Not: charity sale at Mandarin Oriental, Kuala Lumpur. All proceeds from the sale of donated items supported local charities.

Thinking Outside the Box to Reduce Food Waste

Our efforts are primarily focused on *eliminating* food waste. As such, we are working to transform our operations so that the practice of sending food waste to the landfill is consistently avoided. For example, Mandarin Oriental Pudong, Shanghai initiated a new program in 2017 to better utilize meat and fish trimmings. Mandarin Oriental Hyde Park, London has introduced a new award-winning “bio-bean” technology whereby coffee grounds can be recycled into advanced biofuels. Mandarin Oriental, Hong Kong also projects that 4,500 kilograms of landfill was avoided in 2017 thanks to its new coffee grounds recycling program.

In the Americas, Mandarin, Oriental, Boston donated over 100 metric tonnes of composted materials to a local pig farm.

Mandarin Oriental, Bangkok and New York have also begun to compost plant and flower waste. Mandarin Oriental, Guangzhou achieved a 54% landfill diversion rate in 2017, due in part to having most of its food waste sent to farms for use as feed and composting.

Several of our hotels have also invested in food waste bioreactor machines for composting. Mandarin Oriental, Washington DC has had the greatest success to date, with approximately 150,000 kilograms of food waste composted annually using its two waste bioreactors.

We are working to transform our operations so that the practice of sending food waste to the landfill is consistently avoided.



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Christmas Tree at The Landmark
Mandarin Oriental, Hong Kong representing
Group efforts to reduce plastic waste.

Taking Steps Toward Plastic-Free Operations

About eight million tonnes of plastic enters the ocean every year. At this rate, it is estimated that there will be more plastic in the ocean than fish by 2050⁹. At Mandarin Oriental, we have begun a multi-year journey to reduce the amount of plastic bottles that are used for drinking water provided to guests in guestrooms, spa, fitness and wellness areas, restaurants, banqueting and limousine services.

Over the past two years, we have made significant strides to provide our guests with an alternative to the use of plastic bottles. Nearly all our hotels have begun to provide guests with fresh water stations in our restaurants, fitness centres and spas. In 2016, Mandarin Oriental, Geneva became the first hotel in our Group to introduce reusable water bottles in guestrooms.

In 2017, The Landmark Mandarin Oriental, Hong Kong followed suit and began to replace plastic water bottle stations across nearly the entire hotel.

To celebrate this milestone, The Landmark Mandarin Oriental, Hong Kong decorated its Christmas tree with plastic bottles representing one day's worth of landfill avoidance from the new water filtration systems across the hotel. Guests were engaged to help donate to a charity focused on removing plastics from our oceans.

Mandarin Oriental, Tokyo has also demonstrated leadership in reducing plastic from our waste streams. In 2018, plastic straws and spoons will be replaced with biodegradable corn-based straw and paper spoons.

We acknowledge that there is still much more to be done. The reduction of plastic waste will be further prioritised across our properties and Group's Food & Beverage and Spa operations.

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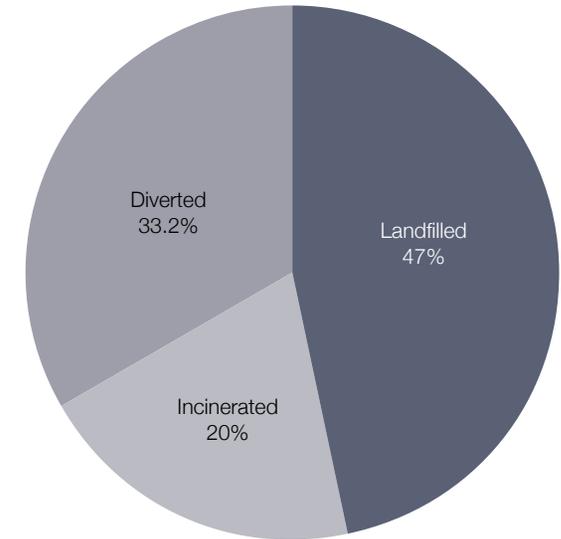
2017 Performance: Waste-To-Landfill Diversion

In 2017, the Group assessed 3.64 kg waste sent to landfill/guest night¹⁰, a marginal decrease over 2016 figures and 1.4% higher than our 2012 baseline of 3.59 kg. We attribute this increase in part to our Group's enhanced data collection procedures and increased data boundary.

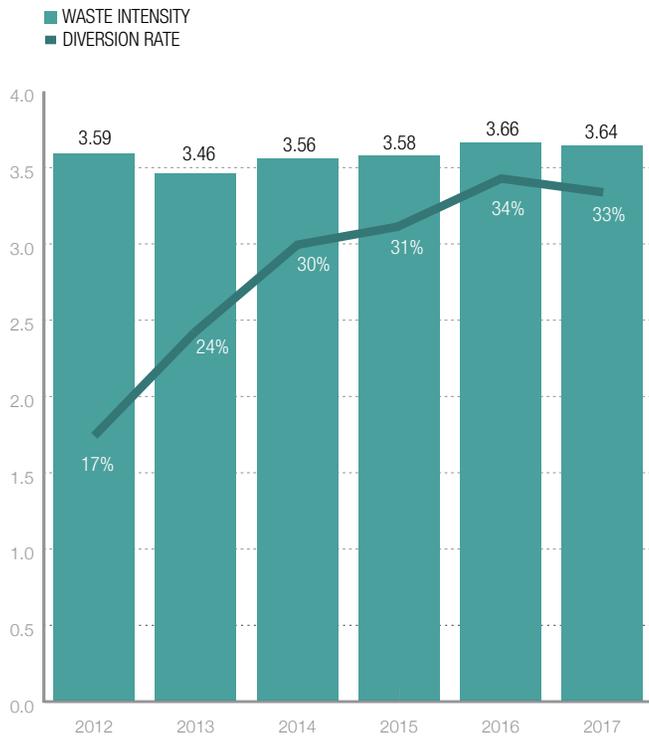
We also monitor our waste diversion performance closely as this provides us with an indication on how effective the properties are in diverting waste from landfill. Since 2012, our waste diversion factor has more than doubled. In 2017, our waste diversion factor was 33%, compared to 17% in 2012.



WASTE BY DISPOSAL METHOD 2017



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



Green Building & Eco-Design

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

Green Building Certifications, Awards and Recognitions

Through the receipt of green building certifications, we can 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. Additionally, Mandarin Oriental, Boston has been

recognised with the TripAdvisor GreenLeaders Platinum designation.

In 2017, Mandarin Oriental, Singapore completed an initial assessment to be eligible for the region's Green Mark certification. The Green Mark certification assesses practices with regards to sustainability management, energy performance, resource stewardship, healthy building and advanced practices. In 2017, Mandarin Oriental, Singapore also received the Singapore Green Hotel Awards for the second consecutive year and was recognised by the National Environmental Agency for its waste and supplier engagement programmes.



Integrating Renewable Energy

Several of our hotels purchase renewable energy credits (RECs). Energy is sourced either partially or fully from low-carbon sources, or procured renewably directly from local utilities. Currently, Mandarin Oriental, Milan, Munich and Washington DC actively purchase renewable energy 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. Mandarin Oriental, Marrakech has replaced its gas-fired boilers with high efficiency biomass boilers that provide energy for hot water production and heating at its main building and 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 hope that national agreements and commitments made at the Paris UN Climate Conference will accelerate innovation over the coming decade and help grow the deployment of viable low-carbon energy sources, that we may in turn employ.

Protecting Biodiversity

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

During the planning stage for new projects, the Group's Technical Services Department is responsible for identifying whether planned projects are in sensitive areas and whether detailed assessments are required. Any potential risks and considerations are reviewed to inform how we execute 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 consistently endeavour to support the protection of biodiversity with a focus on ecosystem protection and educational initiatives.

For example, we take steps to protect soil in consideration of its relationship to the function of waterways and ecosystems. At Mandarin Oriental, Jakarta, we maintain 50 biopori holes that enable food waste to be used to improve the soil condition, while supporting the proper absorption of rainwater to minimise local flooding.

From food and water to climate, biodiversity and ecosystem services provide countless benefits to our business and the travel and tourism industry.

Respecting Protected Areas

To better understand potentially negative natural and cultural impacts emanating from a loss in biodiversity, we have conducted a Group-wide biodiversity risk assessment both for our current properties and 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. Due to the location of our properties, endangered species habitats were not included in this assessment.

The biodiversity risk assessment confirmed that no properties are in internationally-determined protected areas; however, nine of our properties are located near areas with biodiversity risk. Two of our properties—Mandarin Oriental, Prague 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, one that is recognised as a biosphere reserve within UNESCO's Man and Biosphere Programme. Based on the findings, these three properties will be subject to future evaluation as we engage with their Corporate Responsibility Committees to determine future actions and opportunities.



Mandarin Oriental, Washington DC is one of the prioritized properties from our biodiversity risk assessment.

‘Without sustainability, we will eventually end up with nothing’.
—Torsten Van Dulleman, General Manager and Vice President of Operations (Southern China)

Where Luxury Meets Eco-Design

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

Following the leadership of The Landmark Mandarin Oriental, Hong Kong, we are beginning to implement a sustainable procurement policy Group-wide based on procedures that were initially piloted in the property’s Food & Beverage and Operations & Maintenance departments. As part of the policy, all vendors and contractors are notified that more sustainable products and services will be deemed as “preferred”, while selected key vendors and contractors will be asked to complete a questionnaire. Specific products are reviewed to assess new environmentally-preferable purchasing opportunities, including those related to packaging and local products. Progress and future opportunities are reviewed on a monthly basis.



Each year, new opportunities are identified. Recent highlights have included:

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% bio-degradable and everything else is washable.

Biodegradable Guestroom Amenities

Mandarin Oriental, Kuala Lumpur now purchases biodegradable toothbrushes, combs and shower caps for its guestrooms. The biodegradable toiletries are disposed of separately, with associated cost savings used to help fund the hotel’s community and colleague engagement activities. Several hotels, including Mandarin Oriental, Macau, New York and Sanya use biodegradable bags for laundry and garbage.

Reclaimed Wood and Materials

At The Landmark Mandarin Oriental, Hong Kong, the new bar, PDT, features reclaimed wood and materials



to reduce the impact on forests. Additionally, Christmas decorations at the hotel were made from reclaimed wood.

The “Green” Ground Beneath Our Feet

Mandarin Oriental, Atlanta upgraded its fitness centre to include flooring made from recycled tires. When renovating its guest rooms, Mandarin Oriental, Kuala Lumpur selected eco-friendly carpet underlay. Made from 100% recycled fibres, it is also recyclable once it needs to be replaced. Mandarin Oriental, Singapore also uses recycled rubber for its fitness centre floor mats.

Energy-Efficient Dishwashing and Laundry

In 2017, Mandarin Oriental, Tokyo invested in energy-efficient dishwashers and laundry machines that are expected to be approximately 40% more energy-efficient.

We expect our sustainability procurement activities to further evolve over the coming years and have targeted the commencement of a working group to help further deploy standards and best practice Group-wide.

Greener, Better Cleaners

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 towards the 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.

In the Americas, we have partnered 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 have been working with our Group for several years to identify renewable, recyclable and eco-friendly products that support our sustainable procurement goals.

At The Excelsior, Hong Kong, colleagues have identified perhaps the greenest cleaner of all – using pineapple skins to absorb odours during the renovation of guestrooms.



Sustainable Food

‘Mandarin Oriental is committed to achieving the highest dining standards throughout all of our hotels and destinations.

In tandem, we are also committed to doing everything possible to ensure that we reduce our environmental impact: from sustainable fishing to ecological and ethically-sourced products’.

—David Nicholls,
Group Director of Food and Beverage



Our Food and Beverage Operations

Our Group maintains very complex food and beverage operations with the highest commitment to service and quality. Fifteen of our restaurants have been honoured with a total of 22 Michelin stars—more than any other hotel brand 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. We believe that sustainably and ethically-sourced food is not only a moral responsibility but also a competitive driver. As such, we are sharpening our focus on key initiatives, including support for ethical sourcing, beekeeping, local producers and sustainable seafood.

Committing to Ethically Sourced Commodities

We are halfway through a four-year journey where we committed to switch at least one product per year to ensure that coffee, cocoa, tea and vanilla are ultimately purchased only from fair trade producers.

In 2016, we started by reviewing our Group-wide tea programme and reached out to our suppliers for their assurance of fairly sourced and traded business practices. We obtained assurances that the teas served at our hotels met the standards set forth. In 2017, we expanded the programme to successfully integrate ethically-sourced coffee, while in 2018 and 2019, our goal is to implement a programme to ensure ethically-sourced vanilla and cocoa.

A key lesson learned from this process is the importance of terminology. Initially, we set our sights on fair trade assurances but, through engagement with our suppliers, we are learning about the challenges—including additional expenses—that many of our smaller suppliers have encountered. Through supplier engagement, we refocused our goal to use the terminology of ethical sourcing to maintain our values and expectations, while allowing us to continue supporting smaller, quality suppliers who have decided against pursuing formal certification for financial reasons.

**Fifteen of our restaurants
have been honoured with a total of
22 Michelin stars—
more than any other hotel brand in the world.**

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, including fruits, nuts and vegetables. A single bee colony can pollinate 300 million flowers each day¹.

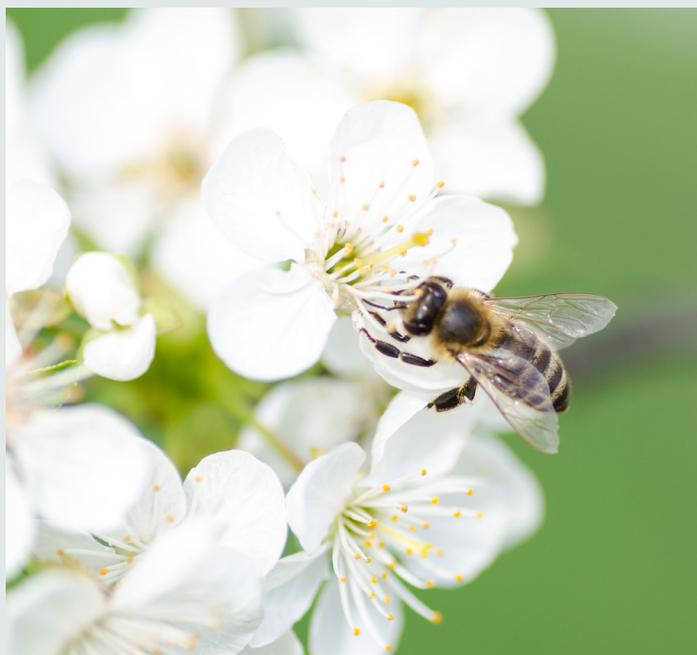
In recent years, population declines for these crucial pollinators have raised concerns about the consequential impacts on our food supply and ecosystem functions. At Mandarin Oriental, we believe it is critical to address this issue. As such, we have begun to expand our beekeeping programme with the objective to have all hotels invest in a beekeeper (either on- or off-site) to nurture population growth and harvest honey to serve to guests. This will further integrate sustainability into the guest experience.

Onsite beekeeping is a best practice currently in place at some of our hotels including Mandarin Oriental, Paris, which features a rooftop beehive. In 2018, The Landmark Mandarin Oriental, Hong Kong plans to open a rooftop beehive that will double as a garden. It will feature soil composted with the property's food waste and also an event space where guests and colleagues can engage in yoga and other social activities. In 2017, Mandarin Oriental, Munich and Pudong Shanghai began supporting local bee colonies in their community.

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A Rooftop Bee Hive at Mandarin Oriental, Paris and "Honey" cocktails at Mandarin Oriental Hyde Park, London.



Partnerships with Local Farmers and Ranchers

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

We strive to embed this commitment into both our guests' and colleagues' experience. For example, Mandarin Oriental, Paris promotes seasonal fruits and vegetables each year during European Sustainable Week and also hosts a farmer's market onsite to mark the event. In 2017, Mandarin Oriental, Singapore colleagues toured a farm to learn more about sustainable farming methods as well as the medicinal qualities of herbs, spices and plants.

Support for Sustainable Seafood

We are sensitive to the impacts caused by overfishing and environmentally-destructive fishing methods. 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 policies implemented to avoid overfishing. In 2017, Mandarin Oriental Pudong, Shanghai identified a new sustainable seafood supplier from New Zealand for its salmon. We are also seeking to avoid overuse of yellowfin tuna.

Overall, inspired by a need to drive greater impact, the Group has also initiated a project to upgrade and standardise responsible and sustainable purchasing guidelines across our portfolio to ensure that all our suppliers work with sustainable seafood and fish produce.



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 in 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.

Championing Community



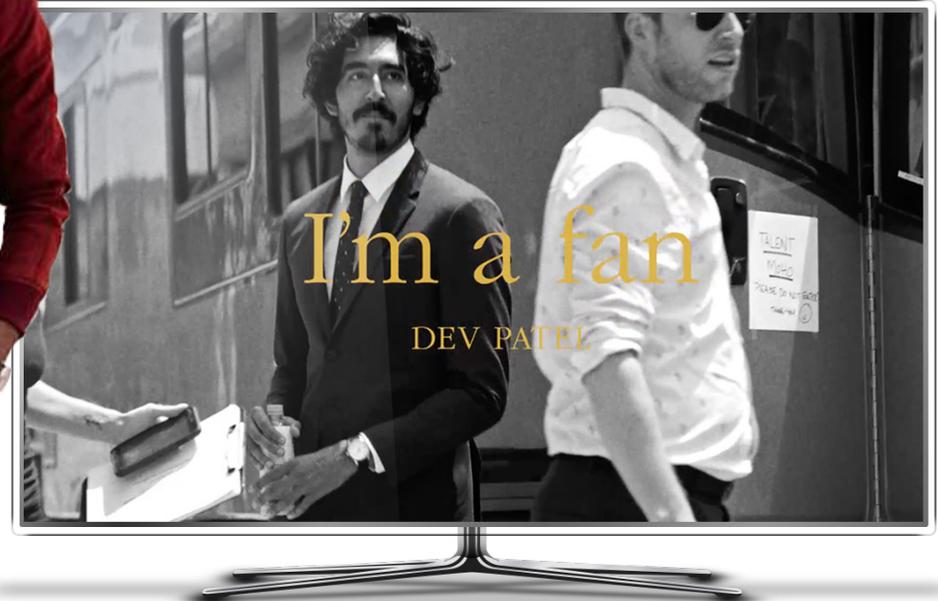
How We Aim to Champion the Communities We Serve

It is a Group priority to positively impact our local communities and celebrate our cultural heritage and each hotel is encouraged to discover impactful ways to do this. We allocate our time, talent 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. Through outreach programmes and non-profit partnerships, we call on our colleagues to develop long, meaningful relationships with local organisations. We believe that acting with responsibility involves not just our colleagues or our environmental impact, but also makes a tangible difference in the communities in which we operate. Collectively, the group has led efforts in addressing hunger, providing education to impoverished youth and acting as a primary resource for 'at need' community charity efforts.

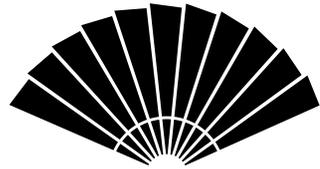


"I'm a Fan"

Since 2000, Mandarin Oriental's award-winning international advertising campaign "He's a Fan/She's a Fan", has continued to collect fans from around the world. The campaign is celebrated for its style and simplicity by elegantly connecting our well-recognised symbol—the fan—with international celebrities who regularly stay at the Group's hotels. Importantly, our fans are not paid for their participation, but rather thanked with a donation from Mandarin Oriental to a charity of their choice. To date, Mandarin Oriental has donated over US\$500,000 to various local and international charities that are supported by our philanthropic fans.



Actors Lucy Liu and Dev Patel



MANDARIN ORIENTAL
THE HOTEL GROUP



Mandarin Oriental,
Sanya



The Landmark Mandarin Oriental,
Hong Kong



Mandarin Oriental,
Tokyo

Cultural Heritage

Mandarin Oriental's widely-recognised eleven-blade fan logo is a profoundly meaningful symbol of the Group's oriental culture. In addition to the trademark logo for the luxury hotel group, all Mandarin Oriental hotels have their own fan which represents the unique heritage of their property. Each hotel's fan is sensitively linked to the place in which it resides and is a visual representation of the cultural soul of each location.

Mandarin Oriental, Bodrum's Signature Fan

This distinctive fan was created for Mandarin Oriental, Bodrum by the resort's interior designer, Antonio Citterio. The fan's colours are inspired by the warm orange of Mandarin fruit and the hues of the setting sun, while the rope tassel and marine-style knot at the base of the design reflects the resort's coastal ambiance.



Mandarin Oriental,
Bodrum



Mandarin Oriental,
Jakarta



Mandarin Oriental,
Prague



Mandarin Oriental,
Paris

Mandarin Oriental Fellowship with the Asian Cultural Council

Founded in 1963, the Asian Cultural Council (ACC) works to advance international respect and understanding through a programme of transformative cultural exchange, providing grants to artists, scholars, and organisations from the United States and Asia. In 2007, Mandarin Oriental Hotel Group established a dedicated fellowship programme with ACC to support the preservation of indigenous Asian arts, cultures, and traditions. From performance and visual artists to researchers of craft traditions, the ACC Mandarin Oriental Arts Fellowship has supported eleven individuals since the first fellowship was awarded in 2007.

To mark a decade of this successful partnership, a celebration was held at Mandarin Oriental, New York in 2017. Among the guests were four fellows: Douglas Brooks (ACC 2017), Jen Bervin (ACC 2016), Jin Hi Kim (ACC 2014), as well as Jennifer Koh (ACC 2011) an internationally-acclaimed violinist who performed J.S. Bach's *Partita No. 2 in D minor for solo violin, BWV 1004 Chaconne*.

Ms. Koh, whose grant took her to South Korea to explore traditional music and spiritual practice, reflected that its impact generated growing momentum. Over five years, her experiences in Korea slowly came together, resulting in her current project, *38th Parallel*, a piece tracing the impact of immigration and displacement, intertwined with her own family history.

ACC Executive Director Miho Walsh remarked that while Mandarin Oriental is well-known for its exceptional "attention to detail" and "unparalleled hospitality and warmth," she has found through their partnership that the Group focuses on people and relationships, something also at the core of ACC's mission. In Mandarin Oriental, she said, 'ACC has found a true partner'.



Jennifer Koh, ACC
Mandarin Oriental Arts Fellow, 2011.

Strengthening Communities Through Education

Mandarin Oriental firmly believes that ongoing educational opportunities are essential in fostering long-term cultural vitality. Our hotel colleagues make meaningful commitments to promote quality education and enhanced learning opportunities within our local communities. Our hope in supporting these initiatives is to directly affect issues such as youth unemployment, while also developing skill sets and fostering self-confidence.

A few of these success stories follow:



Mandarin Oriental Pudong, Shanghai Supports Chinese Youth in Need

Launched in February 2009 by a team of twelve French volunteers, Shanghai Young Bakers (SYB) is a one-year training programme that combines intensive classes in both French and Chinese baking with practical internships at partnering luxury hotels. This charity programme provides free training to marginalised Chinese youth, aged from 17 to 23, assisting participants after graduation in securing qualified jobs, thereby enabling them to lead independent lives. As a charity partner, Mandarin Oriental Pudong, Shanghai offers a year-long pastry internship for students, teaching them techniques and assisting them in the development of skills.

Mandarin Oriental, Washington DC Assists Neighbourhood Schools

Mandarin Oriental, Washington DC takes a holistic approach in supporting Amidon-Bowen Elementary School and Jefferson Middle School Academy. With more than 90% of the student body on Federal Aid, the schools are in desperate need of additional support. Throughout 2017, the hotel spearheaded a variety of activities designed to support the students and faculty. From Back to School supply drives, participating in Career Day panels and most notably raising US\$15,000 in direct donations through hotel sponsored charity events, hotel colleagues have integrated themselves into the ongoing support of their neighbourhood school system.



Mandarin Oriental, Paris Partners with Global Education Charity

With a view to support educational efforts in their community and beyond, the hotel forged a partnership with Libraries Without Borders (LWB). This non-profit organisation works to ensure that, regardless of their circumstances, people throughout the world can live with dignity when given the opportunity to thrive through access to information, education and culture.

Enlisting the support of hotel colleagues, Mandarin Oriental, Paris successfully collected more than 100 new and gently used books to donate to the organisation. The books made their way not only to Parisian adults and children in need, but also to twenty countries around the world.

Supporting Local Orphanages

As we look for opportunities to support our communities, a natural focus turns to children. As a global company with a social conscience, we recognise that the plight of orphans is a worldwide issue that demands attention. A few of these success stories follow:

Baan Nokkamin Foundation and Mandarin Oriental

Since the Group's 2015 Global Food and Beverage Conference at Mandarin Oriental, Bangkok, the Food & Beverage division of each of the Group's hotels has continued to support the relationship forged with children from a local orphanage, Baan Nokkamin Foundation. All hotels collectively agreed to fundraise a minimum of US\$500 each per year for the orphanage until the next Food & Beverage conference in 2019. Since 2015, not only have all the participating properties honoured this pledge, but the donations have expanded to include new Group properties and residences. Fundraising activities ranged from a special event held at Mandarin Oriental, New York, Mandarin Oriental, Tokyo hosting a charity Bazaar for guests and colleagues and a bake sale at Mandarin Oriental, Hong Kong. Additionally, all hotel colleagues were educated on the foundation's needs and how their collaborative efforts made an impact. To date, more than US \$50,000 has been raised

to support education and tuition fees, school supplies and extracurricular sports for more than 300 children. In addition, funding has been invested in an agricultural project with fifteen breeder cows from the local farming community, enabling the children to gain valuable applied learning experiences.

Mifan Mama and 'The Independent-Wheel' Project

One of the most rewarding experiences for our colleagues is when a charitable partnership evolves. For several years, Mandarin Oriental Pudong, Shanghai has supported the local charity organisation *Mifan Mama*, a non-profit that looks after Chinese orphans. Through the Group's Fantastic Match programme, as well as colleague-led blood drives, the hotel donated to Mifan Mama's 'Shining Star' programme which supports orphaned children with congenital defects.

This year the partnership with *Mifan Mama* went beyond the 'Shining Star' programme to assist in their 'Independent Wheel' project, a fundraising effort to purchase wheelchairs for disabled children. Both colleagues and guests were invited to support this worthy initiative. Guests could contribute by purchasing any one or multiple parts of the chair (such as wheels, handles, pedals or cushion) via a cash donation. Donations could also be made through the purchase of a card designed by children in the 'Shining Star' programme, with all proceeds directly supporting the cause.

A Merry Christmas in Munich

Mandarin Oriental, Munich continued their tradition of hosting a seasonal celebration at a local orphanage. Last year it was Oktoberfest, This year, it was a Christmas celebration. All colleagues dressed in festive attire, helped to transform the hotel into a Christmas wonderland, provided holiday treats and donated colourfully-wrapped gifts to the children.



Addressing Global Hunger

The United Nations reported that the number of hungry people in the world has increased for the first time since the turn of the century, sparking concern that conflict and climate change could be reversing years of progress. All our hotels around the globe have taken special efforts and consideration to directly address this issue both in their communities and more widely.



Mandarin Oriental, Boston

Colleagues took part in a Turkey Drive, collecting and donating turkeys to needy Bostonians around the Thanksgiving Holiday

Mandarin Oriental, Las Vegas

Ongoing support of *Three Square Food Bank* including monthly staff volunteering and Holiday food drives



Mandarin Oriental, Miami

Miami Rescue mission helps to pack and distribute food for the homeless as well as supporting the mission financially through fundraising and special events.



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

For five years, Mandarin Oriental, New York participated in various mobile markets and held internal fundraising events in support of *City Harvest*, a non-profit that has provided food rescue, distribution and education throughout the city since 1982. General Manager Susanne Hatje said that the selection of this charity was a "team effort" as colleagues felt a responsibility to give back to the communities in which they live. In 2017, New York colleagues logged more than 300 volunteer hours and raised more than US\$28,000 with Mandarin Oriental's *Fantastic Match* grant.

Mandarin Oriental Hyde Park, London

A donation was made from every check at Dinner By Heston for *Dine for Good: Farm Africa*



Mandarin Oriental, Paris

Bi-Annual food bank collection in a supermarket for the charity *La Soupe Saint-Eustache*



Mandarin Oriental, Kuala Lumpur: Feeding the Homeless Programme

Since 2016, Mandarin Oriental, Kuala Lumpur has supported local homeless shelters via their *Reach Out* programme. In 2017 the hotel increased its daily meal donation from 25 to 35 and identified a 'special event' day where teams visited multiple shelters donating more than 80 meals. Additionally, whenever the hotel hosts buffet dinners, the *Reach Out* Team ensures that any excess food is immediately donated to the homeless.

Mandarin Oriental Pudong, Shanghai

Now an annual event, the *Migrant Children Holiday Party* is a holiday banquet for migrant children in need

Mandarin Oriental, Singapore

The hotel has several community partnerships aiming to address hunger issues. For example, they partner with the "Food from the Heart" organisation, where surplus pastries and breads are donated for distribution to shelters for the impoverished, to children and senior citizens' homes island-wide. In addition, 'Food Bank Singapore' is a charity which takes surplus hotel-prepared food items and distributes them to underprivileged communities in the city.

Mandarin Oriental, Tokyo

Direct financial support of local charity *Eaton House* through book and bake sales.

The Excelsior, Hong Kong

Direct food donations to credited NGO local charities (365 kilograms or 776 pounds of food donated).

The Landmark, Hong Kong

An ongoing initiative as colleagues donate time to *Food Angel*, a food rescue and assistance programme.

Environmental Conservation

Caring for Our River Basins

Mandarin Oriental, Washington DC, partnered with the Anacostia Riverkeepers to create an impactful and still ongoing collaboration. Colleagues participated in an intense education process which included riverboat tours and examining local environmental statistics. Armed with this knowledge, the team collected trash from the river bank, ensuring all recyclables were correctly disposed of. Mandarin Oriental, Singapore has adopted the marina reservoir located across from the hotel while colleagues at Mandarin Oriental, Geneva and Paris have worked to help clean up the Rhône and Seine rivers respectively.

Cleaning our Neighbourhoods

Mandarin Oriental, Miami made their environmental conservation contributions a 'family affair' as colleagues and their extended family and friends joined forces to clean two highly-polluted waterways in Brickenbacker Causeway and Brickell Key. Mandarin Oriental, Kuala Lumpur helped to enhance one of the country's most prized natural forests, the Bukit Nanas Eco Forest, with litter removal from several of the park's most high-traffic areas. Finally, Mandarin Oriental, Prague made their impact immediately felt by assisting a local charity home for the visually-impaired. From tidying the home's grounds and enriching landscaping to planting and cultivating an on-site garden, their environmental enhancements made a profound impression on the charity's recipients.

'Recognising our responsibility to our neighbourhood, colleagues voiced a desire to become more engaged in protecting and preserving the waterfront.' — Mutsumi Mizuno, Champion, Corporate Responsibility Committee, Mandarin Oriental, Washington DC



Colleagues from Kuala Lumpur, helping to enhance the Bukit Nanas Eco Forest

Appendices



Total Workforce

Total Workforce	Male	%	Female	%	Total	%
By Region	7,076	54%	6,051	46%	13,127	
Asia	3,923	54%	3,357	46%	7,280	55%
Europe	1,422	59%	1,006	41%	2,428	18%
The Americas	1,608	52%	1,491	48%	3,099	24%
Corporate	123	38%	197	62%	320	2%
By Employment Contract	7,076	54%	6,051	46%	13,127	
Full-time	6,780	55%	5,559	45%	12,339	94%
Part-time	105	33%	209	67%	314	2%
Casual	191	40%	283	60%	474	4%
By Colleague Category	7,076	54%	6,051	46%	13,127	
Line Staff	4,413	55%	3,622	45%	8,035	61%
Management	2,043	54%	1,760	46%	3,803	29%
Executive	209	61%	135	39%	344	3%
Other (Casual/Trainee)	411	43%	534	57%	945	7%
By Age Group	7,076	54%	6,051	46%	13,127	
Under 30	2,379	50%	2,360	50%	4,739	36%
30 to 50	3,582	56%	2,811	44%	6,393	49%
Over 50	1,115	56%	880	44%	1,995	15%
Executive Team and Board of Directors	Male	%	Female	%	Total	%
By Age Group						
Under 30	-	-	-	-	-	-
30 to 50	1	100%	-	-	1	6.7%
Over 50	11	79%	3	21%	14	93.3%
By Nationality						
Europe	9	82%	2	18%	11	73.3%
North America	2	67%	1	33%	3	20.0%
Oceania	1	100%	0	0%	1	6.7%

Turnover

New Hires	Male	%	Female	%	Total	% of Total
Hires by Age Group	3,606	55%	2,901	45%	6,507	49.6%
Under 30	2,129	53%	1,887	47%	4,016	61.7%
30 to 50	1,273	59%	881	41%	2,154	33.1%
Over 50	204	61%	133	39%	337	5.2%
Hires by Region	3,606	55%	2,901	45%	6,507	49.6%
Asia	2,068	56%	1,610	44%	3,678	56.5%
Europe	1,098	57%	843	43%	1,941	29.8%
The Americas	414	51%	402	49%	816	12.5%
Corporate	26	36%	46	64%	72	1.1%
Total Turnover	Male	%	Female	%	Total	% of Total
Separations by Age Group	2,696	53%	2,424	47%	5,120	
Under 30	1,396	50%	1,412	50%	2,808	54.8%
30 to 50	1,083	56%	844	44%	1,927	37.6%
Over 50	217	56%	168	44%	385	7.5%
Separations by Region	2,696	53%	2,424	47%	5,120	
Asia	1,439	51%	1,387	49%	2,826	55.2%
Europe	847	58%	608	42%	1,455	28.4%
The Americas	392	50%	394	50%	786	15.4%
Corporate	18	34%	35	66%	53	1.0%
Turnover Rate by Age Group		38.1%		40.1%		39.0%
Under 30		58.7%		59.8%		59.3%
30 to 50		30.2%		30.0%		30.1%
Over 50		19.5%		19.1%		19.3%
Turnover Rate by Region						
Asia		36.7%		41.3%		38.8%
Europe		59.6%		60.4%		59.9%
The Americas		24.4%		26.4%		25.4%
Corporate		14.6%		17.8%		16.6%

Health & Safety Incidents: Audit Results

Performance Indicator	Unit	Region	2014	2015	2016	2017
Safe, Sound & Sustainable						
Audit Results	% Compliance		90.1	90.8	89.3	88.7
Lost Time Incident Report	Lost Time Incidents/100 employees	ALL	2.32	6.66	7.17	6.71
		Asia	2.35	2.85	3.03	2.35
		Europe	3.56	14.30	10.58	9.26
		The Americas	1.44	13.84	17.95	20.58
	Severity of incidents/100 employees	ALL	25.07	24.29	25.73	24.89
		Asia	22.69	19.84	18.54	17.33
		Europe	31.98	33.12	46.62	48.94
		The Americas	27.52	32.73	25.08	24.31

Environmental Performance Summary

Performance Indicator	Unit	2013	2014	2015	2016	2017
Energy						
Absolute Energy Consumption (Actual)	GJ	1,199,172	1,332,327	1,449,334	1,464,554	1,481,226
	MMBTU	1,136,596	1,262,803	1,373,704	1,388,129	1,403,932
Absolute Energy Consumption (Baseline)	GJ	1,336,540	1,449,528	1,644,669	1,672,601	1,725,268
	MMBTU	1,266,795	1,373,887	1,558,846	1,585,320	1,635,239
Energy Intensity (Actual)	MJ/m ²	1.700	1.588	1.574	1.561	1.554
	MBTU/ft ²	150	140	139	137	137
Scope 1	Percentage	32%	29%	31%	30%	30%
Scope 2	Percentage	68%	71%	69%	70%	70%
Emissions						
Absolute Emissions (Actual)	tons (metric) of CO ₂ -e	136,735	159,875	174,234	173,886	175,912
	tons (US) of CO ₂ -e	150,723	176,230	192,058	191,675	193,908
Absolute Emissions (Baseline)	tons (metric) of CO ₂ -e	155,631	181,867	202,159	202,050	209,074
	tons (US) of CO ₂ -e	171,552	200,471	222,840	222,720	230,462
Emissions Intensity (Actual)	kg CO ₂ -e/m ²	194	191	189	185	185
	lb CO ₂ -e/ft ²	52	61	66	66	67
Scope 1	Percentage	15%	13%	13%	13%	13%
Scope 2	Percentage	85%	87%	87%	87%	87%
Water						
Absolute Water Consumption (Actual)	m ³	3,115,732	2,999,818	3,233,580	3,301,374	3,584,630
	million gallons (US)	823	793	854	872	947
Absolute Water Consumption (Baseline)	m ³	3,208,705	3,234,307	3,410,695	3,575,284	3,821,647
	million gallons (US)	848	855	901	945	1,010
Water Intensity	liters/guest night	983	902	955	979	944
	gallon (US)/guest night	260	238	252	259	249
Waste						
Total Waste	kilograms	9,635	12,600	14,446	15,743	16,287
	pounds	21,242	27,778	31,848	34,707	35,906
Diverted Waste	kilograms	2,286	3,742	4,419	5,363	5,411
	pounds	5,040	8,250	9,742	11,823	11,930
Waste Landfill Intensity	kilograms/guest night	3.46	3.56	3.58	3.66	3.64
	pounds/guest night	7.63	7.84	7.89	8.07	8.02
Diversion Rate	percent	24	30	31	34	33
Operational Data						
Total Air Conditioned Area	m ²	705,227	838,813	920,705	937,935	952,935
	ft ²	7,590,998	9,028,899	9,910,381	10,095,843	10,257,302

Please refer to the End Notes for further information on our data boundary and methodologies.

Global Reporting Initiative Index

To facilitate stakeholders in understanding and benchmarking our corporate responsibility performance, our reporting follows the Global Reporting Initiative (GRI) disclosure framework, an internationally-recognised set of indicators for economic, environmental and social aspects of business performance.

In the GRI Index we provide references to locate content in this report, direct answers to indicators and readers to external sources on our corporate website.

The GRI guidelines help companies in selecting material content and key performance indicators. For additional information, please visit www.globalreporting.org.

Indicator	Description	Location and/or Direct Answer
I. General Disclosures		
Organizational Profile		
102-1	Name of the organisation	Message From The CEO (page 5)
102-2	Activities, brands, products, and services	About The Mandarin Oriental Hotel Group (page 3)
102-3	Location of headquarters	About The Mandarin Oriental Hotel Group (page 3)
102-4	Location of operations	About The Mandarin Oriental Hotel Group (page 3)
102-5	Ownership and legal forms	About The Mandarin Oriental Hotel Group (page 3)
102-6	Markets served	About The Mandarin Oriental Hotel Group (page 3)
102-7	Scale of the organisation	About The Mandarin Oriental Hotel Group (page 3)
102-8	Information on employees and other workers	2017 Performance Tables: Total Workforce (page 49)
102-9	Supply chain	<p>Mandarin Oriental Hotel Group supports a large supply chain with thousands of suppliers when aggregated across each property.</p> <p>Our approach to managing procurement and vendor relationships is mostly decentralised with properties directly selecting and purchasing most of the items used to support their daily operations—most notably food, cleaning and spa products.</p> <p>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.</p>
102-10	Significant changes to the organisation and its supply chain	None during the reporting period.
102-11	Precautionary Principle or approach	<p>Our Safe, Sound and Sustainable Programme (page 15)</p> <p>Our 2020 Environmental Targets (page 24)</p>
102-12	External initiatives	Supporting the UN Sustainable Development Goals (page 6)

Global Reporting Initiative Index

Indicator	Description	Location and/or Direct Answer
102-13	Membership of associations	<p>Mandarin Oriental actively participates in local stakeholder groups including:</p> <ul style="list-style-type: none"> - Hotel Associations - Chambers of Commerce - Business Development Councils - Convention and Visitors' Bureaus and Promotion Organisations - Travel and Tourism Associations - Community Benefit Organisations - Employer Organisations and Professional Associations <p>Mandarin Oriental also participates in the World Travel and Tourism Council (WTTC) Task Force on climate change and industry Hotel Carbon and Water Measurement Initiatives (HCMI and HCWI), led by the WTTC and International Tourism Partnership.</p>
Strategy		
102-14	Statement from the most senior decision-maker about the relevance of sustainability and the organisation's strategy	Message From The CEO (page 5)
102-15	Key impacts, risks, and opportunities	<p>Supporting the UN Sustainable Development Goals (page 6)</p> <p>Creating a Sense of Place (page 7)</p> <p>2017 Highlights (pages 8–9)</p>
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	<p>Our Guiding Principles (page 13)</p> <p>Our Safe, Sound and Sustainable Programme (page 15)</p> <p>Creating Legendary Quality Experiences (page 14)</p> <p>Respecting and Protecting Human Rights (page 19)</p>
102-17	Mechanisms for advice and concerns about ethics	<p>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 further requires that all colleagues be treated fairly, impartially and with respect. All managers must also ensure awareness and compliance of these standards by their direct reports.</p> <p>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.</p> <p>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. We also provide procedures with which colleagues can raise, in confidence, any matters of serious concern such as suspected non-compliance or illegality.</p>
Governance		
102-18	Governance structure of the organisation, including committees of the highest governance body and those responsible for decision-making on economic, environmental and social impacts.	<p>Our CEO-chaired Corporate Responsibility Executive Advisory Council 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.</p> <p>With oversight from the Group's Risk Management Committee, enterprise risks are also assessed and reviewed annually and shared with the Board's Audit Committee.</p> <p>(Additional information on our Board of Directors and governance structure can be found in the "Investors" section of our corporate website.)</p>

Global Reporting Initiative Index

Indicator	Description	Location and/or Direct Answer
Stakeholder Engagement		
102-40	List of stakeholder groups	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.
102-41	Collective bargaining agreements	Data is not consolidated at the Group level for the reporting period.
102-42	Identifying and selecting stakeholders	Stakeholders are identified based on our respective economic, social and environmental impacts in the context of our value chain.
102-43	Approach to stakeholder engagement	<p>Effective consultation and involvement with our stakeholders is crucial to understanding their viewpoints so that we can better align our business with their goals.</p> <p>Primary engagement methods among key stakeholder groups include:</p> <ul style="list-style-type: none"> - Guests: Guest Satisfaction Surveys, solicitation of direct and targeted feedback to inform quality programmes - Colleagues: Colleague Engagement Surveys, Career Development Plans and Performance Reviews, Hotel Corporate Responsibility Committees, Safe, Sound and Sustainable Programme - Owners and Developers: Close partnerships and regular communications throughout design, development, construction and management of properties - Local Communities: Participation in local hotel associations, chambers of commerce, business development councils, community benefit organisations, local heritage preservation initiatives, training and local talent retention organisations and local collectives for recycling - Shareholders: Ongoing and routine discussions with our controlling shareholder Jardine Matheson Group on Financial Performance, Risk Management and other current issues; Financial and Sustainability Reporting; Shareholder Feedback Mechanisms - Vendors, Suppliers and Contractors: Supplier meetings to discuss sustainable sourcing opportunities; food and beverage conference; partnerships with local farmers, ranchers and fisheries - Industry Peers and Trade Associations: Participation in World Travel and Tourism Council's Task Force on Industry Strategies for Climate Change and Industry Hotel Carbon and Water Measurement Initiatives; Monitoring and evaluating industry corporate responsibility initiatives - NGOs and Outside Advisors: Interviews and panel discussions to discuss opportunities to improve corporate responsibility programmes and reports
102-44	Key topics and concerns raised	<p>Identified topics of concern through stakeholder engagement among key stakeholder groups including:</p> <ul style="list-style-type: none"> - Guests: Guest Wellness, Food Safety, Information Protection - Colleagues: Compensation and Benefits, Professional Development, Occupational Health and Safety, Corporate Responsibility, Community Engagement - Owners and Developers: Economic Performance, Energy Efficiency, Risk Evaluation and Monitoring - Local Communities: Economic Presence and Participation; Local Talent Acquisition and Retention Skills Training; Culture and Heritage Protection - Shareholders: Corporate Governance, Economic Performance, Customer Satisfaction, Environmental Performance. Risk Evaluation and Monitoring - Vendors, Suppliers and Contractors: Economic Performance, Operational Eco-Efficiency, Climate and Water Risk, Sustainable Food, Human Rights in the Supply Chain - Industry Peers and Trade Associations: Energy, Water, Waste and Greenhouse Gas Emissions; Colleague Training and Skills Development; Guest Engagement on Sustainability; Human Rights in the Supply Chain and Tourism Industry; Biodiversity; Supply Chain Responsibility

Global Reporting Initiative Index

Indicator	Description	Location and/or Direct Answer
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2017 Annual Report ("Principal Subsidiaries, Associates, Joint Ventures and Managed Hotels", page 81)
102-46	Defining report content and topic boundaries	<p>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.</p> <p>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.</p> <p>To validate and enhance the Committee's preliminary assessment, we convened a stakeholder panel which incorporated perspectives from the following organisations:</p> <ul style="list-style-type: none"> - Conservation International - International Tourism Partnership - National Geographic Traveler - United States Green Building Council - World Wildlife Fund
102-47	List of material topics	<p>Supporting the UN Sustainable Development Goals (page 6)</p> <p>Also, please refer to the Management Approach Disclosures in this GRI Content Index, where we have provided disclosures on selected economic, environment and social topics.</p>
102-48	Restatements of information	None during the reporting period.
102-49	Changes in reporting	None during the reporting period.
102-50	Reporting period	Our reporting period is calendar year 2017.
102-51	Date of most recent report	2016 Sustainability Report
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainability@mohg.com
102-56	External assurance	We did not seek external assurance during the reporting period.
Management Approach		
103-1	Explanation of the material topic and its Boundary	Please refer to the Management Approach Disclosures in this GRI Content Index, where we aim to frame our disclosures with an explanation of each topic's importance to the organisation and our stakeholders, as well as the scope of our impacts.
103-2	The management approach and its components	Please refer to the Management Approach Disclosures in this GRI Content Index, where we discuss policies, procedures and practices in addition to goals and objectives for material topics.
103-3	Evaluation of the management approach	Please refer to the Management Approach Disclosures in this GRI Content Index, where we aim to report on challenges and opportunities in a balanced manner and identify future plans.

Global Reporting Initiative Index

Material Aspects	GRI Indicators		Location and/or Direct Answer
II. Specific Disclosures			
Management Approach Disclosures and Indicators			
ECONOMIC			
Economic Performance	201	Management approach disclosure	2017 Annual Report
	201-1	Management approach disclosure	2017 Annual Report (Financial Statements, pages 24–28)
	201-2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	<p>In the World Economic Forum's 2018 Global Risk Report, risks associated with climate change were named among the world's top five risks in terms of likelihood and potential impact¹¹.</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>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.</p>
	201-3	Coverage of the organisation's defined benefit plan obligations	2017 Annual Report (Pension Obligations, page 36)
Indirect Economic Impacts	203	Management approach disclosure	Supporting the UN Sustainable Development Goals (page 6) Championing Community (pages 40–47)
	203-1	Infrastructure investments and services supported	2017 Highlights (pages 8–9) Championing Community (pages 40–47)
Anti-Corruption	204	Management approach disclosure	<p>Bribery and corruption are explicitly prohibited in our Code of Conduct, with oversight from our Group Finance and Risk Management functions. 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.</p> <p>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.</p>
	204-1	Communication and training on anti-corruption policies and procedures	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.

Global Reporting Initiative Index

Material Aspects	GRI Indicators		Location and/or Direct Answer
ENVIRONMENTAL			
Energy	302	Management approach disclosure	Our 2020 Environmental Targets (page 24) Energy and Emissions (pages 25–26) Integrating Renewable Energy (page 33)
	302-1	Energy consumption within the organisation	2017 Performance: Energy and Greenhouse Gas Emissions (page 26) 2017 Performance Tables: Environmental Performance Summary (page 51)
	302-3	Energy intensity	2017 Performance: Energy and Greenhouse Gas Emissions (page 26) 2017 Performance Tables: Environmental Performance Summary (page 51)
Water	303	Management approach disclosure	Our 2020 Environmental Targets (page 24) Water (pages 27–28)
	301-3	Water withdrawal by source	2017 Performance: Water Consumption (page 28) 2017 Performance Tables: Environmental Performance Summary (page 51)
Biodiversity	304	Management approach disclosure	Protecting Biodiversity (page 34) Championing Community (page 47)
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Respecting Protected Areas (page 34)
Emissions	305	Management approach disclosure	Our 2020 Environmental Targets (page 24) Energy and Emissions (pages 25–26) Integrating Renewable Energy (page 33)
	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	2017 Performance Tables: Environmental Performance Summary (page 51)
	305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	2017 Performance Tables: Environmental Performance Summary (page 51)
	305-4	Greenhouse gas (GHG) emissions intensity	2017 Performance: Energy and Greenhouse Gas Emissions (page 26) 2017 Performance Tables: Environmental Performance Summary (page 51)
Effluents and Waste	306	Management approach disclosure	Our 2020 Environmental Targets (page 24) Waste (pages 29–32)
	306-2	Waste by type and disposal method	2017 Performance: Waste-To-Landfill Diversion (page 32) 2017 Performance Tables: Environmental Performance Summary (page 51)
Supplier Environmental Assessment	308	Management approach disclosure	Where Luxury Meets Eco-Design (page 35–36) Sustainable Food (page 37–39)
	308-1	New suppliers that were screened using environmental criteria	Where Luxury Meets Eco-Design (page 35–36) Sustainable Food (pages 37–39)

Global Reporting Initiative Index

Material Aspects	GRI Indicators		Location and/or Direct Answer
SOCIAL			
Employment	401	Management approach disclosure	Developing Our Human Capital (pages 20–21)
	401-1	Employee turnover	2017 Performance: Colleague Engagement and Turnover (page 21) 2017 Performance Tables: Turnover (page 50)
Occupational Health and Safety	403	Management approach disclosure	Our Safe, Sound and Sustainable Programme (page 15) Integrating Wellness into our Corporate Culture (page 18)
	403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities,	2017 Safe, Sound and Sustainable Audit and Occupational Safety Results (page 15) 2017 Performance Tables: Health & Safety Incidents (page 50)
Training and Education	404	Management approach disclosure	Developing Our Human Capital (page 20) Building Sustainability Knowledge Across Our Workforce (page 21)
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Developing Our Human Capital (page 20) Building Sustainability Knowledge Across Our Workforce (page 21)
	404-3	Percentage of employees receiving regular performance and career development reviews	We have an established 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.
Diversity and Equal Opportunity	405	Management approach disclosure	Inclusive Business (page 19)
	405-1	Diversity of governance bodies and employees	2017 Performance Tables: Total Workforce (page 49) (Additional information on our Board of Directors can be found in the “Investors” section of our corporate website.)
Human Rights Assessment	412	Management approach disclosure	Respecting and Protecting Human Rights (page 19)
	412-2	Employee training on human rights policies or procedures	Respecting and Protecting Human Rights (page 19)

Global Reporting Initiative Index

Material Aspects	GRI Indicators		Location and/or Direct Answer
Local Communities	413	Management approach disclosure	Championing Community (pages 40–47)
	413-1	Operations with local community engagement, impact assessments, and development programmes	All operations had local community engagement programs during the reporting period.
Supplier Social Assessment	414	Management approach disclosure	Respecting and Protecting Human Rights (page 19) Committing to Ethically Sourced Commodities (page 37)
	414-1	New suppliers that were screened using labor practices criteria	Respecting and Protecting Human Rights (page 19) Committing to Ethically Sourced Commodities (page 37)
Customer Health and Safety	416	Management approach disclosure	Safety & Security (pages 14–15) Health & Wellness (pages 16–18)
	416-1	Assessment of the health and safety impacts of product and service categories	Our Safe, Sound and Sustainable Programme (page 15) Health & Wellness (pages 16–18)
Customer Privacy	418	Management approach disclosure	Mandarin Oriental's information protection practices are focused on maintaining the confidentiality, availability and integrity of guest and colleague 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, and globally accepted principles for the privacy of personal information. 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.
	418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	We continue to maintain and update a formal incident response plan in the event of a breach.

UN Sustainable Development Goals Index

Mandarin Oriental Hotel Group aims to align its corporate social responsibility strategies, programs and reporting with the UN Sustainable Development Goals—a plan of action for sustainable development that emphasizes people, planet, prosperity and partnerships.

The UN Sustainable Development Goals include 17 goals and 169 targets. For additional information, please visit: <https://sustainabledevelopment.un.org/sdgs>.

To assist readers, the UN Sustainable Development Goals Index provides page references to corresponding stories and information that can be found in our 2017 Sustainability Report.

Goal	Topic	Location
Goal 2	Food	Protecting the World's Bees (page 38) Partnerships with Local Farmers and Ranchers (page 39) Thinking Outside the Box to Reduce Food Waste (page30) Addressing Global Hunger (page46)
Goal 3	Health	Health & Wellness (pages 16–18) Supporting Local Orphanages (page 45)
Goal 4	Education	Strengthening Communities Through Education (page 44)
Goal 5	Women and Girls	Time to Get to Work (page 19)
Goal 6	Water	Water (pages 27–28)
Goal 8	Decent Work and Economic Growth	Creating a Sense a Place (page 7) Respecting and Protecting Human Rights (page 19) Developing our Human Capital (page 20) Committing to Ethically Sourced Commodities (page 37) Shanghai Young Bakers Training Programme (page 44)
Goal 11	Sustainable Cities	Creating a Sense a Place (page 7) Green Building Certifications, Awards and Recognitions (page 33) Cultural Heritage (page 42) Mandarin Oriental Fellowship with the Asian Cultural Council Heritage (page 43)
Goal 12	Responsible Consumption and Production	Waste (pages 29–32) Where Luxury Meets Eco-Design (page 35)
Goal 13	Climate Change	Energy and Emissions (pages 25–26) Integrating Renewable Energy (page 33)
Goal 14	Oceans	Taking Steps Toward Plastic-Free Operations (page 31) Supporting for Sustainable Seafood (page 39) A Ban on Shark's Fin (page 39)
Goal 15	Biodiversity	Protecting Biodiversity (page 34) Respecting Protected Areas (page 34) Caring for Our River Basins (page 47)

Endnotes

- 1 United States Bureau of Labor Statistics “Work-related Fatalities, Injuries, and Illnesses”, 2015. www.bls.gov/iag/tgs/iag72.htm
- 2 In 2017, we excluded Hotel Ritz, Madrid from our energy and emissions boundary as it is scheduled to close for a comprehensive renovation in 2018. Pink Sands Club, Canouan and Hotel Santiago, Chile, joined our Group in 2017, but are excluded from this report because full-year, credible data sets are not available.
- 3 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).
- 4 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 the 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.
- 5 Renewable Energy Certificates (RECs) are included in the emission calculations. Annual average greenhouse gas emissions per passenger vehicle is 5.10 t CO₂-e per year as in 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.
- 6 U.S. Environmental Protection Agency: www.epa.gov/cleanenergy/energy-resources/refs.html
- 7 WRI Aqueduct: <http://www.wri.org/our-work/project/aqueduct>
- 8 Mandarin Oriental, Sanya, Mandarin Oriental Marrakech and Mandarin Oriental, Bodrum are included in absolute water consumption figures, but not included in water intensity figures due to incompatibility in the data. Hotel Ritz, Madrid was excluded from our boundary as it is scheduled to close for a comprehensive renovation in 2018. Pink Sands Club, Canouan and Hotel Santiago, Chile, joined our Group in 2017, but are excluded from this report because full-year, credible data sets are not available.
- 9 New Plastics Economy, Ellen MacArthur Foundation: <https://www.ellenmacarthurfoundation.org/publications/the-new-plastics-economy-rethinking-the-future-of-plastics>
- 10 Mandarin Oriental, Bodrum, Mandarin Oriental, Marrakech and Hotel Ritz, Madrid have been excluded from our waste boundary due to incomplete data.
- 11 World Economic Forum “Global Risks 2018” 13th Edition, 2018. <https://www.weforum.org/reports/the-global-risks-report-2018>