



MANDARIN ORIENTAL
THE HOTEL GROUP

SUSTAINABILITY REPORT 2018

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Mandarin Oriental, Barcelona

Our Hotels

ASIA-PACIFIC



Mandarin Oriental, Bangkok



Mandarin Oriental, Guangzhou



Mandarin Oriental, Hong Kong



The Excelsior, Hong Kong



The Landmark Mandarin Oriental, Hong Kong



Mandarin Oriental, Jakarta



Mandarin Oriental, Kuala Lumpur



Mandarin Oriental, Macau



Mandarin Oriental, Sanya



Mandarin Oriental, Shanghai



Mandarin Oriental, Singapore



Mandarin Oriental, Taipei



Mandarin Oriental, Tokyo

THE AMERICAS



Mandarin Oriental, Boston



Mandarin Oriental, Canouan



Mandarin Oriental, Miami



Mandarin Oriental, New York



Hotel Santiago



Mandarin Oriental, Washington DC

EUROPE, MIDDLE EAST & AFRICA



Mandarin Oriental, Barcelona



Mandarin Oriental, Bodrum



Mandarin Oriental, Geneva



Mandarin Oriental Hyde Park, London



Hotel Ritz, Madrid



Mandarin Oriental, Marrakech



Mandarin Oriental, Milan



Mandarin Oriental, Munich



Mandarin Oriental, Paris



Mandarin Oriental, Prague



About Mandarin Oriental Hotel 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.



Mandarin Oriental, Canouan

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 32 hotels and six residences in 23 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 \$5.8 billion as at 31st December 2018.

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, and seeking selective opportunities for expansion around the world, while maximising profitability and long-term shareholder value. Mandarin Oriental Hotel Group regularly receives recognition and awards for outstanding service and quality management. The Group is committed to exceeding its guests' expectations through exceptional levels of hospitality, while maintaining its position as an innovative leader in the hotel industry.

The 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.

Message from the CEO



As a leader in luxury hospitality for over 50 years, Mandarin Oriental Hotel Group has been committed to delivering service excellence and to operating its hotels and residences in responsible and sustainable ways.

It is our colleagues' dedication and enthusiasm to deliver excellent service that differentiates us. This same enthusiasm makes the sustainability efforts showcased in this report possible, such as reducing both energy and waste by 21% through 2018. We empower our colleagues to carry this dedication through to positively impact their local communities and preserve the natural capital unique to each destination.

When a fire shut down Mandarin Oriental Hyde Park, London in June 2018, our colleagues demonstrated resilience and gratitude by focusing their time on the community. Through the FANtastic London programme, they contributed over 40,000 hours to good causes while the hotel was under repair. I was truly impressed with the outcomes that can be achieved through grass roots passion.

2018 saw a shift in public sentiment toward issues such as plastic and waste. We are no different from our peers in taking action, and in 2018 set forth an initial plan for eliminating single-use plastic, which we believe is just the beginning of a larger movement. I recognize that to be successful, these efforts require top-down commitment. Therefore, I am committed to discussing sustainability in every Group meeting, challenging departments to show progress and provide guidance to support our colleagues' efforts until we have successfully eliminated all single use plastics from our properties.

2018 was also an exciting year for Mandarin Oriental's journey. We created an executive advisory panel for sustainability which I personally chair for a mandate to act upon key issues such as plastic reduction, responsible sourcing, and others identified through stakeholder engagement, extensive analysis and alignment with the UN Sustainable Development Goals. To tackle these areas, we then set up a Groupwide leadership council and cross-functional working groups across job functions and geographies. All of the participants share a passion to do more for a sustainable future. As we extend our global footprint of hotels and residences, this coordination will enable our colleagues to share best practices and cross-pollinate solutions to arrive at the finish line of our 2020 goals.

Looking ahead for 2019, in addition to further reducing our energy, water, waste, and carbon emissions, we will leverage our improved governance structure to eliminate most single-use plastics in our hotels and devise a programme for responsible procurement.

Thank you to all our colleagues for your commitment and dedication, and I look forward to the results ahead that we can achieve.

James Riley
Group Chief Executive

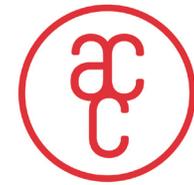
2018 Highlights

Set actionable, strategic plans to **phase-out single-use plastic**



Extended **ethical sourcing commitments** to cover cocoa and vanilla—in addition to coffee and tea—ahead of our 2020 target

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



asian cultural council



Spent 40,000 hours volunteering at local charities through FANtastic London to give thanks for local community support received during the June 2018 hotel fire



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



Launched a **Mindful Meetings** programme with wellness elements designed to inspire and engage participants in meetings



Fundraised **US \$78,500** for the Baan Nokkamin Foundation's orphanage in Thailand since 2015

2018 Highlights



Supported more than 200 charities and community organisations

Practised on and off-site **beekeeping** at an increasing number of our hotels, contributing to ecological balance



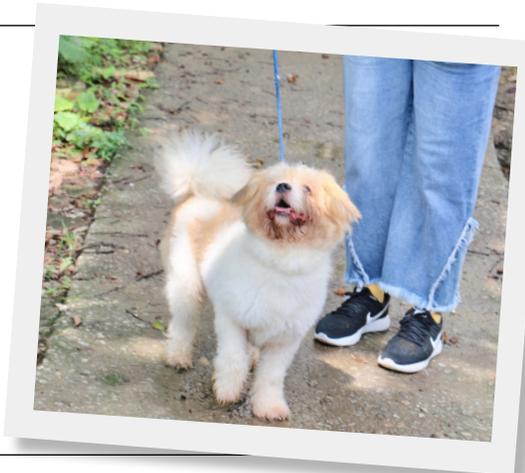
Organised volunteer events to care for and house rescued animals in the United States and Asia

Improved sustainability governance structure with a clear hierarchy and strong emphasis on empowerment

Diverted 38% of waste from landfills (compared to 2012 ratio of 17.3%)



Reached energy intensity reduction goal of 20% two years ahead of schedule (from 2007 baseline)



On track to meet 2020 goal of **converting to LED lighting** at all hotels



13,780 kilograms of used soap and bottled guestroom amenities have been diverted from landfill and donated to support those in need through our partnership with Clean the World

UN Sustainable Development Goals Support

Doing More for a Sustainable Future

The Sustainable Development Goals (SDGs) are 17 global goals that were set by the United Nations General Assembly in 2015 for delivery by the year 2030. They serve as an important reference point for the Group as we execute our sustainability 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 have strived to practice ethical sourcing of food produce; achieving 100% ethically sourced coffee, tea, vanilla and cocoa in 2018.



WELLNESS

We aim to positively affect the long-term health of our guests and colleagues through initiatives like Mindful Meetings, wellness spa treatments, and a staff Wellness Week.



WATER

We follow set water use reduction targets and manage our water footprint, specifically, with hotels in high water risk areas.



INCLUSIVE GROWTH & SUSTAINABLE TOURISM

As we grow, we are inspired to create local economic opportunities and advance sustainable tourism.



DIVERSE AND INCLUSIVE COLLEAGUES

Our Human Rights and Inclusiveness Working Group drives our diverse, non-discriminatory and inclusive workforce.



SUSTAINABLE CONSUMPTION

We actively explore opportunities to reduce waste. The group-wide phasing out of single-use plastic has been a significant achievement.



GREENHOUSE GAS EMISSIONS

We have embarked on a journey to reduce our greenhouse gas emissions from our 2007 baseline.



OCEANS

We have initiated sustainable seafood reviews and adoption feasibility studies; colleagues have actively participated in river and marine life conservation efforts.



BIODIVERSITY

Whether it's green development in sensitive areas, purchasing low impact products or supporting conservation activities, we are committed to active participation and impact change.

Champions of Sustainability

The Group Strategy for 2018–2020 is as follows:

- 1 Solidifying governance structure with continuity and accountability
- 2 Strengthening and further empowering Hotel Sustainability Committees (HSCs) with additional resources and property goals
- 3 Align community efforts to support the destinations where we are located



Under the refined 4-tiered Group Sustainability Governance Structure, our Executive Advisory Panel consists of the CEO and key senior management colleagues. They define the key priorities for the Group and provide both resources and accountability mechanisms, while regular panel meetings are held to continuously review progress in our sustainability priorities. Next, a Sustainability Leadership Council consists of colleagues at the Group and property levels. They ensure that our thematic priorities become operational through workstreams and focus actions across the Working Groups, in alignment with best practices and trends. These thematic Working Groups also consist of Group and property-level colleagues, addressing specific topics such as human rights and inclusiveness, food and beverage impact, green development as well as measurement and reporting. Finally, Hotel Sustainability Committees (HSC) are established at each hotel and are made up of passionate colleagues who are encouraged and empowered to advance sustainability in their innovative and location-specific ways.



Clockwise, from left: Colleagues from Mandarin Oriental Hyde Park, London assisting 'GoodGym', a charity that does good-deeds while promoting fitness; Global Wellness Day at Mandarin Oriental, Macau; Mandarin Oriental, New York 'City Harvest's Bid Against Hunger'; colleagues from Mandarin Oriental, Tokyo volunteering as carriers at the Shinko festival.

Delivering Excellence



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. Our long-standing guiding principles shape the way we seek to deliver excellence and create a sense of place for our guests, colleagues and other stakeholders.

Mandarin Oriental, Jakarta

Guiding Principles

Delighting our guests

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



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.



“Our sustainability values are deeply ingrained in Mandarin Oriental’s heritage—one of our key guiding principles is ‘Acting with Responsibility’. Mandarin Oriental is committed to being best-in-class in luxury hospitality in a responsible and sustainable way”.

—Christoph Mares, Chief Operating Officer



Working together

We emphasise the importance of teamwork and treat one another with mutual respect and trust. By working collaboratively, we all contribute to the Group’s success.

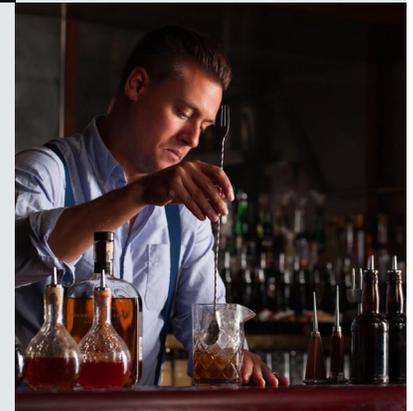
Becoming the best

We intend to be an innovative leader in the luxury hospitality industry. We continually strive to 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 act as responsible members of our communities.



Guest Engagement

Legendary Quality Experiences

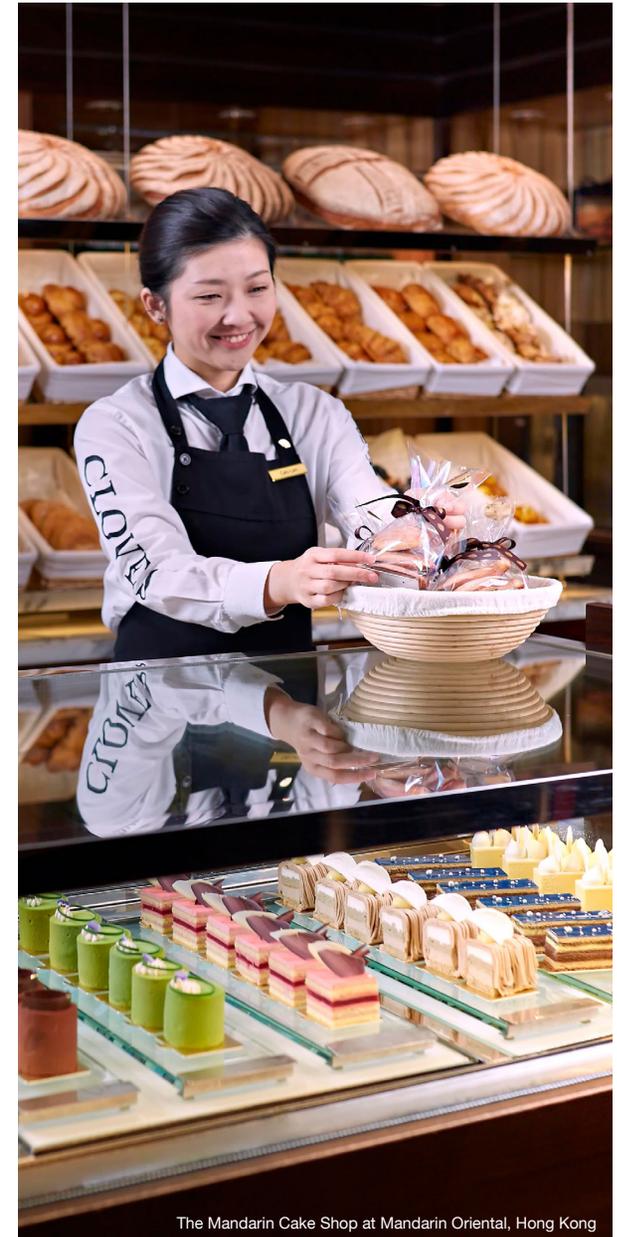
In line with our mission to completely delight and satisfy our guests, the Group created the Legendary Quality Experiences (LQEs) guidance document to aid our colleagues in creating remarkable experiences for our guests. The LQEs were reviewed and revised in 2017 and the updated version was introduced to our hotels in early 2018. The revision saw a trim-down of guidelines by 30% to yield a more focused and effective guidance document. With the restructuring of our pillars of service and revision of our guidance document, we aim to enable our colleagues to go above and beyond our Standard Operating Procedures to delight our guests.

We consistently and regularly measure our hotels' service performance against the LQEs and share the results across the Group. We believe that this kind of pulse check is critical if we are to be recognised as a leader in luxury hospitality.

At Mandarin Oriental, we believe that whatever gets measured, gets managed. All hotels receive three annual audits for quality assurance, with the results then 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 (LQA). 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.

We endeavour to offer truly rewarding recognition to our loyal guests and consequently 'Fans of M.O.', Mandarin Oriental's new distinctive guest recognition programme, was rolled out in April 2018. Designed to further enhance the guest experience, Fans of M.O. not only allows for a more personalised hotel stay, but also provides immediate access to partner benefits and exclusive offers throughout our portfolio of hotels. In addition, members who book through our website are able to further personalise their stay with a choice of benefits including early check-in or late check-out, a dining or spa credit, daily breakfast, or even a room upgrade.

Fans of M.O. not only allows for a more personalised hotel stay, but also provides immediate access to partner benefits and exclusive offers throughout our portfolio of hotels.



The Mandarin Cake Shop at Mandarin Oriental, Hong Kong

Safety & Security

Our highest priority is the safety and comfort of our guests during their stays in our properties. We are committed to not only creating a comfortable and aesthetically pleasing environment for our guests and colleagues, but also a safe and secure one.

Mandarin Oriental Hotel Group has established its Safe, Sound and Sustainable programme since 2000. The Group is not satisfied with basic compliance but has continually revised and expanded the programme to incorporate best practices across different aspects of sustainability. These include fire safety and security, health & safety and risk management within our operations.

Programme guidelines are continuously improved and updated as methods evolve, and as statutory and corporate requirements are updated.

Each fully operational property is audited annually so that its compliance with Safe, Sound & Sustainable guidelines can be closely monitored. These audits are conducted by an independent auditing company and include the verification of documentation and records in place, as well as a physical inspection of the facilities. The annual audit process is aimed at ensuring that hotel management teams are focused on health and safety issues and are prepared to manage crises and business interruptions. Executive compensation is based in part on the programme's annual audit results.



Mandarin Oriental
Hyde Park, London



2018 Safe, Sound and Sustainable Audit and Occupational Safety Results

Over the past ten years, the audit performance has remained stable, within 2% of the Group's target of 90%. In 2018, the Group's overall average score was 88.4%. The Group's overall average scores in security, food and beverage hygiene and risk management sections stood out in particular, each exceeding the Group's target of 90%.

In 2018, there were 6.0 incidents per 100 colleagues resulting in lost time, a 10% decrease from 2017 and above the United States Bureau of Leisure and Hospitality's safety rate of 3.2 incidents per 100 colleagues¹. We are reinforcing our training and awareness programme to reduce the number of work related incidents.

Health & Wellness

An Authentic, Holistic and Personal Approach to Guest Wellness

No matter who you are, what your goals are or how you define success, we believe one thing holds true: a healthy body and mind is essential if you want to lead a truly fulfilling life. Consequently, Mandarin Oriental strives to provide an environment and experience that is not only safe but also takes into consideration the long-term wellness of our guests and spa customers.



“Be innovative. Be inspired. Be energised. This is what we aspire our guests to take away after experiencing our services”.
—Jeremy McCarthy,
Group Director of Spa

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



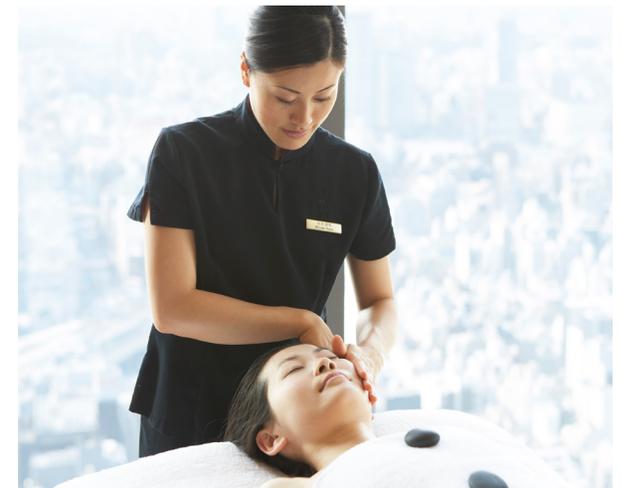
Authentic

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, Morocco or elsewhere, our services embed cultural practices that are specific to their location.



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 each guest’s individual needs and goals.

Mindful Meetings

Meetings are all about communication, problem-solving and decision-making. At Mandarin Oriental, we take a progressive approach to meetings to help our customers drive better results through our creative “Mindful Meeting” programme.

Launched in mid-2018, it consists of various wellness elements that are specially designed to enhance momentum, inspire and engage participants in meetings by leaving them feeling less stressed, more productive and ready to focus on achieving their objectives.



mindful
MEETINGS

The Mindful Meeting is comprised of five key elements:



Well-being

During meeting time-outs, guests can opt for spa or stress management sessions which revitalise and enhance productivity.



Movement

Ideas flow when meetings move. Our in-house specialists tailor-make yoga and stretching sessions for breakout sessions.



Stillness

Guided meditation, digital wellness tips and relaxation zones can all help clear the mind and refresh focus.



Connections

A positive environment is specially created for participants to connect more easily.



Nourishment

Cuisine specifically chosen to stimulate, nourish and fight fatigue.

In 2018 our Guest Engagement Working Group also developed a set of Green Meeting Guidelines aiming to provide hotels with specific practical tips on how to offer low carbon and more environmentally-friendly banqueting services. Once the Green Meeting Guidelines are finalised, they will be rolled out and possibly integrated into the Mindful Meeting initiative.

“Digital Wellness”

Starting from 2016, we have introduced a Digital Wellness initiative across all of our global spas. The programme is designed to help guests find new ways to manage their relationship with technology and the stress that can come with a constantly connected, always-on digital lifestyle.

To assist guests starting their ‘Digital Detox’ journey, our spa team created a questionnaire and series of exercises focusing on establishing personal boundaries around using electronic devices, clearing mental chatter and creating a healthy, digitally-balanced lifestyle. Therapists also provide guests with a booklet of Digital Wellness Tips and explain the importance of healthy habits around using technology at home.

Moving into its fourth year, our signature annual Silent Night wellness event was held to offer guests a night of silence and escape from the hectic hustle and bustle, allowing them to enjoy mindfulness and a sense of calm before the festive season. Mandarin Oriental spas around the world fell silent in the early evening which meant that there was no talking or music, just a chance for individuals to experience a quiet time of contemplation and mindfulness during their spa treatment.



Greening Our Spa

In 2017 Mandarin Oriental joined the Green Spa Network, a non-profit organisation dedicated to the idea that “vital people can make a vital planet possible” through sharing best practices and helping to drive the industry towards sustainable development.

As the first international hotel group to take their Group Sustainability Assessment, Mandarin Oriental was then able to use the results to develop a Group-wide sustainability mission for spas. This mission is supported by five goals that minimise resource consumption, reduce waste, positively impact local communities, celebrate local cultural heritage and deepen colleague engagement on sustainability.

In 2018, a Group-wide Green Spa Working Group was established to support our sustainability strategy for spas at Mandarin Oriental. One of the key first initiatives was the phasing out of single-use plastic water bottles in spas. Instead of providing plastic bottled water to guests, we now offer two refreshment options to our guests, namely fruit- or herb-infused water and water from the dispenser. Bottled water is discretely offered upon request. Many spas sell reusable aluminium bottles in their retail space, both as a solution to eliminate plastic bottle waste and raise awareness around the issue.

As we look ahead to eliminating plastic waste still further, we are focused on identifying all single-use plastic items used in the spas as we to eventually phase them out.

Mandarin Oriental Wellness Culture

We extend the same dedication of health and wellness given to our guests to our colleagues. We have committed substantial resources and time towards creating a corporate culture with a strong emphasis on wellness that includes activities around physical and mental health, nutrition, team building opportunities and engagement with local communities.

At the core sits the annual Colleague Wellness Week, held across the Group since 2016. This programme has been so well received that most properties have decided to build upon the momentum and establish permanent programmes based on their Wellness Week activities. We have arranged a range of physical

health training activities for colleagues such as the launch of a colleague fitness centre in the dormitory at Mandarin Oriental, Sanya, or yoga, moxibustion classes and jogging with the General Manager at Mandarin Oriental, Boston.

Regarding mental wellness, properties have focused on stress management through the sharing of knowledge, tools and resources that promote mental well-being, in addition to aromatherapy sessions, meditation lessons and financial decision-making classes. In 2018 there were also events related to healthy eating including a green market for colleagues at Mandarin Oriental, Paris and a special nutrition and dietetics course for colleagues held at Mandarin Oriental, Barcelona.

At Mandarin Oriental, Macau, the hotel even extended the Colleague Wellness Week to become a year-round initiative. They formed a committee to oversee all wellness programmes including a “FANTAS-FIT” Wellness Challenge which was particularly well-received. 60% of colleagues teamed up to lose weight, losing a collective 60 kg by the end of the challenge.

All our hotels also actively participated in Global Wellness Day on June 9, 2018. This non-profit campaign aims to raise awareness of the need to live well in terms of both physical and mental wellness. To mark the occasion, Mandarin Oriental, Boston organised a two-mile group run around Boston Common followed by a calming yoga class.



Colleagues and guests run with the General Manager of Mandarin Oriental, Boston; morning yoga class at Mandarin Oriental, Sanya; meditation class at Mandarin Oriental, Macau.

Mandarin Oriental Talent

Mandarin Oriental colleagues are instrumental in shaping the memorable experiences that are enjoyed every day by our guests. Therefore, we put a significant emphasis on selecting, nurturing, developing and retaining the right talent. Throughout our businesses, we seek to provide the right environment and opportunities to allow our colleagues to flourish.

Diversity & Inclusiveness

We respect human rights, embrace diversity and inclusiveness. Mandarin Oriental Hotel Group recognises international conventions and charters such as the United Nations Universal Declaration of Human Rights and the International Labour Organization's Fundamental Conventions regarding child labour, forced labour, wages and working hours, health and safety, freedom of association and non-discrimination.

The Group has also developed a Human Rights and Inclusiveness Working Group which identifies areas of improvement with respect to the ethical code of conduct across the global Group. These active steps are made to ensure that all colleagues are aware of associated risks in supply chains and different business areas. We plan to incorporate specific training into colleague orientation programmes, as well as provide regular updates and communications.

The Group is also in the process of introducing responsible procurement guidelines across its portfolio to ensure that our suppliers, vendors and business partners align with our values regarding fundamental human rights. These guidelines, which will be subject to regular evaluation, refer to anti-slavery, labour exploitation and human trafficking laws and principles across all products, services and supply chains.



Developing Our Intelligence

Our approach to learning and development is unique in that we emphasise continuous and experiential learning over traditional classroom training methods. We utilise our online platforms and other channels to conduct the training. To ensure efficiency and success, training for competency rather than hours continues to guide our approach. Our training is personalised and focuses on the skills and abilities needed for each position.

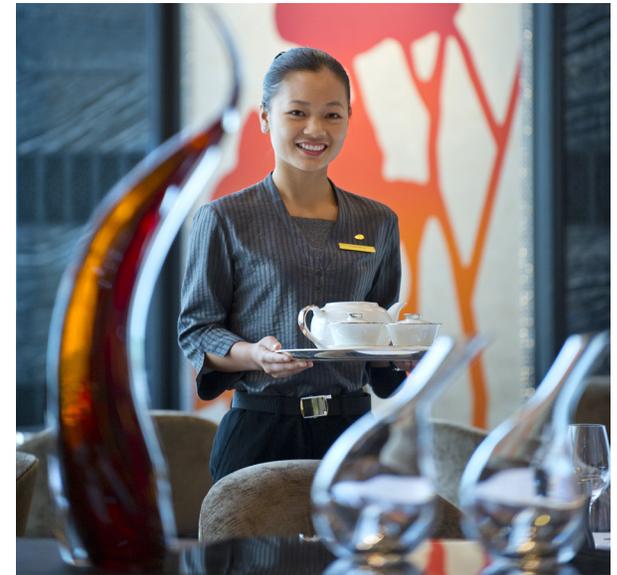
We have an established online performance management system which allows colleagues and their managers to track performance, training and overall professional development in real-time. Our signature MOver Up, MOver Forward and MBA Executive programmes remain our core learning and development tools. They target supervisors, junior managers, experienced managers and department heads. The Junior Management programme MOver Up was rewritten and is set to be rolled out in 2019, while the MOver Forward senior leadership programme was also re-written and launched in 2018. 22 colleagues from Asia completed it in two separate groups, while 12 participants from Europe and the Middle East regions also completed the programme and graduated in February 2019.

To better empower colleagues with long-term potential to achieve future General Manager positions, we launched two development tracks—the Tai Pan Track for senior leaders and the Up and Coming pool for junior leaders. Colleagues identified as suitable to join them would then have priority access to join the MOver Forward and MOver Up leadership programmes. They would also be mentored by a senior manager or the General Manager of the hotel and focus on accelerated career growth.

Additionally, The Mandarin Oriental Executive Development Centre provides consultation opportunities for senior managers to facilitate their personal and career development as they advance towards being a General Manager within our Group.

Performance and succession planning remain a critical priority as we seek to fulfil our colleagues’ career aspirations while also supporting our ongoing global expansion. In addition to regular feedback processes, annual performance and succession planning reviews are completed at all levels of the organisation.

Following our strong commitment to developing great teams at our hotels, our hotel HR teams were well recognised with Mandarin Oriental Hyde Park, London winning three Best Employer awards and Mandarin Oriental, Singapore one.



Mentorship for Our Future Leaders

Leaders are mostly made, not born and leadership ability requires a very complex set of skills that are acquired primarily through experience, self-development and access to training. At Mandarin Oriental, Macau, an eight-month mentorship programme has been in place since 2017 where junior managers with relevant competencies are paired with suitable mentors at senior manager level. Through monthly meetings, mentors provide guidance on specific areas and establish action plans to improve performance. Participants reported positive programme feedback and mentor-mentee pairings increased from seven pairs in 2017 to 16 last year. Colleague retention rates also improved from 33% to 24.6% (indicating less turnover) when compared with 2017. This mentorship programme plans to expand further in 2019 to include external mentoring that attracts university students to join Mandarin Oriental, Macau following their graduation.



Building Sustainability Knowledge Across the Workforce

At Mandarin Oriental, sustainability is integrated into every colleague's day-to-day work and life. All colleagues should have a general understanding of sustainability issues and appreciate the value of sustainable practices at Mandarin Oriental. In the Group's mandatory MOve In Orientation programme, a two-and-a-half hour Sustainability Training Programme delivers on this promise. New colleagues learn global perspectives on sustainability issues that are important to Mandarin Oriental's business and also discuss issues of concern in their local communities. A Sustainability Awareness Refresher Training Programme is also available for existing colleagues.

This year, we also organised a pilot Hotel Sustainability Committee Engagement Workshop at Mandarin Oriental, Bangkok. During the interactive sessions, the hotel's Sustainability Committee discussed the sustainability issues relevant to them and brainstormed potential solutions. The workshop was well-received by attendees and reinforced their passion for sustainability. Given the success of this pilot, Engagement Workshops will be rolled out to all other hotels in 2019 and 2020.



Colleague Engagement and Turnover

Over the past three years, our global turnover rates have been relatively stable, with a marginal decline in 2018. It remains above the current industry average, largely due to our seasonal operations and the high level of departures by colleagues under 30, who made up 56% of all resignations.

In 2018, our overall Colleague Engagement Survey (CES) score was 88%. In the eight CES categories, MOHG rated on par or higher than other companies in our labour market and matched or exceeded the results of companies in the hospitality industry in seven of the eight categories. The three key drivers of engagement are Mission, Vision and Guiding principles, Customer Focus and Management

We are continuing our strategy of introducing more frequent pulse surveys to monitor colleague engagement and respond to opportunities as they arrive.

DELIVERING EXCELLENCE

Underprivileged Support

Every year, Mandarin Oriental Pudong, Shanghai joins the Shanghai Young Bakers programme that provides fully-sponsored French bakery and pastry training free of charge to young, disadvantaged people. This year, two trainees from Shanghai Young Bakers worked with us on a bi-weekly rotational basis.

We also place great emphasis on building an inclusive workforce. In Mandarin Oriental Pudong, Shanghai, people with disabilities were hired in departments including Housekeeping, Food & Beverage, and Security. In Mandarin Oriental, Geneva, three interns with refugee status were hired as part of a local government programme to better integrate refugees into the community.

The Resident Manager of Mandarin Oriental, Singapore and the General Manager of The Landmark Mandarin Oriental, Hong Kong also serve on the Steering Committee of MINDSET, an organisation founded in 2002 by the Jardine Matheson Group that works to change negative attitudes towards mental health disabilities. Some of the programme participants are given the chance to apply for positions within our company and more broadly we continue to seek out opportunities to include people with disabilities in our teams.

Following the fire in June 2018, Mandarin Oriental Hyde Park, London won three awards that were specifically related to their achievements working with colleagues: Employer Brand Campaign and HR Team of the Year

under the Caterer.com 2018 People Awards, HR Team of the Year granted by HR in Hospitality 2018 and Hotel Cateys 2018 Extra Mile Award.



Think Big, Think Loud

With the increasing impact of technology on our businesses, an open and innovative mindset is critical in order to maintain our leadership in the luxury hospitality industry.

Launched in 2016 by our parent company Jardine Matheson Group, Innovate Jardines is an initiative designed to challenge business units to come up with fresh business proposals that address disruptive influences and create opportunities for business development.

In November 2018, supported by Innovate Jardines and Techstars, we hosted our first ever hackathon in Hong Kong. The two-day event saw corporate office and hotel colleagues come together to brainstorm and present their best ideas, pitching their business cases to a panel of judges made up of representatives from Jardines, the Group's senior management and also directors of external start-up companies. The business proposal "REMOTE" won the competition and the Group has subsequently begun feasibility studies around introducing a number of these ideas into the business.

REMOTE (WINNER) An online platform that integrates the check-in process with cross-selling of other hotel products

Farm by MO (Second) Introducing vertical farming into non-revenue-generating hotel spaces

MO FLEX (Third) An app allowing colleagues to manage their own work schedule

At the individual hotel level, competitions were also organised to encourage our colleagues to think out-of-the-box with innovative business proposals. These included cost, energy and water-saving programmes as well as profit-making initiatives. For instance, Mandarin Oriental, Macau launched a "Let's Innovate" competition, which resulted in a kitchen water-saving measure which helped to save 10% of average water usage.

Advancing Sustainability

As one of the world's leading luxury hotel groups, Mandarin Oriental strives to mitigate environmental risks by embedding sustainability strategies into our global business model. Our 2020 environmental targets demonstrate our Group-wide commitment to integrate best practices in operational efficiency, green development and responsible procurement.



Mandarin Oriental, Sanya

Environmental Stewardship

“Climate change is an inevitable issue that we face, one which will impact every aspect of our business. From planning to building and operations, we have long incorporated sustainability practices into our business in order to strengthen our resilience”.

— Vincent Marot,
Group Director of Technical Services



Our 2020 Environmental Targets



Energy

20%
intensity reduction
per square metre
(2007–2020)

Status:
Ahead
(20.6% reduction
from 2007–2018)



Greenhouse Gas Emissions

25%
intensity reduction
per square metre
(2007–2020)

Status:
Ahead
(26.3% reduction
from 2007–2018)



Water

20%
intensity reduction
per square metre
(2007–2020)

Status:
Behind Schedule
(13.8% reduction
from 2007–2018)



Waste

25%
intensity reduction
per guest night
(2012–2020)

Status:
On Track
(19.5% reduction
from 2012–2018)



We are especially conscious of our ecological footprint that impacts the environment and local community. Based on the principle of what gets measured gets managed, we established a 2020 vision with energy, emissions and water reduction goals based on a 2007 baseline, along with interim 2016 goals to track our progress. From a Group perspective, we regularly monitor progress through statistical modelling using regression analysis. Through a focused and coordinated effort, we’ve achieved significant progress against our 2007 baseline.

Carbon and Energy

We use comprehensive management tools to monitor our energy and emissions as part of our strategy to reduce them. In the hotel, we have energy meters and sub-meters to log our energy consumption and help us understand energy consumption patterns. Every three years, we conduct energy audits with guidelines based on the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)'s Procedures for Commercial Energy Audits. The audits also cover hotel-specific requirements and mechanical functions. A more comprehensive retro-commissioning process is applied to supplement the energy audit when needed, or when significant changes to the operation, due to renovations or property extensions, have occurred.

Based on our regular energy performance review, a number of equipment performance efficiency upgrades have been identified and implemented. These are tailored to individual hotel needs and include chiller plant optimisation, converting pump systems to work on variable flow, cooling tower capacity enhancement, heat pump installation and LED lighting installation.

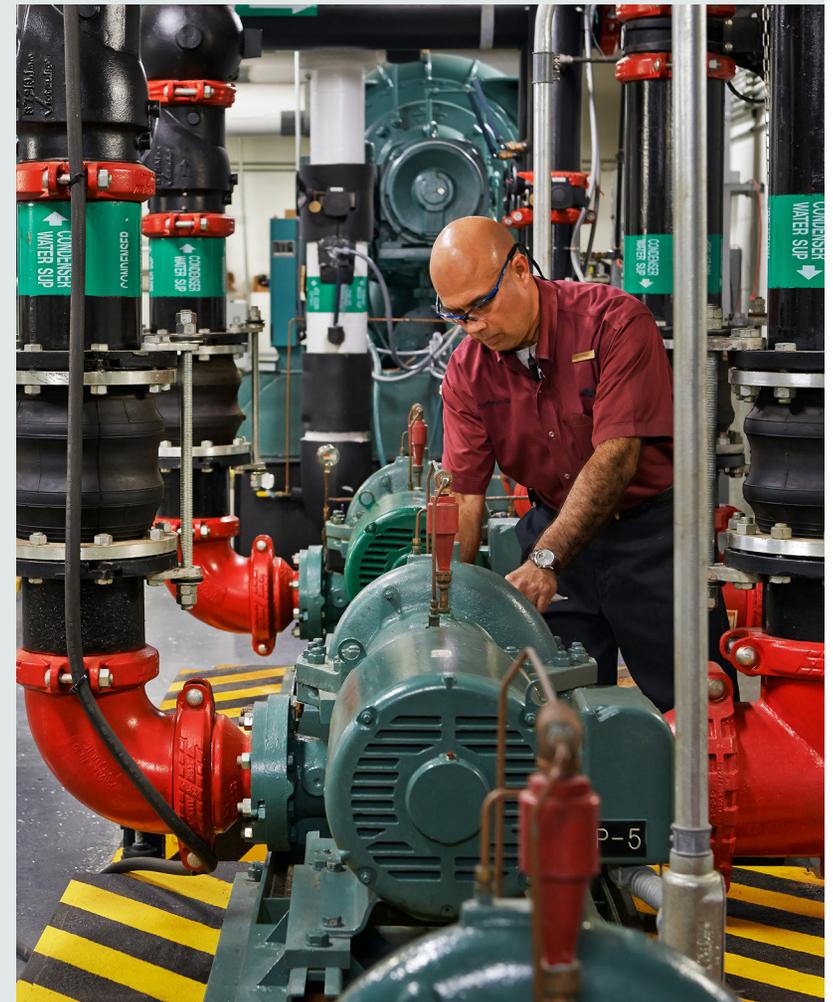
“We have learned valuable lessons and made substantial progress over the past decade which have provided a foundation to drive continued improvements as our Group expands across the globe”.
— Peter Lofgren,
Head of Group Engineering Operations

Let's Chill Out

With our round-the-clock operations in hotels, air conditioning contributes the biggest portion of our energy consumption. We therefore continue to invest in innovative technology, balanced with sound engineering practices, for chiller optimisation. In 2017, this was implemented at Mandarin Oriental, Miami, Mandarin Oriental, Washington DC and Mandarin Oriental, Boston. In 2018, the first full year of operating the optimised chiller plants, the combined electricity savings at the three properties as a result of these projects were 1,450,000 kWh, representing a saving of US \$185,000.

Optimisation

During the development of our hotels, energy-saving elements are integrated into different areas of building design, but sometimes the design may still not be as efficient as expected. Mandarin Oriental, Macau, approached this systematically, commencing with an energy audit in 2011. The chilled water system was identified as a priority and a chiller optimisation project was completed in 2012. This was followed by retro-commissioning the air-conditioning systems, conversion to LED lighting and several minor projects. In 2018, the project was completed by the installation of heat pumps for the domestic hot water system which also serves as cooling for the swimming pool during the summer months. As a result, energy savings of 3,920 MWh or 28% were achieved in 2018, representing a reduction in the hotel's annual energy bill of more than US \$550,000.



ADVANCING SUSTAINABILITY

In order to present a more accurate picture of our energy performance over the years, while taking Mandarin Oriental's expansion into account, we have used Group energy intensity instead of total energy consumption to represent our environmental footprint. Total energy consumption is then normalised per square meter of property.

Our energy intensity has steadily decreased since 2007, with a reduction of 20.6% from the 2007 baseline by 2018, including a further reduction of 0.1% from last year.

Absolute energy consumption for the Group was 1,373 TJ, a decrease of 0.5% over 2017. With the

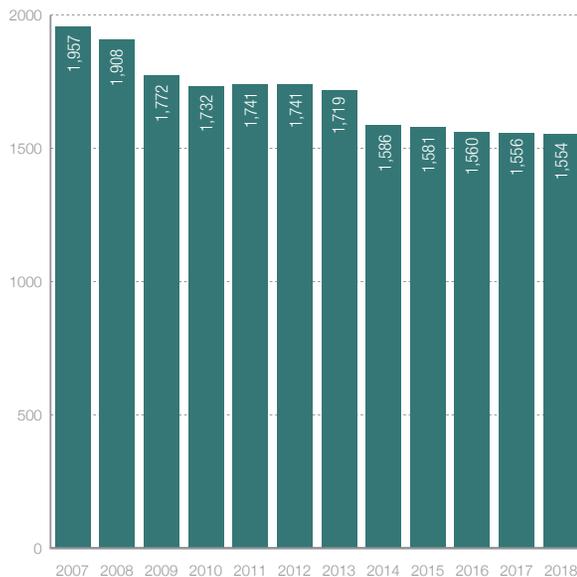
continuous implementation of energy efficiency measures, the Group avoided 284 TJ of energy consumption in 2018. The total avoided consumption over the past 12 years was 1,591 TJ.

As part of our ongoing commitment to combating climate change, we also monitor our carbon footprint. The Group's greenhouse gas emissions intensity² was 175 kg CO₂e per square metre, representing a further decrease of 3.0% over the prior year and a 26.3% reduction compared to the 2007 baseline. In 2018, absolute emissions generated by the Group amounted to 154,700 metric tons of CO₂ equivalent, including reductions from RECs³.

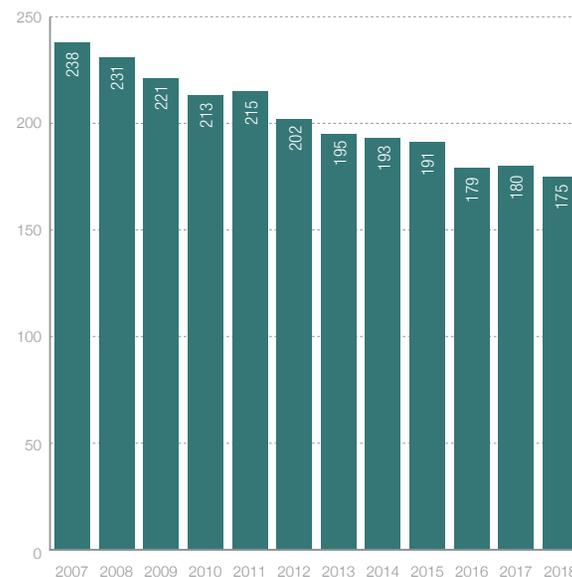
From 2007–2018, our total avoided emissions are estimated at an equivalent 260,000 metric tons of CO₂. This equates to taking 51,102 cars off the road.

Fugitive emissions typically occur from unintentional leaks into the atmosphere from refrigeration systems or whilst handling refrigerants. Because of its global warming potential, a small quantity would still have a significant impact on our carbon footprint. Through our operational practices, we have managed to control the fugitive emissions to 3.9% of our total GHG emissions.

ENERGY INTENSITY
(MJ/m²/year)



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



LED Replacement Across Our Hotels

With advancements in technology and the maturity of the LED market, LED lighting is increasingly able to meet our brand quality standards. As such, we have made the migration from our existing lighting to LED lighting one of our key 2020 environmental goals and we are currently ahead of our planned schedule. In 2018 approximately half of our lighting needs were fulfilled by LED lighting, across guestrooms, banquet areas, spas, restaurants, corridors and back-of-house areas. More LED installation has been scheduled for 2019 and installation coverage is expected to increase by a further 20%.

Conserving Water

Clean, accessible water is a precious natural resource that is crucial to our business. We are well aware that its cost is under-represented and that we should consider the potential negative impacts that water risks could pose both to our business and the communities where we operate.

Since 2015, a Group-wide water risk assessment has been conducted every two years using World Resources Institute's Aqeduct tool⁴. The exposure to a series of risks are considered on a site-by-site basis due to differing environmental constraints seen in the multiple locations where we operate. These included baseline water stress, flood occurrence and drought severity. Fourteen properties and one development project were identified in 2017's assessment as located in highly water-stressed areas. The key findings of the water risk assessment are therefore intended to help identify and prioritise water conservation target actions and programmes.

Given the importance we place on water conservation, we are also committed to influencing and inspiring our colleagues and guests alike to be aware of and practise better water management.

By adopting the 3Rs principle, namely Reduce, Reuse and Recycle, we have undertaken a range of water conservation strategies to reduce our water footprint, from investing in water efficient technologies to stimulating process improvements and reusing and recycling water. Water-saving technologies we have adopted are targeted primarily in our kitchens, laundry areas, gardens, spas, heating and cooling systems.

For example, at Mandarin Oriental, Kuala Lumpur, a tunnel washer was installed in the laundry which was able to reduce fresh water consumption during the rinsing process.

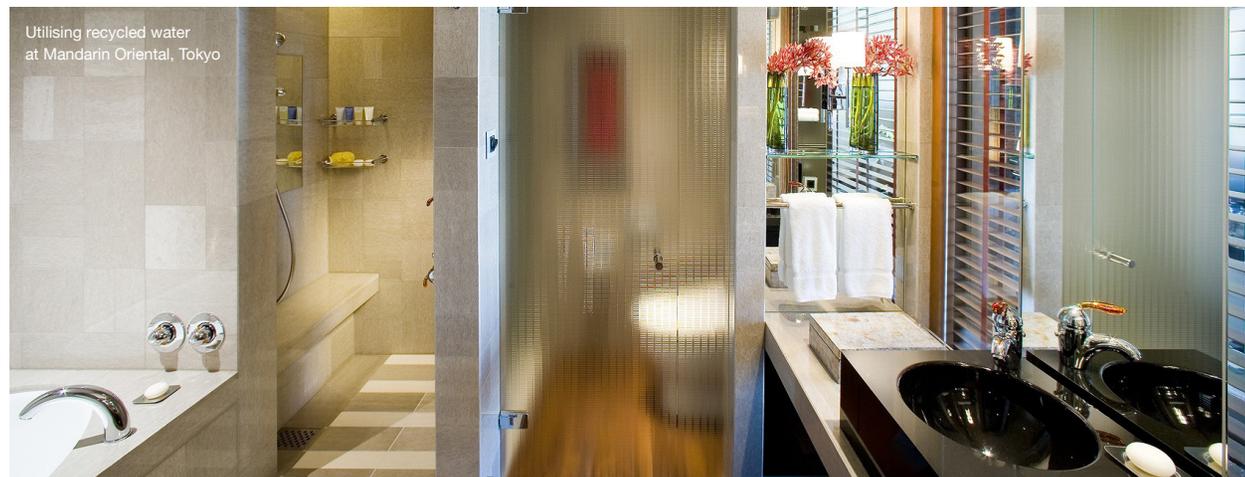
At Mandarin Oriental, Marrakech, ground water is used to irrigate their vegetable and landscaped gardens. Mandarin Oriental, Hong Kong and Mandarin Oriental, Tokyo both recycle water from the cooling towers for toilet-flushing.

Behavioural change is also critical. In 2018, our hotels organised activities for colleagues to promote water saving practices. For example, 300 colleagues at Mandarin Oriental, Singapore committed to an "I Save Water" pledge to raise water conservation awareness.



Water Saving in Singapore

According to our 2017 water risk assessment, Mandarin Oriental, Singapore is located in a region suffering extremely high water-stress. The existing issues faced are also set to increase considerably in the future. To ensure sustainable hotel operations, a range of water-saving initiatives have been initiated over the past few years. These have included the introduction of dual-flushing cisterns to all guestrooms, the installation of high-efficiency dishwashers and water flow restrictors in guestrooms and kitchen sinks. The swimming pool balancing tank overflow pipeline was also adjusted to help hold surplus water. At the same time, water-saving practices have been shared and engaging activities such as the 'I Save Water' Pledge Day have been organised to encourage colleagues to contribute towards a more sustainable future. These hotel hardware and software enhancements have reduced their water intensity to 377 litres/guest night and contributed to a 35% reduction in water intensity comparing to 2007.



2018 Performance: Water Consumption

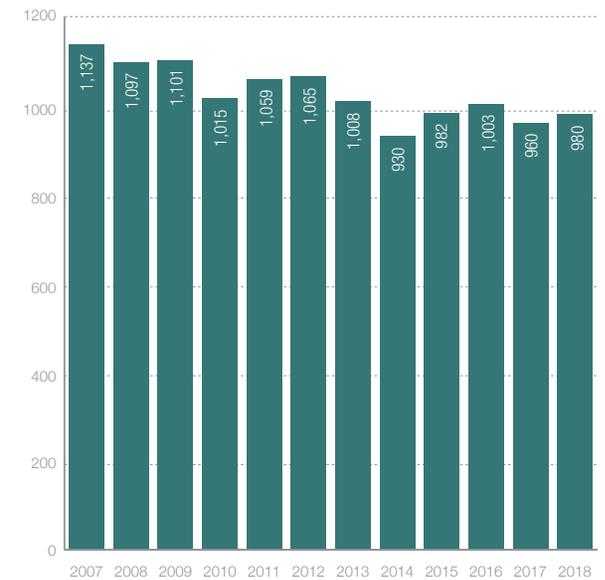
In 2018, the Group's absolute water consumption was 3,567,920 m³, an increase of 4.4% over the prior year.

The majority of Mandarin Oriental hotels are fully dependent on municipal water supplies. The exceptions are Mandarin Oriental, Bangkok, which relies partially on river water, Mandarin Oriental, Marrakech, which uses groundwater for irrigation, Mandarin Oriental, Bodrum, which predominantly uses groundwater purified by reverse osmosis and Mandarin Oriental, Canouan, where sea water is purified through reverse osmosis. Municipal supply therefore accounts for 92% and surface and groundwater 8% of our total water supply.



Water intensity recorded a 13.8% reduction from the baseline year. We will continue to influence and inspire our colleagues and guests alike to be aware of and practise better water management.

WATER INTENSITY
2007–2018 (litres/guest night)



Waste

From experiences in the spa and guestrooms to dining and banqueting, every step potentially involves the generation of waste. We have been particularly mindful of this issue and waste audits have been organised in hotels to closely review our waste performance. Our hotels' waste streams are mapped to more than 30 waste categories which include glass, aluminium, metal, wood, paper, food, used oil, soap bars, bottled amenities, landscaping waste, batteries, used appliances and printer toners. Based on audit findings, action plans have then been developed for better waste segregation, diversion and disposal.

The success of waste management relies heavily on support from our colleagues and guests alike. This behavioural change stems from training and engagement. During induction training for new colleagues, we have a particular section on waste management. It ensures that colleagues understand our expectations in the reduction of wastage, waste segregation and how waste can be diverted from landfills through recycling, donating and composting.

Managing waste is a complex issue in the sense that feasible waste diversion methods often differ from place to place. Approaches also vary across waste streams. Through our internal sustainability information-sharing platform MONET, our sustainability Working Group members and Sustainability Champions are able to effectively share successful waste avoidance best practices. In this way, the "cross-pollination" of ideas and best practices across our hotels is catalysed and further waste reduction is anticipated. For example, Mandarin Oriental Pudong, Shanghai has identified ways to maximise the use of meat and fish trimmings.

We also partner with local food banks to donate surplus food to serve communities in need. Mandarin Oriental, Singapore partners with Food Bank Singapore to donate surplus cooked food and also donates surplus bread and pastries to the underprivileged through Food from the Heart. Mandarin Oriental, Geneva and Mandarin Oriental, Paris are members of the "Too Good To Go" initiative which has developed a handy phone app. Restaurants looking to clear excess food can do so at a reduced price on the app, where they are then matched with buyers.

This helps to prevent perfectly good food from going to waste and ending up in the landfill.

Elsewhere, Mandarin Oriental Hyde Park, London partners with the award-winning "Bio-bean" to recycle their coffee grounds into advanced biofuels. Mandarin Oriental, Hong Kong also has a coffee grounds recycling programme. Through partnerships with local farms, Mandarin Oriental, Boston donated their compost to local pig farms, while Mandarin Oriental, Guangzhou sent food waste to farms for use as feed. Mandarin Oriental, Bangkok and New York have also begun to compost plant waste.

We are moving into our ninth year of partnership with Clean the World and look forward to continuing our efforts in donating used soap and bottled amenities to the vulnerable living in developing countries. We understand implicitly that good hygiene is critical in preventing millions of hygiene-related illnesses and deaths and in 2018 sixteen of our properties donated more than 13,780 kg of soap and bottled amenities to support Clean the World in their work.



Food collection at Mandarin Oriental, New York



Mandarin Oriental, Singapore donates surplus bread and pastries through Food from the Heart



Soap donations for Clean the World at Mandarin Oriental, Singapore

Reduce

Best Practices

Paperless meetings, guest communications and corporate materials

e-Newspapers

Office supply trading across departments to avoid unnecessary purchase and disposal

Compacting food waste using bio-digesters

Installation of water filtration systems to avoid single-use plastic bottles

Reuse

Best Practices

Donation of reusable items including mattresses, linen, towels and furniture and food to colleagues, communities and charity partners

Collecting used toiletries to be processed for reuse by the underprivileged in developing countries

Recycle

Best Practices

Recycling coffee capsules

Collecting used cans to contribute towards the creation of prosthetic limbs

Local partnerships to recycle e-waste, metals, lamps and batteries

Recycling bottle corks

Upcycle

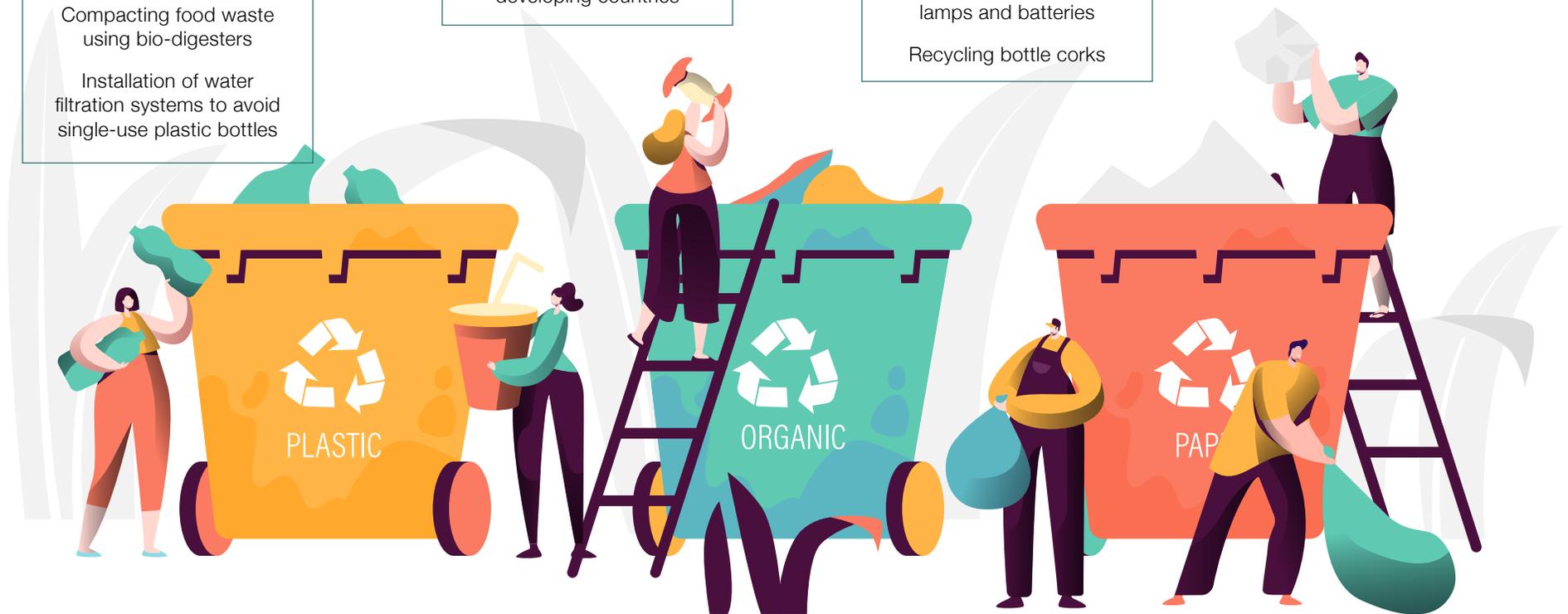
Best Practices

Upcycling used light bulbs

Upcycling corks for corkboards

Upcycling cooking oil to biofuel

Composting food and green waste and donating it as farm feed or fertiliser



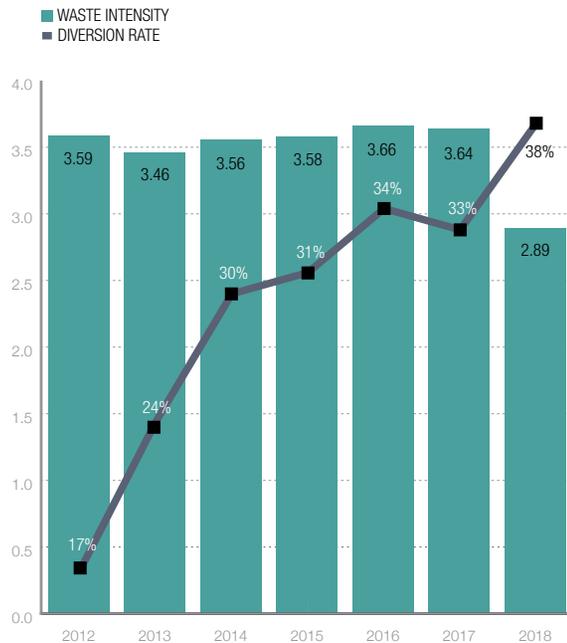
We utilise the “Reduce, Reuse, Recycle and Upcycle” model to reduce the amount of waste that gets sent to landfill.

2018 Performance: Waste

In 2018, the Group recorded 2.89 kg waste sent to landfill/guest night, a significant decrease over 2017 figures and 19.5% lower than our 2012 baseline of 3.59 kg. We attribute this decrease to our Group's enhanced colleague awareness and the adoption of new food waste diversion initiatives.

Waste diversion performance is a useful indicator in reflecting how effective the properties are in diverting waste from landfill. Since 2012, our waste diversion factor has more than doubled. In 2018, our waste diversion factor was 38%, compared to 17% in 2012.

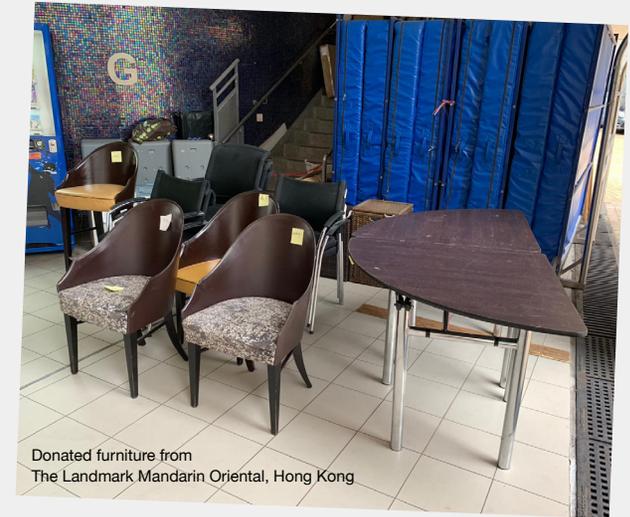
WASTE INTENSITY AND DIVERSION RATE
(kg/guest night and percentage)



Plan Ahead to Save Resources

To uphold our renowned levels of service as a luxury brand and to continue giving our guests the very best experience, we regularly renovate and refurbish our properties. These planned renovation projects have an eye on design but we also greatly emphasise keeping our ecological footprint to a minimum throughout the refurbishment process. We strive to minimise energy usage, noise pollution and waste generation, as well as choose sustainable products.

The Landmark Mandarin Oriental, Hong Kong's recent restaurant renovation is an excellent example of how advanced project planning can help reduce waste, enhance colleague and guest engagement and promote the spirit of serving the community. Amber is a two Michelin-starred fine dining restaurant which started renovation in 2018 and completed in the late spring of 2019. When they arranged the dismantling works, they did a quick estimation of the quantity and quality of waste and explored possible outlets for their waste. As Amber's furniture and kitchen equipment were all in relatively good condition, the hotel partnered with DB Mothers & Friends, a social enterprise that connects donors of pre-loved items with those in need. Old furniture and kitchen equipment was therefore donated to local schools and the underprivileged, while they arranged a sale of their antique furniture that was attended by colleagues and loyal guests. Ultimately, 95% of the restaurant's original renovation waste was given a second life and saved from ending up in landfill.



Bio-Digester Implementation

Food waste recycling facilities are not well established in many cities, but Kuala Lumpur is one of them. To divert food waste from landfill, Mandarin Oriental, Kuala Lumpur decided to install a bio-digester on the premises, meaning that food waste was no longer channelled to landfills. The bio-digester came at no extra cost as it is part of the hotel's agreement with their waste management company. Aerobic digestion of food waste results from microbes and enzymes in the mixer chamber and within 24 hours, up to 500 kg can be broken down into water slurry that is sent to the public sewage treatment plant.



Mandarin Oriental,
Barcelona

Mandarin Oriental,
Washington DC



Mandarin Oriental,
Bodrum



Mandarin Oriental,
Milan



Mandarin Oriental,
Munich

Green Development

At Mandarin Oriental, one of our key focus areas is to employ sound, sustainable principles throughout the lifecycle of our properties, from development, design, pre-opening through to operations, maintenance and refurbishment.

In 2018 we formed our very first Green Development Working Group specifically to oversee development-related sustainability in the hotel's development, design and pre-opening phases.

Renewable Energy as an Alternative

With the advancement of technology, renewable energy options have become more readily available from local utility companies. Currently, Mandarin Oriental, Milan, Munich and Washington DC actively purchase clean energy and we foresee more hotels following this low-carbon path in the years to come.

Mandarin Oriental, Barcelona and Mandarin Oriental, Bodrum capture solar energy to heat their domestic hot water.



Biodiversity Conscious

Sustainable ecosystems are vital for the sustainability of both society and business, and biodiversity is the foundation on which they are built. To better understand potential negative environmental and cultural impacts resulting from a loss in biodiversity, in 2017 we conducted a Group-wide biodiversity risk assessment, both for our current and planned properties. Results confirmed that no properties are in internationally determined protected areas; however, three of our properties (Mandarin Oriental, Prague, Mandarin Oriental, Washington DC and Mandarin Oriental, Milan) face higher biodiversity risks and are being further evaluated, with action plans to follow.

In the planning stages of new projects, the Group's Technical Services department identifies whether they are located in sensitive areas and whether detailed assessments are required. Potential risks and considerations are reviewed to identify the most appropriate way of executing the building's construction.

Once in operation, our hotels consistently support the protection of biodiversity through projects and educational initiatives that target both our colleagues and guests.

For example, we take proactive measures to prevent soil erosion. At Mandarin Oriental, Jakarta, we maintain 50 biopori holes that enable the natural decomposition of food waste, help improve the condition of soil while supporting proper absorption of rainwater, all of which minimises the risk of local floods.



Eco-design in Doha

Mandarin Oriental, Doha is an intimate and stylish urban retreat located in the centre of Msheireb Downtown Doha, the new lifestyle and cultural heart of the city. Opened in March 2019, the hotel blends chic, contemporary design with touches of Qatari heritage, bringing new levels of luxury to Qatar.

As part of the “Msheireb Downtown Doha” (MDD) project, which aims to create a legacy for sustainable urban development in Qatar, the hotel's entire development was designed to consume fewer resources, generate less waste, lower costs and achieve a reduced carbon footprint. Mandarin Oriental, Doha's aim is to achieve Leadership in Energy and Environmental Design (LEED) Gold certification. The building is light coloured to reduce cooling requirements, while photovoltaic (PV) panels and solar thermal hot water panels were installed on the rooftop to generate the building's electricity and hot water. From a water conservation perspective, efficient irrigation systems were installed and mostly adaptive species were planted as some native species can survive well in dry conditions and therefore reduce landscape irrigation.

The hotel's sustainable design was well recognised and honoured with a Conservation and Energy Efficiency (Tarsheed) Award from the utility company General Electricity and Water Corporation (Kahramaa).

Responsible Procurement

“Responsible procurement should not be viewed as a cost, but rather a business case that can meet our luxury standards”.
— Iris Lam, Food & Beverage Impact Working Group

We believe that we can both protect the environment and maintain the highest level of guest experience. We are keen to lead the industry by example and therefore work with partners and suppliers under a Group-wide responsible procurement policy. We communicate with all our vendors and contractors that we prefer more sustainable products and services, while selected key vendors and contractors have been approached to answer sustainability questionnaires. Progress and future opportunities are reviewed on a monthly basis.

Phasing Out Single-Use Plastic

Globally, more than 8.3 billion tons of plastic waste have been generated since the early 1950s. Unfortunately, only about 9% of all plastics ever made are likely to be recycled, while a slightly higher percentage of 12% gets incinerated. This means that 79%, the vast majority of waste, accumulates in landfills and the environment⁵. At this rate, it is estimated that by 2050 there will be more plastic in the oceans than fish. At Mandarin Oriental, we have begun a holistic and strategic single-use plastics elimination campaign across our properties through a three part phase-out plan. We're not only eliminating single-use plastic water bottles, but also other single-use plastic items used in our operations. Our inventory of single-use plastic lets us look for alternative products

that are assessed on viability of adoption, from easy to difficult. By the end of 2020, we aim to be single-use plastic-free, except where prevented by local restrictions. 2018 was a year for groundwork and internal alignment, cross-departmental collaborations have since explored and identified alternatives and relevant updates will be shared.

Additionally, supplier claims for biodegradable plastics must be supported with assurances that the item is 100% biodegradable and will work effectively with regional-specific, reusable, recyclable or compostable industrial waste facilities.

Green Picks in Outlets

With the launch of our campaign to eliminate single-use plastics, our Food & Beverage operations have proactively engaged with suppliers to look for alternatives.

Following the successful elimination of single-use plastics from our operations, we will embark on a study to completely phase out linen use in our restaurants, bars, and banqueting to reduce the environmental impact of laundering and associated chemical pollution from detergents and bleach that contaminate our natural water resources.



Sustainably-Sourced Water in Our Hotels

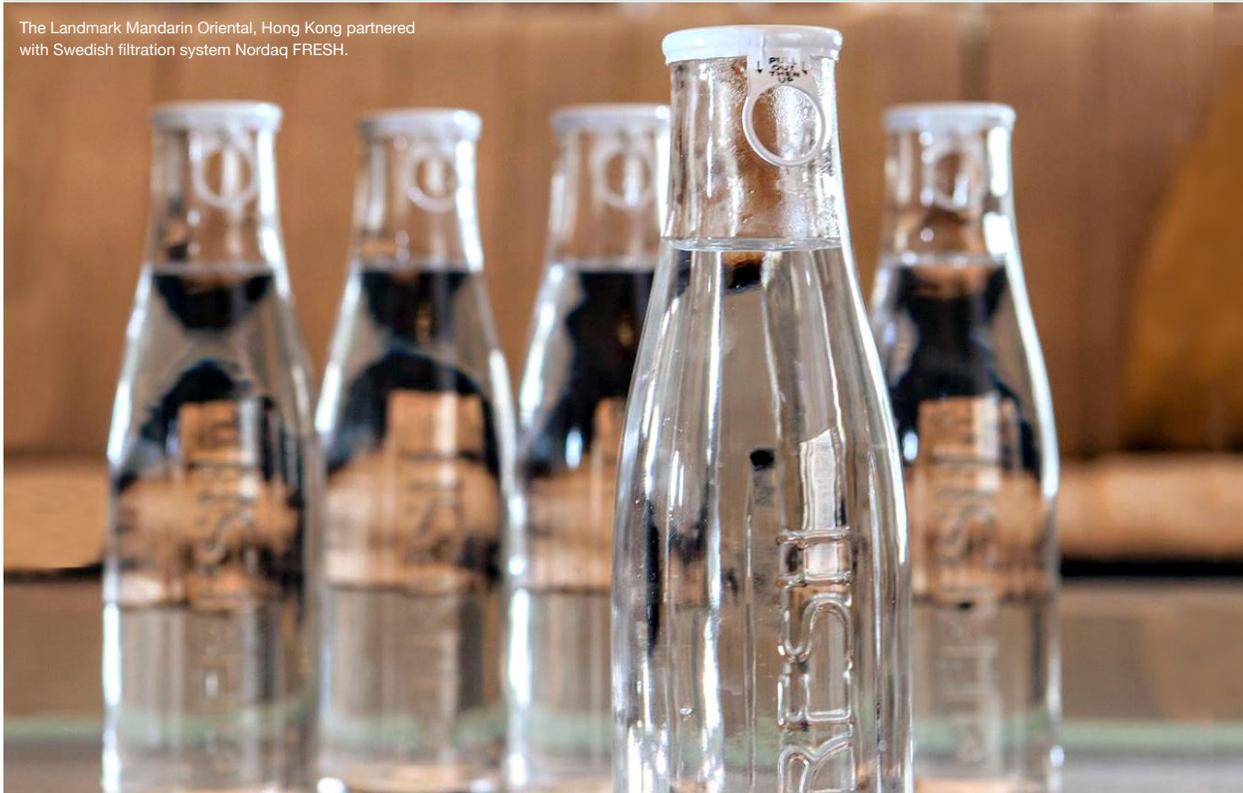
Over the past two years, we have made significant strides in providing our guests an ecologically sound alternative to plastic bottles. In 2016, Mandarin Oriental, Geneva became the first hotel in our Group to introduce reusable water bottles in guestrooms.

In 2018, The Landmark Mandarin Oriental, Hong Kong became the first hotel in the city to partner with leading Swedish water filtration specialist Nordan FRESH and introduced its own in-house, premium filtered and purified bottled water in guestrooms and F&B outlets. Together with their plan to build a rooftop garden to grow fresh food, this forms part of a long-term eco-strategy to provide guests with the best in sustainable luxury.

Through our internal sustainability intranet platform, and regular inter-hotel communication, this on-site water bottling initiative has inspired other hotels to follow suit including Mandarin Oriental, Macau, Mandarin Oriental, Sanya, Mandarin Oriental, Hong Kong and Mandarin Oriental, Taipei.

By 2018, most of our hotels had begun to provide guests with infused or fresh water stations in our restaurants, fitness centres and spas as ecologically sound alternatives for our guests.

The Landmark Mandarin Oriental, Hong Kong partnered with Swedish filtration system Nordan FRESH.



Maximising Biodegradable Products

Mandarin Oriental, Kuala Lumpur now purchases biodegradable toothbrushes, combs and shower caps for its guestrooms. Sachets, which are used to package these goods, are made of recyclable paper. Eco-friendly carpet underlay is made from 100% recycled fibres and is itself recyclable once it needs to be replaced. Several hotels, including Mandarin Oriental, Macau, Mandarin Oriental, New York and Mandarin Oriental, Sanya use biodegradable bags for laundry and garbage.

Sustainable Food

At Mandarin Oriental, we firmly believe that with our customers' increasing awareness of sustainability, sustainably and ethically-sourced food is not only a moral responsibility but actually a competitive driver. As one of our key priorities, we have therefore developed related initiatives including support for ethical sourcing, beekeeping, local producers and sustainable seafood.

Committing to Ethically Sourced Commodities

Back in 2016, we established a four-year plan to ethically source at least one product per year. The first was tea, then coffee. We are happy to announce that by the end of 2018 we successfully switched to purchasing 100% ethically-sourced vanilla and cocoa. Suppliers or distributors are required to provide assurances or certifications that their produce meets our standards.



Ethically sourced cocoa utilised by Mandarin Oriental, Bangkok



Herb and vegetable garden at Mandarin Oriental, Kuala Lumpur

Supporting Local and On-site Fresh Produce

We strive to support the communities where we are located as they are key stakeholders. Our chefs and sommeliers maintain close relationships with local suppliers who produce food and wine for our guests. Local procurement guarantees the freshness of food produce and a lower transportation footprint. Mandarin Oriental, Paris for example promotes seasonal fruit and vegetables during European Sustainable Week and even hosts a farmer's market on-site to kick-start the week-long event.

As we recognise that life on earth is mutually inter-dependent due to the scale of our operations, we are particularly conscious of our impact on the stability of food supplies. We therefore tailor our menus accordingly to align with seasonable produce wherever possible.

We also explore every possibility regarding launching organic urban gardens at our properties. At Mandarin Oriental, Kuala Lumpur, an Ag-tech and cartridge herb and vegetable garden have been implemented on the rooftop and already supply produce to the hotel's restaurant. An on-site rooftop garden is also in place in Mandarin Oriental, Paris, while vertical farming on property, which requires less space and resources, is another possibility that we are exploring.

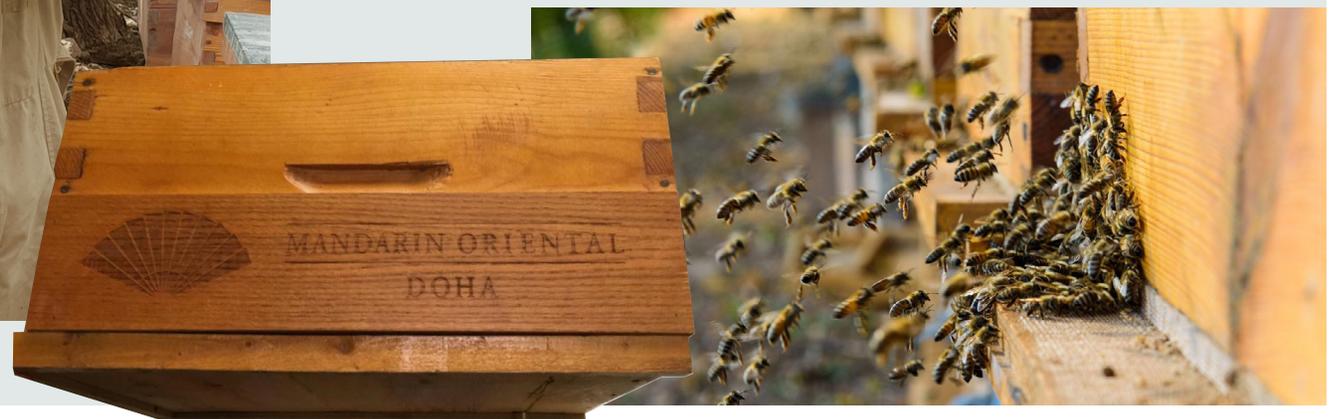
Beehives Around the Community

Bees are known as the world's most important pollinator of food crops. It is estimated that one third of the food that we consume every single day relies on pollination, mainly by bees. They play a vital role in either pollinating the vegetables and fruits that we eat, or those that are eaten by animals that we ultimately consume. It's not limited to pollination however as honey and wax are two other important products that we enjoy thanks to their efforts. A single bee colony can pollinate up to 300 million flowers each day.

Over the past decade, the global bee population has been decreasing at an alarming and unprecedented rate, something which subsequently threatens our food supply. At Mandarin Oriental, we believe it is a critical issue to be addressed. As such, we have initiated a beekeeping programme with the objective to have all hotels invest in beehives (either housed on-site or housed with a local beekeeper off-site) to support honeybee population growth and also to harvest honey to serve our guests. This perfectly blends sustainability into the guest experience.

On-site and/or off-site beekeeping have been incorporated as part of the agenda when we launch new hotels. For example, during the pre-opening phase of Mandarin Oriental, Doha, we embarked on a partnership with Bu Saif, a local apiary company in Qatar. Fifteen beehives have been placed throughout Qatar and it is expected that 250 kg of honey can be harvested from them for use in food and beverage recipes, or bottled and gifted to guests. To allow our guests to gain a better appreciation of the environment and engage further on the topic, hotels offer them the chance to visit the apiaries where they can learn about the honey production process.

On-site beekeeping is currently also practiced at our other hotels including Mandarin Oriental, Paris, which has featured a rooftop beehive since 2012.





Sustainable Seafood in Action

The ban on shark's fin across all of our operations and restaurants has been in place since 2012, a critical change that also supported our journey towards sustainable seafood. The move reinforced the realisation that preserving marine biodiversity doesn't mean sacrificing economic returns, and that guests aware of the negative environmental impacts created by non-sustainable fisheries support our stance.

The Group is further driven to do better by the dire state of our fisheries. As a result, we have initiated a sustainable seafood review to identify any seafood in our inventory with higher conservation status—for example those species well-recognised as overfished or caught via environmentally-destructive fishing methods—to allow us to upgrade and standardise responsible procurement guidelines across our operations. With these guidelines in place, we can work more closely with our suppliers on sustainable seafood.

Mandarin Oriental, Geneva increased its commitment to sustainable local fish by making local perch available on its menu only when in season, in alignment with local policies to prevent overfishing. Mandarin Oriental Pudong, Shanghai identified a new sustainable seafood supplier from New Zealand for its salmon. Across the Group, we also try to minimise use of near threatened yellowfin tuna from our menus.

Supporting Local Community in Kuala Lumpur

We are aware of the environmental impact of overfishing and environmentally destructive fishing methods. For example, Mandarin Oriental, Kuala Lumpur purchases ASC/MSC-certified high-quality fish from a local fish farm. We arranged a visit to their aquaculture farm, Aqua Ceria in Selangor, to help colleagues to embrace responsible procurement and the concept of sustainable fish farming. The floating cage farm comprises of 720 cages of fish including Tiger Grouper, Green Grouper, Giant Grouper (Asian Cod), Red Snapper and Barramundi (Asian Seabass). To help promote this sustainable practice, we worked together with local media to shoot a video, one we shared within the Group and also externally with our stakeholders.

Instead of relying on shipping cocoa from abroad, which may mean premium charges and higher carbon emissions, the Pastry Chef of Mandarin Oriental, Kuala Lumpur explored alternatives and engaged their local cocoa farm. We audited the entire production process to make sure that the cocoa is high quality and ethically produced. The key lesson learnt was that sustainability certifications may be too expensive for small vendors and that there are other ways to audit vendors. Currently, 20 kg of local cocoa is purchased every month.

Watch a video (accessible via QR Code) about sustainable fish farming practices supported by Mandarin Oriental, Kuala Lumpur.



Championing Community



As a leader in luxury hospitality, Mandarin Oriental encourages colleagues at each hotel to discover impactful ways to interact with their communities, through meaningful outreach programmes and non-profit partnerships with local organisations. We strongly believe that acting with responsibility involves not just behaviours within the hotels or engineering best practice, but also in making a difference to the communities where we operate. As such, we participate in charitable causes ranging from the preservation of cultural heritage and poverty eradication to food security and quality education.

Goals and Commitments

To positively impact our local communities and celebrate our cultural heritage

Practices

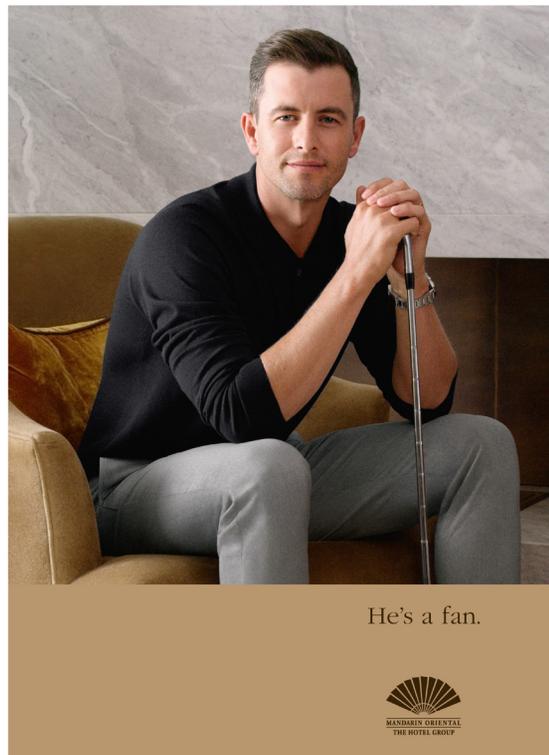
We allocate our time, talent and resources to projects that enhance the well-being of the communities in which we operate through projects that aid and empower those in need

Future Directions

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

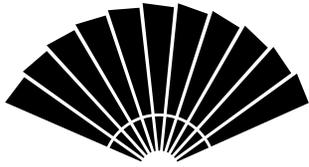


Actors Stanley Tucci and Christoph Waltz; Golf pro Adam Scott



"I'm a Fan"

Since 2000, Mandarin Oriental's award-winning international advertising campaign "He's a Fan/ She's a Fan", has been much more than a sales vehicle. 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. More importantly, however, none of our fans are paid, but rather thanked for their participation through a donation to the charity of their choice. A wide range of impactful and worthwhile causes have been supported and to date Mandarin Oriental has donated more than half a million US dollars to local and international charities.



MANDARIN ORIENTAL
THE HOTEL GROUP

Cultural Heritage

Mandarin Oriental's widely-recognised 11-blade fan logo is a profoundly meaningful symbol of the Group's oriental culture. In addition to our trademark logo, all Mandarin Oriental hotels have their own hallmark fan to represent the unique heritage of their property. Each fan is therefore sensitively linked to the place where it resides, leading to a visual representation of the cultural soul of each location.



Mandarin Oriental
Hyde Park, London



Mandarin Oriental,
Guangzhou



Mandarin Oriental,
Washington DC



Mandarin Oriental,
Milan



Mandarin Oriental,
Canouan

Mandarin Oriental, Canouan's Signature Fan

This distinctive fan was created in Europe in the late 19th century and represents the natural beauty of Mandarin Oriental, Canouan. The pink flowers pay homage to the resort's signature colour, while the turquoise floral stems and sequined embellishments honour the aquamarine waters and shimmering seas that surround the idyllic property.



Mandarin Oriental Fellowship with the Asian Cultural Council

The Asian Cultural Council (ACC) is committed to strengthening international respect and understanding through transformative cultural exchange. Founded in 1963, the non-profit works to provide grants to artists, scholars and organisations from the United States and Asia. Mandarin Oriental Hotel Group partnered with the ACC in 2007, establishing a dedicated fellowship programme to preserve the arts, cultures, and traditions of indigenous Asia. Since 2007, The ACC Mandarin Oriental Arts Fellowship has supported twelve awardees to pursue research and find new creative inspiration through travel and exploration.

In 2018, the Mandarin Oriental Fellowship was awarded to one of Cambodia's leading curators of contemporary art, Reaksmei Yean. The Fellowship grant provided support for Yean to pursue his M.A. in Asian Art Histories at LASALLE College in Singapore. From engaging with different curatorial styles at local exhibits to travelling across Southeast Asia and being moved by the art he has spent his career studying, Yean has deepened his academic foundations as a curator.

It represents an exciting moment in Mr. Yean's life as this is his first university degree and marks the beginning of a new chapter and set of possibilities. He remarked "There are many people and institutions that made this a reality, particularly Mandarin Oriental and ACC. I am honoured to have had this opportunity to further my education and sharpen my knowledge." As an arts administrator, translator for visiting scholars, journalist, film production assistant and curator, Yean has grown to become a leader in Cambodia's expanding art scene.



“There are many people and institutions that made this a reality, particularly Mandarin Oriental and ACC. I am honoured to have had this opportunity to further my education and sharpen my knowledge”.

Supporting Children, the Disabled and the Elderly

Rather than mandating one charity for the Group, we look to our colleagues at the hotel level to determine which organisations that they would like to support. Although the charities vary from city to city, throughout our global portfolio we have seen a concerted effort to assist children, the elderly and the disabled.



Mandarin Oriental, Jakarta provided free dental consultation and examinations for 100 kids at the Al-Badar elementary school in Menteng, Central Jakarta. This initiative was in partnership with Mayapada Clinic and Pepsodent, a leading dental product company.

Mandarin Oriental, Washington held multiple fundraisers throughout the year raising a total of US \$45,692 to benefit DC S.T.O.R.M. (Students Taught Organization and Respect through Mentoring), a local non-profit that provides mentoring to inner-city middle school preteens.

Mandarin Oriental, Macau participated in "Best Buddies Macau", an initiative that fosters a global volunteer movement to create employment and leadership opportunities for people with intellectual and developmental disabilities (IDD). From blood donations to karaoke nights, colleagues hosted and participated in a range of events to support the worthwhile cause.

Mandarin Oriental, Sanya volunteered with Bright Connection to help children with cerebral palsy, autism and impaired hearing. The hotel hosted concerts, dinners and painting classes to support the organisation, while colleagues also sent the children cards and gifts.

Our colleagues at **Mandarin Oriental, Guangzhou** hosted a fun birthday party at a local nursing home for senior citizens born in June, complete with birthday cake. Chinese New Year is a time to spread joy and come together so hotel colleagues at **Mandarin Oriental, Taipei** visited Haorun Senior Citizens' Home and celebrated with the elderly community by offering holiday delicacies. The non-profit is run by the Department of Social Welfare of Taipei City and is one of the very few public organisations providing nursing services to homeless elders.

Baan Nokkamin Foundation and Mandarin Oriental

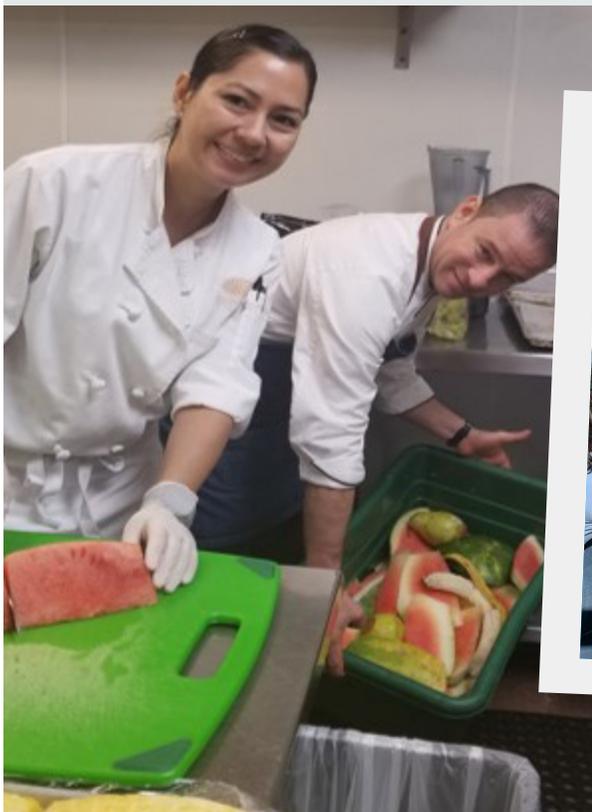
Following the Group's 2015 Global Food and Beverage Conference at Mandarin Oriental, Bangkok, the Food & Beverage division aimed to leave a lasting social imprint and has therefore continued the relationship forged with the children of a local orphanage, the Baan Nokkamin Foundation. All hotels collectively agreed to fundraise a minimum of US \$500 each per year for the orphanage until the next Food & Beverage conference. Each year hotel colleagues are updated on the Foundation's progress and the impact of their collaborative efforts. Donations have now expanded to include new Group properties and residences and to date almost US \$80,000 has been raised to support education and tuition fees, school supplies and extracurricular sports for more than 300 children. The group is on track to surpass its commitment to raise US \$100,000 over four years.

Supporting Wildlife and Saving Animals

Mandarin Oriental, Miami

Mandarin Oriental, Miami, have identified another innovative way to reuse vegetable scraps, namely by sending them to Everglades Outpost Wildlife Refuge. This programme was originally initiated by a hotel colleague who used to separate the vegetable scraps by herself every day before sending them over to the Everglades Outpost. Her passion in rescuing surplus food, as well as her love of wild animals, subsequently inspired others to help out. As a result, by the last quarter of 2018, her food-saving efforts had become a hotel-wide initiative. Weekly leftover food is now donated to Everglades Outpost Wildlife Refuge, where turtles, monkeys and other wildlife can feast to their hearts' content. Apart from donating food, staff volunteers from Mandarin Oriental, Miami have also visited the Wildlife Refuge Centre and helped out with daily tasks like cleaning cages, weeding and feeding the animals.

As for any leftover food that is no longer edible, Miami colleagues separate this for on-site composting via an ORCA biodigester.



Mandarin Oriental, Miami sourcing food for the Wildlife Refuge.



Mandarin Oriental, Washington DC

supports Paws of Southwest, a local neighbourhood non-profit that helps rescue dogs and save dog parks. In 2018, for every Chinese New Year “Pets x MO” room package that was sold, they donated US \$10 and 10% of all pet fees to the organisation, totalling approximately US \$500.



Colleagues at **Mandarin Oriental, Guangzhou** visited a local animal shelter that rescues dogs and provides them with medical care and a safe home. Colleagues cleaned the shelter, played with the dogs and fed them some of the hotel's pet-friendly cakes as a special treat.

Addressing Global Hunger



NEW YORK

For six years, **Mandarin Oriental, New York** has taken part in a number of mobile markets and held internal fundraising events in support of City Harvest, a non-profit that has provided food rescue, distribution and education in 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 2018, New York colleagues logged more than 250 volunteer hours and raised almost US \$18,000 thanks to Mandarin Oriental’s Fantastic Match grant.

MIAMI

To celebrate Thanksgiving, **Mandarin Oriental, Miami** collected canned food for Lotus House, a local women’s and children’s shelter. Colleagues also donated goods and helped prepare dinner for their community.



MILAN

Along with his team, the Executive chef of **Mandarin Oriental, Milan**, Antonio Guida volunteered as the guest chef at several philanthropic events raising a total of US \$34,000 in 2018. Together, the hotel and Chef Guida supported many local causes, such as the Azione Contro ‘la Fame’ organisation helping to prevent child malnutrition.



BANGKOK

Mandarin Oriental, Bangkok supported Wat Suwan School and Haroon mosque on Thailand’s National Children’s day, with colleagues working hard to provide healthy meals for the children.

PARIS

Mandarin Oriental, Paris supported two charities working to feed the homeless during the cold winter months. Colleagues helped prepare meals for Banque Alimentaire and Soupe Saint Eusatche, local non-profits who distribute meals daily. To further support the charities, the hotel also made significant monetary donations.



HONG KONG

Colleagues at **Mandarin Oriental, Hong Kong** volunteered at Food Angel, a service that collects leftovers from restaurants and prepares nutritious meals for underprivileged communities.

KUALA LUMPUR

Since 2015, **Mandarin Oriental, Kuala Lumpur** has been supporting Reach out, a non-profit community action group working to help the homeless. Together in small groups, colleagues went out on nightly runs and hand-delivered hot meals to the homeless. When the holiday season came around, the hotel wanted to do more so they added special gifts to their deliveries to bring some festive cheer to those in need.



Environmental Preservation

Mandarin Oriental, Barcelona

collected 1,050 kg of bottle caps throughout the year. The materials were recycled in a facility and the proceeds were donated to the Seur Foundation, a non-profit working to help and protect children. The hotel was excited to not only reduce their carbon footprint but also support a good cause.



Mandarin Oriental, Bangkok

contributed to various initiatives to help the environment. These included cleaning the Bangkok and Chao Praya Rivers and surrounding neighbourhood streets as well as donating 400 boxes of juice to the Green Roof.

The colleagues at Mandarin Oriental, Tokyo

believed that it was important for them to be a true part of the community to deliver authentic destination experiences to guests. Consequently, in collaboration with neighbouring businesses, they participated in multiple clean-up activities in the Nihonbashi neighbourhood including its historic and iconic bridge. Everyone worked together to clean up the streets and dispose of the resulting waste.



During their MOve In orientation, every colleague at Mandarin Oriental, Sanya

volunteered to clean up two local beaches. The hotel also created a “Keep Clean” video to educate their colleagues on how to be green and maintain a clean environment.

(Clockwise, from top) Mandarin Oriental, Bangkok colleagues participating in a community clean up; Mandarin Oriental, Sanya beach clean up; colleagues from Mandarin Oriental, Tokyo cleaning the Nihonbashi River.

Mandarin Oriental Hyde Park Loves London

In June of 2018, while nearing the end of an extensive renovation, a fire broke out at Mandarin Oriental Hyde Park, London. While luckily no one was hurt, the property was forced to close for an extended period of time for essential repair. The hotel viewed this challenge as an opportunity, and committed to keeping all 600 colleagues employed during the closure.

While some transferred to other properties within the Group, the remaining 400 colleagues were able to make the most of the months leading up to the reopening through FANTastic London, a charitable programme designed to thank the local community for their care and support during this challenging time.

In total, colleagues spent more than 40,000 hours volunteering at local charities who support the city's less fortunate, as well as at neighbourhood hospitals and the London Fire Brigade.

Commenting on the initiative, General Manager Amanda Hyndman stated: "We received so much support from the community that we wanted to thank everyone that has reached out to us since. Giving away working hours to the city we love was a simple way to express our gratitude to all. Our colleagues are loyal, talented and passionate individuals that want to share our expertise but also to show that we care, and that we are even more united than before."



Appendices



Mandarin Oriental, Milan

Total Workforce

Total Workforce ⁶	Male	%	Female	%	Total	%
By Region	7,084	55%	5,790	45%	12,874	
Asia	4,100	54%	3,446	46%	7,546	59%
Europe	1,657	60%	1,098	40%	2,755	21%
The Americas	1,197	53%	1,051	47%	2,248	17%
Corporate	130	40%	195	60%	325	3%
By Employment Contract	7,084	55%	5,790	45%	12,874	
Full-time	6,689	56%	5,235	44%	11,924	93%
Part-time	77	29%	185	71%	262	2%
Casual	318	46%	370	54%	688	5%
By Colleague Category	7,084	55%	5,790	45%	12,874	
Line Staff	4,055	54%	3,401	46%	7,456	58%
Management	2,584	57%	1,927	43%	4,511	35%
Executive	152	59%	105	41%	257	2%
Other (Casual/Trainee)	293	45%	357	55%	650	5%
By Age Group	7,084	55%	5,790	45%	12,874	
Under 30	2,444	52%	2,273	48%	4,717	37%
30 to 50	3,551	57%	2,657	43%	6,208	48%
Over 50	1,089	56%	860	44%	1,949	15%
Executive Team and Board of Directors	Male	%	Female	%	Total	%
By Age Group						
Under 30	-	-	-	-	-	-
30 to 50	2	100%	-	-	2	13.3%
Over 50	10	77%	3	23%	13	86.7%
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	3,112	54%	2,682	46%	5,794	45.0%
Under 30	1,893	52%	1,764	48%	3,657	63.1%
30 to 50	1,099	58%	798	42%	1,897	32.7%
Over 50	120	50%	120	50%	240	4.1%
Hires by Region	3,112	54%	2,682	46%	5,794	45.0%
Asia	1,540	51%	1,460	49%	3,000	51.8%
Europe	1,161	60%	787	40%	1,948	33.6%
The Americas	387	49%	395	51%	782	13.5%
Corporate	24	38%	40	63%	64	1.1%
Total Turnover	Male	%	Female	%	Total	% of Total
Separations by Age Group	2,626	53%	2,303	47%	4,929	
Under 30	1,384	50%	1,363	50%	2,747	55.7%
30 to 50	1,055	56%	814	44%	1,869	37.9%
Over 50	187	60%	126	40%	313	6.4%
Separations by Region	2,626	53%	2,303	47%	4,929	
Asia	1,365	51%	1,309	49%	2,674	54.3%
Europe	908	59%	640	41%	1,548	31.4%
The Americas	327	51%	317	49%	644	13.1%
Corporate	26	41%	37	59%	63	1.3%
Turnover Rate by Age Group		37.1%		39.8%		38.3%
Under 30		56.6%		60.0%		58.2%
30 to 50		29.7%		30.6%		30.1%
Over 50		17.2%		14.7%		16.1%
Turnover Rate by Region						
Asia		33.3%		38.0%		35.4%
Europe		54.8%		58.3%		56.2%
The Americas		27.3%		30.2%		28.6%
Corporate		20.0%		19.0%		19.4%

Health & Safety Incidents

Performance Indicator	Unit	Region	2016	2017	2018
Safe, Sound & Sustainable					
Audit Results	% Compliance		89.3	88.7	88.4
Lost Time Incident Report	Lost Time Incidents/100 employees	ALL	7.17	6.71	6.03
		Asia	3.03	2.35	2.67
		Europe	10.58	9.26	9.38
		The Americas	17.95	20.58	15.62
	Severity of incidents/100 employees	ALL	25.73	24.89	27.88
		Asia	18.54	17.33	20.12
Europe		46.62	48.94	41.74	
	The Americas	25.08	24.31	42.81	

Environmental Performance Summary⁷

Performance Indicator	Unit	2016	2017	2018
Energy				
Absolute Energy Consumption (Actual)	GJ	1,359,795	1,379,399	1,372,906
	MMBTU	1,288,837	1,307,418	1,301,263
Absolute Energy Consumption (Baseline)	GJ	1,569,018	1,621,890	1,657,373
	MMBTU	1,487,142	1,537,255	1,570,886
Energy Intensity (Actual)	MJ/m ²	1,560	1,556	1,554
	MBTU/ft ²	137	137	137
Scope 1	percentage	30%	30%	31%
Scope 2	percentage	70%	70%	69%
Emissions				
Absolute Emissions (Actual)	tons (metric) of CO ₂ -e	156,115	159,951	154,693
	tons (US) of CO ₂ -e	172,086	176,314	170,518
Absolute Emissions (Baseline)	tons (metric) of CO ₂ -e	195,907	201,974	189,869
	tons (US) of CO ₂ -e	215,948	222,636	209,293
Emissions Intensity (Actual)	kg CO ₂ -e/m ²	179	180	175
	lb CO ₂ -e/ft ²	37	37	36
Scope 1	percentage	13%	13%	14%
Scope 2	percentage	87%	87%	86%
Water⁸				
Absolute Water Consumption (Actual)	m ³	3,155,199	3,418,169	3,567,920
	million gallons (US)	834	903	943
Absolute Water Consumption (Baseline)	m ³	3,434,907	3,679,507	3,795,548
	million gallons (US)	908	972	1,003
Water Intensity	litre/guest night	1,003	960	980
	gallon (US)/guest night	265	254	259
Waste⁹				
Total Waste	kilograms	15,743	16,312	12,479
	pounds	34,707	35,963	27,511
Diverted Waste	kilograms	5,363	5,437	4,749
	pounds	11,823	11,987	10,470
Waste Landfill Intensity	kilograms/guest night	3.66	3.64	2.89
	pounds/guest night	8.07	8.02	6.37
Diversion Rate	percent	34	33	38

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

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

Mandarin Oriental, Canouan has been excluded from all environmental data due to inconsistent data.

Mandarin Oriental Hyde Park, London has been excluded from all environmental data in 2018 as it was partially closed.

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 as well as provide direct answers to indicators and direct readers to external sources on our corporate website.

These 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		
Organisational Profile		
102-1	Name of the organisation	Message From The CEO (p. 5)
102-2	Activities, brands, products, and services	About The Mandarin Oriental Hotel Group (p. 4)
102-3	Location of headquarters	About The Mandarin Oriental Hotel Group (p. 4)
102-4	Location of operations	About The Mandarin Oriental Hotel Group (p. 4)
102-5	Ownership and legal forms	About The Mandarin Oriental Hotel Group (p. 4)
102-6	Markets served	About The Mandarin Oriental Hotel Group (p. 4)
102-7	Scale of the organisation	About The Mandarin Oriental Hotel Group (p.4)
102-8	Information on employees and other workers	2018 Performance Tables: Total Workforce (p. 48)
102-9	Supply chain	<p>Mandarin Oriental Hotel Group supports a large supply chain with thousands of suppliers working with our hotels and corporate office.</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 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 (p. 13)</p> <p>Our 2020 Environmental Targets (p. 23)</p>
102-12	External initiatives	UN Sustainable Development Goals Support (p. 8)

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 organisation's strategy	Message from the CEO (p. 5)
102-15	Key impacts, risks, and opportunities	UN Sustainable Development Goals Support (p. 8) 2018 Highlights (pp. 6–7)
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	<p>Guiding Principles (p. 11)</p> <p>Safe, Sound and Sustainable Programme (p. 13)</p> <p>Legendary Quality Experiences (p. 12)</p> <p>Diversity & Inclusiveness (p. 18)</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 and regulations, and proper standards of business conduct. The Code requires all colleagues to be treated fairly, impartially and with respect, and that all managers ensure awareness and compliance by direct reports within their organisations.</p> <p>We maintain a whistle-blower 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, and provides procedures by 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 Sustainability Executive Advisory Panel is responsible for Mandarin Oriental's overall sustainability strategy including the establishment of measurable goals, developing programmes, and promoting and soliciting feedback on sustainability 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>Primary engagement methods among key stakeholder groups include:</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 Sustainability 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 Sustainability Programmes and Reports
102-44	Key topics and concerns raised	<p>Identified topics of concern through stakeholder engagement among key stakeholder groups include:</p> <ul style="list-style-type: none"> - Guests: Guest Wellness, Food Safety, Information Protection - Colleagues: Compensation and Benefits, Professional Development, Occupational Health and Safety, Sustainability, 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: Carbon Emissions Reduction Targets, Human Rights in the Supply Chain and Tourism Industry - NGOs and Outside Advisors: 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	2018 Annual Report ("Principal Subsidiaries, Associates, Joint Ventures and Managed Hotels", p. 69)
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 Sustainability Committee evaluated a series of sustainability 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 - <i>National Geographic Traveler</i> - United States Green Building Council - World Wildlife Fund
102-47	List of material topics	<p>UN Sustainable Development Goals Support (p. 8)</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 2018.
102-51	Date of most recent report	2017 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	2018 Annual Report
	201-1	Management approach disclosure	2018 Annual Report (Financial Statements, pp. 28–32)
	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 impact¹⁰.</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	2018 Annual Report (Pension Obligations, p. 75)
Indirect Economic Impacts	203	Management approach disclosure	UN Sustainable Development Goals Support (p. 8) Championing Community (pp. 38–46)
	203-1	Infrastructure investments and services supported	2018 Highlights (pp. 6–7) Championing Community (pp. 38–46)
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 whistle-blower 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.

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Material Aspects	GRI Indicators		Location and/or Direct Answer
ENVIRONMENTAL			
Energy	302	Management approach disclosure	Our 2020 Environmental Targets (p. 23) Carbon and Energy (pp. 24–25) Renewable Energy as an Alternative (p. 31)
	302-1	Energy consumption within the organisation	2018 Performance: Carbon and Energy (p. 25) 2018 Performance Tables: Environmental Performance Summary (p. 50)
	302-3	Energy intensity	2018 Performance: Carbon and Energy (p. 25) 2018 Performance Tables: Environmental Performance Summary (p. 50)
Water	303	Management approach disclosure	Our 2020 Environmental Targets (p. 23) Conserving Water (pp. 26–27)
	301-3	Water withdrawal by source	2018 Performance: Water Consumption (p. 27) 2018 Performance Tables: Environmental Performance Summary (p. 50)
Biodiversity	304	Management approach disclosure	Biodiversity Conscious (p. 32) Championing Community (pp. 38–46)
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Conscious (p. 32)
Emissions	305	Management approach disclosure	Our 2020 Environmental Targets (p. 23) Carbon and Energy (pp. 24–25) Renewable Energy as an Alternative (p. 31)
	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	2018 Performance Tables: Environmental Performance Summary (p. 50)
	305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	2018 Performance Tables: Environmental Performance Summary (p. 50)
	305-4	Greenhouse gas (GHG) emissions intensity	2018 Performance: Carbon and Energy (p. 25) 2018 Performance Tables: Environmental Performance Summary (p. 50)
Effluents and Waste	306	Management approach disclosure	Our 2020 Environmental Targets (p. 23) Waste (pp. 28–29)
	306-2	Waste by type and disposal method	2018 Performance: Waste (p. 30) 2018 Performance Tables: Environmental Performance Summary (p. 50)
Supplier Environmental Assessment	308	Management approach disclosure	Responsible Procurement (pp. 33–37)
	308-1	New suppliers that were screened using environmental criteria	Responsible Procurement (pp. 33–37)

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Material Aspects	GRI Indicators		Location and/or Direct Answer
SOCIAL			
Employment	401	Management approach disclosure	Diversity & Inclusiveness (p. 18) Developing our Intelligence (p. 19)
	401-1	Employee turnover	2018 Performance: Colleague Engagement and Turnover (pp. 19–20) 2018 Performance Tables: Turnover (p. 49)
Occupational Health and Safety	403	Management approach disclosure	Our Safe, Sound and Sustainable Programme (p. 13) Mandarin Oriental Wellness Culture (pp. 14–17)
	403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities,	2018 Safe, Sound and Sustainable Audit and Occupational Safety Results (p. 13) 2018 Performance Tables: Health & Safety Incidents (p. 49)
Training and Education	404	Management approach disclosure	Developing our Intelligence (pp. 19–20) Building Sustainability Knowledge Across the Workforce (p. 20)
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Developing our Intelligence (pp. 19–20) Building Sustainability Knowledge Across the Workforce (p. 20)
	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	Diversity & Inclusiveness (p. 18)
	405-1	Diversity of governance bodies and employees	2018 Performance Tables: Total Workforce (p. 48) (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	Diversity & Inclusiveness (p. 18)
	412-2	Employee training on human rights policies or procedures	Diversity & Inclusiveness (p. 18)

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Material Aspects	GRI Indicators		Location and/or Direct Answer
Local Communities	413	Management approach disclosure	Championing Community (pp. 38–46)
	413-1	Operations with local community engagement, impact assessments, and development programmes	All operations had local community engagement programmes during the reporting period.
Supplier Social Assessment	414	Management approach disclosure	Diversity & Inclusiveness (p. 18)
	414-1	New suppliers that were screened using labour practices criteria	Diversity & Inclusiveness (p. 18) Responsible Procurement (p. 33–35)
Customer Health and Safety	416	Management approach disclosure	Safety & Security (p. 13) Health & Wellness (pp. 14–17)
	416-1	Assessment of the health and safety impacts of product and service categories	Safe, Sound and Sustainable Programme (p. 13) Health & Wellness (pp. 14–17)
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, programmes and reporting with the UN Sustainable Development Goals—a plan of action for sustainable development that emphasises 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 2018 Sustainability Report.

Goal	Topic	Location
Goal 2	Food	Sustainable Food (pp. 35–37) Addressing Global Hunger (p. 44)
Goal 3	Health	Health and Wellness (pp. 14–17) Waste (pp. 28–30) Supporting Children, the Disabled and the Elderly (p. 42)
Goal 4	Education	Supporting Children, the Disabled and the Elderly (p. 42)
Goal 5	Women and Girls	Diversity & Inclusiveness (p. 18)
Goal 6	Water	Conserving Water (pp. 26–27)
Goal 8	Decent Work and Economic Growth	Safety & Security (p. 13) Mandarin Oriental Wellness Culture (pp. 14–17) Diversity & Inclusiveness (p. 18) Developing our Intelligence (pp. 19–20) Support to Underprivileged (p. 42) Responsible Procurement (pp. 33–35)
Goal 10	Diverse and Inclusive Colleagues	Diversity & Inclusiveness (p. 18)
Goal 11	Sustainable Cities	Green Development (p. 31) Cultural Heritage (p. 40) Mandarin Oriental Fellowship with Asian Cultural Council (p. 41)
Goal 12	Responsible Consumption and Production	Waste (pp. 28–30) Responsible Procurement (pp. 33–35)
Goal 13	Climate Change	Carbon and Energy (pp. 24–25) Renewable Energy as an Alternative (p. 31)
Goal 14	Oceans	Phasing out Single-use Plastic (pp. 33–34) Sustainable Seafood in Action (p. 37)
Goal 15	Biodiversity	Biodiversity Conscious (p. 32) Beehives Around the Community (p. 36) Sustainable Seafood in Action (p. 37) Environmental Preservation (p. 45)

Endnotes

- 1 United States Bureau of Labor Statistics “Work-related Fatalities, Injuries, and Illnesses”, 2017. www.bls.gov/iag/tgs/iag72.htm
- 2 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.
- 3 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.
- 4 WRI Aqueduct: <http://www.wri.org/our-work/project/aqueduct>
- 5 Production, use, and fate of all plastics ever made. Science Advances. R.Geyer, J.R. Jambeck, K.L. Law. 2017
- 6 Mandarin Oriental, Atlanta and Mandarin Oriental, Las Vegas have been excluded from workforce measures due to discontinuation of management in 2018.
- 7 Mandarin Oriental, Canouan has been excluded from all environmental data due to inconsistent data. Mandarin Oriental Hyde Park, London has been excluded from all environmental data in 2018 as it was partially closed.
- 8 Mandarin Oriental, Sanya, Marrakech and Bodrum have been excluded from water intensity measures. In general, properties have been excluded if the data is distorted by major changes or abnormally high values (where, for example, irrigation is included).
- 9 Mandarin Oriental, Bodrum, Marrakech, Bangkok and Hyde Park, London have been excluded from the waste figures due to incomplete data.
- 10 World Economic Forum “Global Risks 2018” 13th Edition, 2018. <https://www.weforum.org/reports/the-global-risks-report-2018>