



# 2014 SUSTAINABILITY REPORT



DOING M  RE  
FOR A SUSTAINABLE FUTURE

Mandarin Oriental Hotel Group  
Corporate Office  
281 Gloucester Road  
Causeway Bay, Hong Kong

[mandarinoriental.com](http://mandarinoriental.com)

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Mandarin Oriental, Bangkok



Mandarin Oriental, Guangzhou



The Landmark Mandarin Oriental, Hong Kong



Mandarin Oriental, Hong Kong



The Excelsior, Hong Kong



Mandarin Oriental, Jakarta



Mandarin Oriental, Kuala Lumpur



Mandarin Oriental, Macau



Mandarin Oriental, Sanya



Mandarin Oriental Pudong, Shanghai



Mandarin Oriental, Singapore



Mandarin Oriental, Taipei



Mandarin Oriental, Tokyo



Mandarin Oriental, Atlanta



Mandarin Oriental, Boston



Mandarin Oriental, Las Vegas



Mandarin Oriental, Miami



Mandarin Oriental, New York



Mandarin Oriental, Washington DC



Mandarin Oriental, Barcelona



Mandarin Oriental, Bodrum



Mandarin Oriental, Geneva



Mandarin Oriental Hyde Park, London



Mandarin Oriental, Marrakech



Mandarin Oriental, Milan



Mandarin Oriental, Munich



Mandarin Oriental, Paris



Mandarin Oriental, Prague

## About Mandarin Oriental Hotel Group

Mandarin Oriental Hotel Group is an international hotel investment and management group with luxury hotels, resorts and residences in sought-after destinations around the world. Having grown from a well-respected Asian hotel company into a global brand, the Group now operates, or has under development, 45 hotels representing almost 11,000 rooms in 24 countries, with 21 hotels in Asia, 9 in The Americas and 15 in Europe, Middle East and North Africa. In addition, the Group operates, or has under development, 15 *Residences at Mandarin Oriental* connected to its properties. The Group has equity interests in a number of its properties and net assets totalling approximately US\$3.2 billion as of 31st December 2014.

Mandarin Oriental's aim is to be recognised widely as the best global luxury hotel group, providing 21st century luxury with oriental charm in each of its hotels. This will be achieved by investing in the Group's exceptional facilities and its people, while maximising profitability and long-term shareholder value. The strategy of the Group is to open the hotels currently under development, while continuing to seek further selective opportunities for expansion around the world.

The parent company, Mandarin Oriental International Limited, is incorporated in Bermuda and has a standard listing on the London Stock Exchange as its primary listing, 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. Jardine Matheson Group is the parent company of Mandarin Oriental and owns a majority of the equity shares. For more information about Mandarin Oriental's corporate structure, governance or for our full financial disclosure, please refer to the Group's Annual Financial Report available on our website at [mandarinoriental.com](http://mandarinoriental.com).





As our Group has spread to new and diverse locations around the world, we remain committed to operating our hotels to the highest standards and in responsible and sustainable ways.

## Doing More for a Sustainable Future

For more than 50 years, Mandarin Oriental has been established as a leader in luxury hospitality, and has a rich and proud history. As our Group has spread to new and diverse locations around the world, we remain committed to operating our hotels to the highest standards and in responsible and sustainable ways.

I'm delighted to present our 2014 Sustainability Report, which provides an overview of the progress we have made toward a more sustainable future. With the dedication and support of our colleagues worldwide, the following notable accomplishments were achieved:

- We increased energy efficiency by 17.4% and reduced greenhouse gas emissions intensity by 18.3% compared to a 2007 baseline, even as the company expanded operations.
- We achieved a cost savings of US\$30.8 million from 2007 to 2014 by our continuous efforts to reduce energy consumption.
- After a two-year implementation period, we incorporated environmental audit results into our hotels' overall audit score, encouraging a culture of accountability.
- We contributed to many charitable causes in our communities by volunteering time, raising money and donating in-kind.

We have set public goals and tracked performance in key environmental areas for many years, helping to drive continuous improvement. We have already surpassed our 2016 short-term environmental goals to reduce energy, emissions and water consumption, and are advancing steadily toward our 2020 vision. While we are encouraged by that progress, waste minimisation is an area that requires greater attention if we are to achieve our goals. Our Group and Hotel Corporate Responsibility Committees are providing the leadership to further advance our sustainability efforts. Indeed, in 2015, we will transition to the Global Reporting Initiative's G4 framework, the most rigorous and transparent reporting option available.

With our strong values and principles firmly in place, I believe that Mandarin Oriental will continue to delight its guests and further strengthen its sustainability performance going forward. Thank you for following our progress.

*Edouard Ettedgui*

Edouard Ettedgui  
Group Chief Executive

## About This Report

This is the Group's fourth annual sustainability report. Information presented in this report is a summary update to our 2013 report, which is consistent with Global Reporting Initiative (GRI) sustainability reporting framework 3.1, self-reported to Level C. In prior years, a third party has assured the report and we intend to seek assurance for future publications. For prior reports, please visit [mandarinoriental.com/corporate-responsibility](http://mandarinoriental.com/corporate-responsibility).

### Transition to G4 Reporting

In 2015, the Group will transition its reporting processes, indicators and definition of material topics to align with the GRI G4 guidelines. A formal process will be undertaken to determine if additional GRI aspects are material and should be included in future reporting.

### Scope and Boundaries

This sustainability report presents information from the Group's 25 hotels that operated throughout 2014. Unless otherwise specified, the report boundary excludes:

- Two hotels which opened in 2014—Mandarin Oriental, Taipei in Taiwan and Mandarin Oriental, Bodrum in Turkey;
- Two hotels which left the Group in 2014—Grand Lapa in Macau and Elbow Beach in Bermuda; and
- Mandarin Oriental, Manila in the Philippines which was closed in September 2014<sup>1</sup>.

No other structure changes occurred in the reporting period. Hotels under development and residences are not included in this report.

Mandarin Oriental Hotel Group has selected 2007 as the base year for the environmental data in this report and 2008 as the base year for occupational health and safety data. As structure changes occur, historical and base year data are adjusted.

All calculations are completed in accordance with industry practices or as recommended by the GRI, and are explained within each section. Restatements of prior data are described in their respective endnotes.



## Acting with Responsibility

Our Guiding Principles, our Code of Conduct and our governance process create the foundation for Mandarin Oriental's responsible business practices.

### Guiding Principles

Mandarin Oriental Hotel Group's mission is to completely delight and satisfy our guests, and our mission is supported by our long-standing Guiding Principles that describe the values of our company and our colleagues. Our Guiding Principles underpin everything that we do on a daily basis, ensuring that we operate to the highest possible standards. Responsibility is a key tenet of Mandarin Oriental's Guiding Principles: "We will actively participate in the improvement of the environment, just as we will be responsible members of our communities and industry organisations".

### Responsible Operating Practices

The Group conducts business in a professional, ethical and even-handed manner. Our ethical 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 laws of general application, all rules and regulations that are industry specific and proper standards of business conduct. The code prohibits the giving or receiving of illicit payments and requires all colleagues to be treated fairly, impartially and with respect. It

also requires that all managers must be fully aware of their obligations under the Code of Conduct and must establish procedures to ensure compliance at all levels within their organisations. The Group has in place procedures by which colleagues can raise, in confidence, matters of serious concern in areas such as financial reporting or compliance.

Mandarin Oriental has Group-wide hiring and employment guidelines as well as strict anti-harassment and anti-discrimination policies. Every colleague receives training on our employment policies upon hire.

## Our Guiding Principles

### Delighting our guests

We will strive to understand our client and guest needs by listening to their requirements and responding in a competent, accurate and timely fashion. We will design and deliver our services and products to address their needs. In fact, we are committed to exceeding their expectations by surprising them with our ability to anticipate and fulfill their wishes.

### Working together as colleagues

We will emphasise the sharing of responsibility, accountability and recognition through a climate of teamwork. By working together as colleagues and by treating each other with mutual respect and trust, we will all contribute to the Group's overall success more productively than if we worked alone.

### Promoting a climate of enthusiasm

We are committed to everyone at Mandarin Oriental by providing a caring, motivating and rewarding environment. As an industry leader, we are committed to bringing out the best in our people through effective training and meaningful career and personal development, and by encouraging individuality and initiative.

### Being the best

We will be an innovative leader in the hotel industry and will continually improve products and services. We will seek from our suppliers the highest quality products and services at the best value.

### Delivering shareholder value

We are committed to being a growing company. Our success will result in investment returns which are consistently amongst the best in the hotel industry.

### Playing by the rules

We will maintain integrity, fairness and honesty in both our internal and external relationships and will consistently live up to our commitments.

### Acting with responsibility

We will actively participate in the improvement of the environment, just as we will be responsible members of our communities and industry organisations.

## Governance for Sustainability

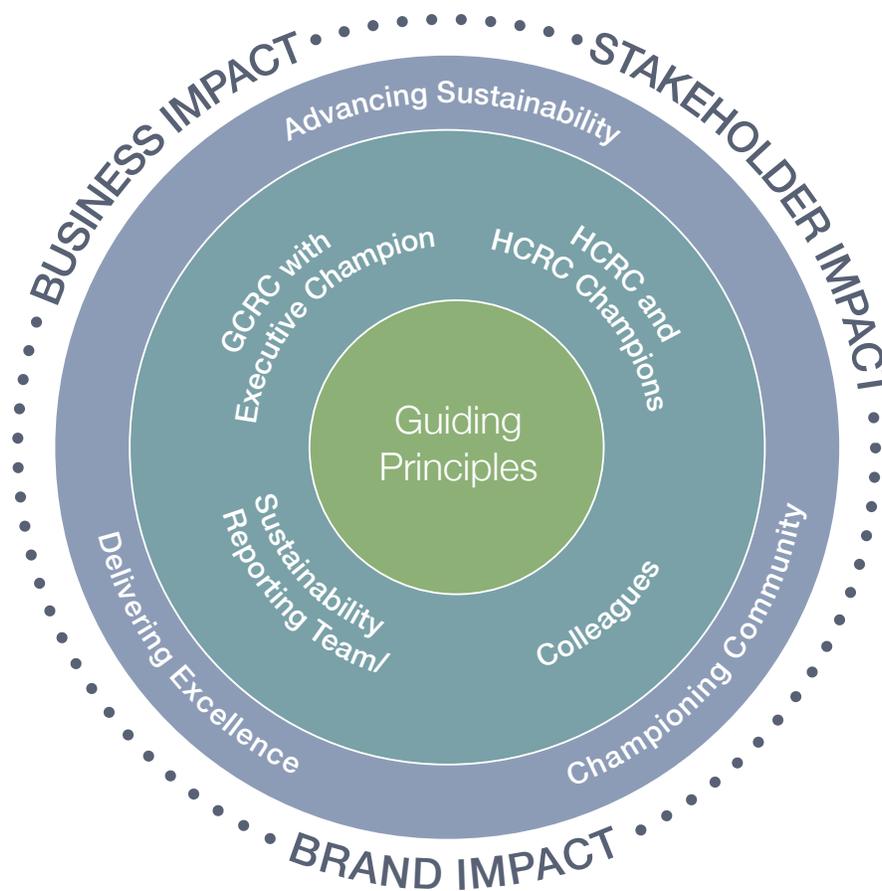
The Group Corporate Responsibility Committee (GCRC) is responsible for Mandarin Oriental's overall sustainability strategy, including the setting of measurable goals, programme development, and promoting and soliciting feedback on Corporate Responsibility initiatives. The GCRC is directed by our sustainability Executive Champion, Terry Stinson, Group Development Director and President, The Americas, who is an executive-level member of the management board.

In addition, every Mandarin Oriental property also has its own Hotel Corporate Responsibility Committee (HCRC), led by a designated Champion. Each HCRC is responsible for implementing Group and local sustainability initiatives with the support of our colleagues. The hotel Champions are responsible for driving internal colleague engagement and raising issues identified at the hotels to their General Managers and to the GCRC, which in turn raises issues to the Executive Champion and the Board of Directors, if necessary.

In 2014, the GCRC held one meeting, and its representative conducted regional conference calls with hotel Champions during the year. These conference calls were created in 2012 to share information related to sustainability initiatives, guidelines, challenges and activities underway throughout the Group. In 2014, the format was enhanced to allow each Champion to present key highlights and discuss progress. The presentation format allows hotel Champions to share ideas and best practices with peers and to receive feedback from the GCRC.

### Our Corporate Responsibility Policy:

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





### Stakeholder Engagement

Effective consultation and involvement with our stakeholders is crucial to understanding their viewpoints so we can better align our business with their goals. To advance dialogue with our stakeholders, Mandarin Oriental endeavours to share both the successes and challenges of our sustainability programme.

Our stakeholder engagement process has evolved over our long history with each respective stakeholder group:

- Colleagues
- Hotel owners and developers
- Local communities in which we operate
- Shareholders
- Vendors, suppliers and contractors
- Industry peers and trade associations
- Non-government organisations (NGOs) and outside advisors

We engage our stakeholders through various avenues of communication, including our colleague engagement,

guest satisfaction and loyalty surveys, investor meetings and the publication of our annual financial and sustainability reports. In 2014, together with the GCRC and led by our Executive Champion, we began a process of evaluating and enhancing our current engagement mechanisms. In 2015, we will continue the process and use the results to define key topics and performance indicators to shape the way we report publicly based on the principles of materiality as we transition to the GRI G4 guidelines.

# Commitments and Practices

As stated in our corporate responsibility policy, Mandarin Oriental is committed to contributing to the communities in which we operate and responsibly managing our environmental impacts and social commitments.

Commitments		Corporate Responsibility Practices
Delivering Excellence	Operate in an environmentally and socially responsible way	Through training and education, we are empowering our colleagues to make decisions that are environmentally and socially responsible.
		Management responsibility is assigned and resources are allocated to implement and review performance of corporate responsibility policy commitments and objectives.
	Engage and inspire others in 'Doing More for a Sustainable Future'	Stakeholders are consulted and their feedback is solicited to continuously improve our performance.
		The Group and our hotels partner with members of their local communities, the hotel and tourism sector, government and non-government organisations to achieve broader sustainability goals.
Advancing Sustainability	Publicly report our impact on the environment	The Group will effectively measure and monitor the environmental footprint of all our operations to publicly report on our progress.
	Meet or exceed all applicable environmental standards	The Group is incorporating environmental management systems and best practices into our hotel operations to continuously improve performance.
	Minimise our consumption of resources including energy, water and materials	Our properties will employ sustainable building principles throughout the life cycle of the building—siting, design, development, maintenance and refurbishment—wherever practicable.
	Reduce our greenhouse gas emissions, waste and pollution	The Group will develop sustainable supply chain management guidelines to ensure that environmental criteria are taken into account in all purchasing decisions.
Innovation and technology are used to gradually reduce our dependence on fossil fuels and improve resource efficiency in all areas of our operation.		
Championing Community	Positively impact our local communities and celebrate our cultural heritage	All colleagues are encouraged to participate in projects that contribute to the well-being of the communities in which they operate: projects that help those in need; preserve cultural heritage; conserve natural resources and restore habitats.



Victoria Chen

Banana Muffin  
香蕉玛芬  
\$55

Rich Fruit Cake  
濃郁水果蛋糕  
\$500

Seasonal Fruit Tart  
季節水果塔  
\$1000



# Delivering Excellence

Mandarin Oriental's mission is to completely delight and satisfy our guests. We are committed to making a difference every day, continually getting better to keep us the best.

## Delivering Excellence

Mandarin Oriental's legendary service underpins everything that we do, and the Group is committed to exceeding guests' expectations on a daily basis. Our approaches to guest satisfaction, colleague development, employment, responsible sourcing, wellness and safety play an important role in fulfilling our mission and distinguishing the Mandarin Oriental brand.



## Delighting our Guests

Mandarin Oriental's reputation for providing legendary service is the hallmark of our brand. To help our colleagues on their mission, the Group has created the Legendary Quality Experiences—over 200 company guidelines, which focus on experiences rather than basic luxury standards. It is centred on 11 pillars of service and covers all the important aspects of a guest visit.

Measuring our hotels' performance on a regular and consistent basis, and sharing the results across the Group, is important if we are to be recognised as the best in our industry. All hotels receive three annual audits for quality assurance, and the results are shared Group-wide. Mandarin Oriental maintains various quality measurement processes to monitor and improve performance, including the international benchmarking standards established by Leading Quality Assurance. We are also measured

against other international standards, including the American Automobile Association (AAA), the *Forbes Travel Guide* and the *Michelin Guide*. In 2014, nine Mandarin Oriental hotels achieved the Forbes "Five-Star" status and 11 of our restaurants were honoured with a total of 16 Michelin stars, more than any other hotel group in the world.

### Guest Preferences

Delighting our guests means listening to their requests and taking action. Our guests have become increasingly interested in the use of hybrid-electric and electric vehicles. As a result, in 2014 we installed 22 charging stations across our hotels in the United States. Mandarin Oriental, Boston also maintains a Tesla Model S as one of their guest transportation vehicles. We continue to monitor this trend and are delighted to support our guests' preference for more sustainable modes of transportation.

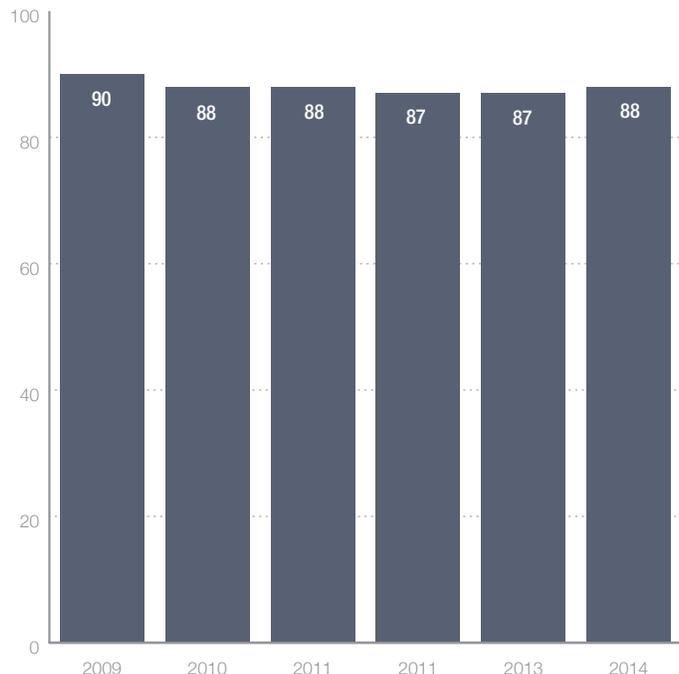
### Guest Satisfaction

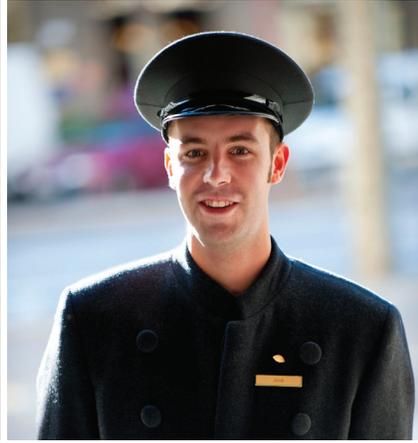
At the crux of all that we do is the quality of our service. Gaining feedback from our guests to ensure our constant improvement is vital. We conduct a customer satisfaction and loyalty survey with the help of a third-party organisation that sends an online questionnaire following a guest's stay. Detailed, actionable monthly feedback is then provided to our managers on property, which helps to enhance our service delivery. In 2014, the Group received over 37,000 guest satisfaction surveys. Mandarin Oriental's overall satisfaction ratings indicate a consistently high level of guest satisfaction and loyalty to the brand, varying less than three percentage points since 2009. In 2014, we achieved an overall satisfaction rate of 88%, a slight improvement compared with last year's performance.

Mandarin Oriental's overall satisfaction ratings indicate a consistently high level of guest satisfaction and loyalty to the brand.



GUEST SATISFACTION AND LOYALTY SURVEY RESULTS 2009–2014





## Our Colleagues

Mandarin Oriental colleagues aim to be the best and we support them by providing memorable and effective learning experiences, as well as rewarding career development opportunities. We are passionate about the development of our colleagues at all levels of the organisation—in our hotels, corporate offices and around the globe.

Upon commencement with the Group, new colleagues follow our extensive *MOve In* orientation process which introduces them to our unique company culture and our oriental heritage. A range of Learning and Development programmes are provided to address the competency requirements for the various levels within our organisation, as well as individual learning needs. In fact, a Learning and Development plan is a mandatory element for each leader in our organisation. This ensures that

we plan appropriate training to help our colleagues develop in their careers and gain the right skills to achieve their goals. Goal planning discussions are held at the beginning of the year and the Learning and Development plan targets specific competencies needed for continued advancement. We know this is vitally important to our workforce; in our most recent Colleague Engagement Survey, career development was rated as the lead driver of colleague engagement.

Performance and succession planning remains a critical priority for Mandarin Oriental in order to support our continued global expansion, and to satisfy the career aspirations of our colleagues. To support this, we have established an online performance management system, giving colleagues and their managers the

ability to track performance, training and overall professional development in real-time. The system promotes more frequent manager interaction by supplying simple and easily accessed tools for providing relevant feedback. Colleagues and managers can add developmental or coaching comments at any time during the year, and it's simple to track performance metrics accurately. Annual performance and succession planning reviews are completed at all levels of the organisation and are reviewed by the Group's senior management team. Regular feedback processes ensure that colleagues are aware of their potential career progress. At the end of 2014, 98% of our 2,112 company leaders had a performance review with their manager. The top-rated competencies were ethics, values, integrity and customer focus.

### Training for Excellence

Our colleagues participate in various training and personal development programmes, as outlined below, to help achieve their goals. The Group's "Learning Framework" is a road map for colleague development, based on their current and future career goals. Training for competency rather than hours of training continues to be our way to ensure success. While much of our training is not formally recorded, we carefully measure whether each colleague is able to accomplish the tasks of his or her job to the required standard. Our training is personalised rather than a one-fits-all approach and focuses on the skills and abilities needed to perform each position.

The Human Resources team plays an important role in shaping our strategies and implementing global initiatives at a local level. In November 2014, all Mandarin Oriental Human Resources Directors attended a week-long, internal conference designed to build skills in strategic planning and enhance team effectiveness as business partners with hotel operations. The conference also focused on improving the quality of colleagues' career development plans, in order to better support colleagues in achieving their career ambitions.

Our hotel Learning and Development Managers are also pivotal to the success of our training and career development initiatives. In 2014, we held a ten-day global accreditation programme for our new Learning and Development managers, to ensure that they deliver company programmes with expertise and consistency against our 70 Learning and Development standards. In 2014, we designed a "line colleague certification programme", to motivate and reward new starters who complete their initial job training within their first three months of employment. As our Group expands to new locations, it has become essential for new recruits to have a strong understanding of our culture. Based on the programme's initial success, this is being launched in all Mandarin Oriental hotels in 2015.

### Executive Development Centre

To support the career development of our managers and to grow our talent internally, we introduced an Executive Development Centre in 2014. Used by many organisations globally, Development Centres focus on customised educational programmes that are suited to a company's unique business needs and are particularly useful in relation to talent identification and talent management.

The key objective for our Executive Development Centre is to provide senior managers with feedback to facilitate their personal and career development. Through the Centre's programme, senior managers produce an individual development plan focused on enhancing

leadership effectiveness and maximising personal leadership style. In 2014, we ran our first Executive Development Centre with the participation of seven Hotel Managers. The mentors and observers for the programme included Mandarin Oriental's Group Director for Human Resources, Paul Clark and the Executive Vice President of Operations for Asia, Richard Baker.

The Executive Development Centre outcomes are also used by the Group's management to help in the resources planning process. The Mandarin Oriental Executive Development Centre offers support and structure to help to uncover our managers' potential for advancement within the Group.

**MOve In**  
 An extensive orientation during the first 90 days of employment  
**PARTICIPANTS**  
 All Colleagues

**MOve Forward**  
 A wide-ranging management development programme to enhance business skills and leadership qualities  
**PARTICIPANTS**  
 Experienced Managers / Department Heads and Executive Committee

**MOve Up**  
 A six-month course focused on competency building and individual and team leadership skills  
**PARTICIPANTS**  
 Supervisors / Junior Managers

**MBA Executive Programme**  
 A company-funded programme with the Royal Melbourne Institute of Technology (RMIT) achieved over a 3-5 year period  
**PARTICIPANTS**  
 Hotel and Corporate Senior Managers



### Mandarin Oriental's Executive MBA Programme

Our in-house Executive MBA programme is the pinnacle of our Learning and Development process. Offered in conjunction with the Royal Melbourne Institute of Technology (RMIT), this rigorous business development programme is available to senior colleagues who are nominated by management and endorsed by our Group Chief Executive. The Group

covers tuition and travel expenses, as well as the time necessary for colleagues to complete required coursework, whether through online learning modules or face-to-face residential programmes at RMIT and other Mandarin Oriental hotels. Since 2008, 24 senior managers have graduated from the Mandarin Oriental MBA programme, and a number of these managers have since been promoted. Two former MBA students

now hold the position of General Manager, and seven have risen to Hotel Manager positions. Currently, ten managers are enrolled in our MBA and should complete the programme in 2017. We introduced "Corporate Social Responsibility and the Law" as a topic for one of the educational modules to ensure that our future leaders will be 'doing more for a sustainable future' at Mandarin Oriental Hotel Group.



THE CLASS OF 2014

“It is an important strategy for Mandarin Oriental to develop and promote from within wherever possible.

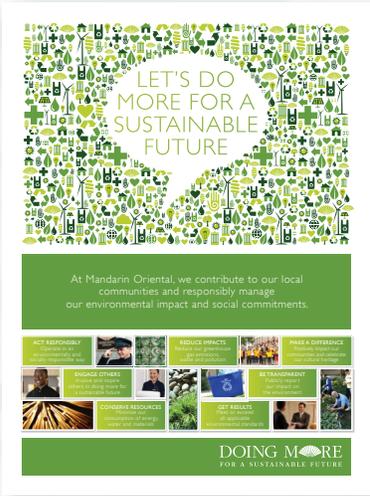
Our MBA programme strengthens our talent pipeline in the organisation, supporting the growth of our senior managers by better equipping them for lifelong learning and preparing them for more senior roles with the Group in the future.”



—Jacqueline Moyse  
Head of Organisational Development

## Sustainability Training

An educated and engaged workforce is key to operating our hotels more sustainably. To help our colleagues make socially and environmentally sound decisions, we launched a dedicated Sustainability Training Programme for all employees. The two-and-a-half hour course is designed to improve our colleagues' knowledge of sustainability issues and reinforce the value of sustainable practices at Mandarin Oriental. Colleagues gain a global perspective on environmental issues important to Mandarin Oriental's business and discuss issues of concern in their local communities. All colleagues completed the Sustainability Awareness Training programme by June 2014, and it is now part of the Group's mandatory *MOve In* orientation programme for new colleagues. The training is further supported by material (in multiple languages) available on the company intranet, including current and past sustainability reports, posters and best practice information uploaded by fellow colleagues.



## Diversity and Equal Opportunity at the Core of Our Company

Mandarin Oriental values diversity and promotes opportunities for all colleagues independent of race, ethnicity, nationality and gender. We are proud to be a diverse company with a global footprint. Over 100 nationalities are represented in our workforce of over 11,000 colleagues<sup>2</sup>.

Reflecting the location of our hotels around the world, the majority of our colleagues (58%) are based in Asia, followed by the Americas (24%). Chinese and U.S. citizens comprised 35% of our total workforce. Due to the nature of our business, most of our colleagues (73%) are local to the operation, including managers and executives (80%)<sup>3</sup>. Women make up 46% of our total workforce and the gender balance across colleague categories is generally equal. The number of female managers continues to increase at our company, rising to 46% in 2014.

Corporate leadership (including the operating committee and Mandarin Oriental Hotel Group's board of directors) is comprised of more men (86%) and European nationals (71%) than the

company as a whole. Senior leadership and the individual hotels are more ethnically diverse than corporate leadership and are representative of the local population.

## Employee Satisfaction and Turnover

We measure employee satisfaction regularly with our "Colleague Engagement Survey", a voluntary and anonymous online questionnaire that is issued to the entire hotel workforce. The colleague response rate to our most recent survey in 2013 was 96% and revealed an 86% favourable rating (excellent or above average). Since 2010, the percentage of colleagues rating Mandarin Oriental Hotel Group as favourable has increased by one percentage point year over year. While our employee satisfaction remains high, turnover rates have increased. The hospitality industry is characterised by high turnover. Mandarin Oriental experienced a global turnover rate of 32% in 2014, an increase of 5% from the prior year and above the current industry average of 27.6%<sup>4</sup>. The increase in turnover was driven by slight increases across all regions. Colleagues under 30 continue as the demographic with the highest turnover rate of 49.4%.

## Workplace Wellness

As an employer of choice, Mandarin Oriental is committed to providing a caring and safe work environment and encouraging a healthy lifestyle for all colleagues. Each year, the Group develops new and creative initiatives to continually enhance colleague wellness.

One of the best areas to support our colleagues' wellness is in colleague dining. In 2014, The Excelsior, Hong Kong and Mandarin Oriental, Hong Kong initiated a "Green Monday" program offering vegetarian menus to encourage healthier eating habits and build awareness on the importance of the environmental footprint of menu items. Mandarin Oriental, Hong Kong also introduced a Zero Food Waste Day, a monthly event encouraging colleagues to reduce food waste.

The Group's commitment to health and wellness not only extends to colleagues, but also to their families. Mandarin Oriental has organised and sponsored numerous activities for its hotels around the world, ranging from family days at the park and local cycling races to running clubs and yoga classes.



## Sourcing Responsibly

Mandarin Oriental continually develops unique opportunities for sustainable sourcing in each aspect of its daily operations with a specific focus on housekeeping supplies and food and beverage ingredients. Through sustainable sourcing, we are committed to reducing the use of harmful chemicals while supporting and engaging the communities in which we operate. Each hotel is encouraged to leverage local and sustainable suppliers for their products in order to help protect the future availability of those goods.



### Cleaners and Consumables

Cleaners have a considerable impact on both the environment and human health, through their ingredients, manufacturing process, packaging, use and disposal. At Mandarin Oriental, we fully acknowledge the potential risks when evaluating our products, and as such, many of our hotels have selected Ecolab Aquanomic for use in their laundry and cleaning operations. Properties that currently utilise Ecolab Aquanomic products see reduced chemical usage, as well as up to a 40% reduction in energy and water use when compared to traditional laundry operations.

These reductions are due in part to the streamlined wash process and subsequent lower water temperatures. Housekeeping colleagues at several Mandarin Oriental properties are making strides toward use of biodegradable chemicals over more traditional cleaners. For example, Mandarin Oriental, Hong Kong uses Ecolab Aquanomic products for surface cleaning. Whilst each hotel currently selects cleaning products based on individual needs, an overall approach to cleaners will be considered as part of a larger program in the near future.

In the Americas region, we are delighted to partner with hospitality procurement service company Avendra to help in leveraging buying power with key suppliers of cleaners and consumables, whilst being mindful of the environment and overall quality. Suppliers undergo a rigorous approval process before they become part of the Avendra network. With a wide range of available suppliers and products, Avendra is looking at ways to help us increase the use of renewable, recyclable and eco-friendly products to support our sustainable sourcing goals.

### Food and Beverage

We believe that the use of local, seasonal and organic ingredients supports our communities, enhances taste and adds unique flavour to the dining experience at our hotels. While we may not be able to source all products locally, all Mandarin Oriental hotels are actively encouraged to do so wherever practicable.

#### Hotel Initiative: Mandarin Oriental, Las Vegas

Chef David Werly has integrated his passion for sustainability across all facets of restaurant operations at Mandarin Oriental, Las Vegas, delivering triple bottom line excellence in the hotel's food and beverage offerings. At MOzen restaurant, Werly delivers a culinary tour through Asia with a wide variety of delicious dishes served alongside a selection of classics. Sushi is a featured menu item and

Chef Werly pays special attention to sustainable seafood on the menu. Seeking to improve the awareness of environmental issues in his supply chain, Chef Werly adheres to the Marine Conservation Society's FishOnline guidance for responsible sourcing. He does not serve fish that are endangered or whose catch causes other environmental damage. He also makes visits to farms and other facilities to ensure practices are environmentally friendly. Though Las Vegas isn't known for its local farming, Chef Werly is able to source regionally from nearby California, actively seeking seasonal ingredients and supporting biodynamic farms to help address the region's water stress. His philosophy extends beyond the source of ingredients to the kitchen's operations. The restaurant's refrigeration units are cooled with water, which is then recycled in a loop to conserve energy.

#### Group Initiative: Shark's Fin Ban

We are sensitive to the impacts caused by overfishing and environmentally destructive fishing methods. As a further example of our commitment to sustainability, the Group officially banned shark's fin from all restaurants and banqueting menus worldwide at the beginning of 2012. Given the prominence of this dish for ceremonial dining in Asia, the ban was expected to have economic consequences for several hotels. Two years after the ban, we can confirm that this has not been the case. Due to the support of our guests, who believe in the need to preserve ocean biodiversity, the business impact has been minimal. More importantly, we believe that banning shark's fin was the right thing to do for the environment and supports our commitment to 'doing more for a sustainable future'.





## Health and Wellness

Mandarin Oriental takes pride in its award-winning spas that provide tranquil spaces for relaxation and renewal. We also take pride in supporting causes that help promote health and wellness. In recognition of Breast Cancer Awareness month in October 2014, The Spas at Mandarin Oriental were delighted to launch the *Inner Strength* spa treatment, created in conjunction with Aromatherapy Associates' founder Geraldine Howard to help her cope during her own battle with cancer.

The full-body treatment combines massage, warm compresses, guided breath, and reflexology to ease physical tensions and emotional anxiety. The *Inner Strength* oil used in the treatment contains a powerful blend of ingredients: calming clary sage and frankincense for focus and clarity, fortifying cardamom and rosemary, and healing

rose, vetivert, and geranium. The treatment concludes with attention to the reflex points in the feet to make guests feel more grounded and to awaken the senses.

"In keeping with the Group's integrated mind-body approach to wellness, the *Inner Strength* treatment is a perfect addition to our spa menu. It has been designed to promote rejuvenation and empowerment, and is particularly suited to anyone facing a challenging period in their lives," said Jeremy McCarthy, Mandarin Oriental Hotel Group's Director of Spa.

As further support, ten percent of the cost of each *Inner Strength* treatment purchased from October through December 2014 was donated to a cancer research charity chosen by each individual hotel.

Guided by our oriental heritage but influenced by local cultural diversity, Mandarin Oriental has created distinctive spa concepts with a unique sense of place in every location.

## Safe, Sound & Sustainable

The welfare of our guests and colleagues is of paramount importance to everyone at Mandarin Oriental. Our comprehensive health and safety efforts are maintained under a proprietary programme entitled “Safe, Sound & Sustainable”. Established in 2000, the programme helps our hotels comply with stringent operational guidelines related to fire, life, health, safety, security and the environment, which are based on recognised standards and international best practices.

Each fully operational hotel is audited annually to monitor their compliance with Safe, Sound & Sustainable guidelines. The audits are conducted by an independent company, PWT Environmental Consultancy, a UK-based consulting firm, and include a verification of documentation and records in place, as well as a physical inspection of the facilities. The annual audit process ensures that hotel management teams are focused on health and safety issues and prepared to manage crisis and business interruptions.

Over the past few years, we have gradually migrated from announced to unannounced audits to better reflect how our operations are run on a daily basis. Hotels are eligible for

unannounced audits four years after their opening, allowing ample time to adapt to the programme. Despite the change, there have been no significant impacts on audit scores, indicating consistency in our operations. We will continue to expand this effort, and all eligible Mandarin Oriental hotels will eventually receive unannounced audits.

In 2014, we conducted the third year of audits against new environmental guidelines, and for the first time incorporated the environmental audit results into the overall audit performance score. The environmental guidelines cover the hotels corporate responsibility committee, management of energy and water consumption, greenhouse gas emissions, and the generation and disposal of waste. The two-year audit implementation schedule allowed hotels to adapt to the new requirements before environmental activities start contributing to the overall audit performance score in 2014.

### An Evolving Programme

The Safe, Sound & Sustainable guidelines are continuously improved upon and updated as methods evolve and as new impacts from hotel activities are identified.

In 2014, we continued our review of the Food & Beverage / HACCP section with the overall objective of streamlining operational processes whilst maintaining the highest levels of food safety. The review will be completed in 2015 and amendments introduced in 2016.

Together with our auditors, PWT Environmental Consultancy, we have also initiated a project of migrating the programme to an electronic format, minimising the use of paper for records and documentation.

## Our Performance: Audit Results

Over the past 10 years, audit performance has remained stable, within 2% of the Group's target of 90%. In 2014, 17 hotels (81% of all eligible properties) received unannounced audits. As new audit components are introduced or the rigour of their criteria increased, we allow hotels to adapt prior to including changes into the overall audit score. The environmental guidelines were added in 2012, and over the past three years the group's score improved dramatically from 42% to 77%. Adding environmental guidelines have increased operating efficiencies and reduced utility costs, with one example being a 65% reduction in greenhouse gas emissions from the use of refrigerants in hotel cooling equipment since being included as part of the audit. In 2014, the Group's overall average audit score achieved the target with a score of 90.1%, meeting the group target despite incorporating the lower environmental audit scores.



## Scope of Safe, Sound & Sustainable Programme



### FIRE SAFETY

Inspection, testing and maintenance of all fire safety related installations. *Based on the internationally recognised National Fire Protection Association guidelines*



### FOOD & BEVERAGE

Health and safety related to Food and Beverage operations. *Based on the accredited international standard of Hazard Analysis and Critical Control Point standards (HACCP)*



### OCCUPATIONAL HEALTH & SAFETY

Health and safety topics in the workplace. *Based on the Occupational Safety and Health Administration (OSHA) standards of the United States government*



### BUSINESS CONTINUITY PLANNING & RISK MANAGEMENT

Overall Risk Management and business continuity. *Developed on proven risk assessment and risk management methodology*



### SECURITY

Security of guests, colleagues and property. *Based on international best practices*



### SPA, FITNESS & WELLNESS

Health and safety related to Spa, Fitness and Wellness operation. *Based on international best practices*



### HEALTH AND SAFETY

Health and safety topics related to guests. *Based on the British and European standards*



### ENVIRONMENT

Management of the property's environmental impact. *Based on international best practices*



## Our Performance: Occupational Health & Safety

In keeping with Mandarin Oriental's commitment to provide a safe work environment, all work-related accidents and incidents are reported and thoroughly investigated to identify the root cause and to initiate corrective and preventive measures. We track the number of incidents and the incident severity as measured by the number of lost work hours.

In 2014, there were 2.32 incidents per 100<sup>p</sup> colleagues resulting in lost time, a 14% improvement from 2013 and significantly below the United States Bureau Leisure and Hospitality safety rate of 3.7 incidents per 100 colleagues. The incident rate of our European hotels was below the proximate US industry average at 3.56 incidents per 100 colleagues, but decreased 18% from the prior year.

The incident severity rate, a measure of lost days per incident, decreased 8% in 2014 to 25.04 lost days per incident per 100 colleagues. Europe and Asia demonstrated decreasing trends, while the Americas increased slightly. None of our hotels received a significant Health and Safety fine or notice of violation.

Please see the Appendix for more detailed results.

# Sustainability in Action

## Hotel Corporate Responsibility Committee Spotlight

At Mandarin Oriental, our Guiding Principles underpin everything we do, from the way we serve our guests and communities, to how we carry out our commitments to corporate responsibility. In order to tackle each property's challenges of advancing sustainability, our committees are dedicated to work together as colleagues—an important guiding principle for Mandarin Oriental. In many cases advancing sustainability involves being innovative and striving to be the best in order to make real change and to be active members of our communities.

Each hotel committee is provided with the Group's policy and procedures for its ongoing operation. Committees must be cross-functional, headed by a Corporate Responsibility Champion and comprised of at least 10 colleagues at each property. Specific roles are assigned to colleagues based on particular areas of focus. Additionally, committees are empowered to choose local initiatives to support as well as to find creative ways to improve efficiency in their operations. Our culture of enthusiasm has shown to be a key factor in attaining positive and motivating results, and aid in the committees' overarching goal to support the Group's commitments.

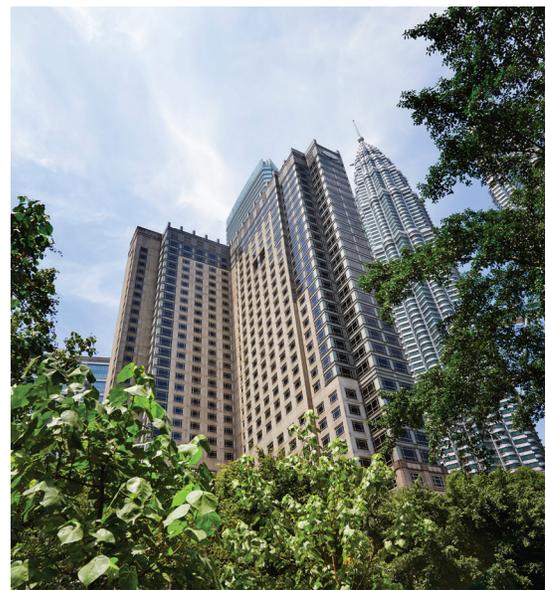
Our committees continue to improve and innovate each year. In 2014, we enhanced the connections between the Group Corporate Responsibility Committee and the hotel Champions by inviting them to present their annual highlights to colleagues. Furthermore, we performed an engagement exercise with all Champions to obtain feedback, identify key issues, and address challenges to implementing programs. In doing so, we are able to share of best practices and further encourage our committees to be the best and demonstrate leadership.

## Mandarin Oriental, Kuala Lumpur

Building awareness is amongst the biggest challenges many Corporate Responsibility Committees face when it comes to environmental and social issues. Mandarin Oriental, Kuala Lumpur has developed galvanising efforts to highlight the importance of advancing sustainability and championing the community.

The hotel has maintained ISO 14001 certification for environmental management systems since 2003 and the processes developed by Mandarin Oriental, Kuala Lumpur have frequently been used as best practices for other hotels in the Group. Implementing the system throughout its operations has proven to be a great success, which has helped the hotel garner the highest environmental performance score (96.9%) in the 2014 Safe, Sound & Sustainable Audit.

Another successful approach to building awareness on environmental and social issues has been to invite the local community to participate in various activities at the hotel. The hotel organised a charity run which helped raise money and awareness on behalf of the Malaysian Nature Society, a local natural heritage organisation. The property also co-organised a charity event with jeweler Ameer Phillips, raising US\$3,000 for a local orphanage. The hotel organises a Christmas party for at-risk youth and orphans to celebrate the holiday season, and invites the elderly to delight in a Mooncake Festival lunch held in the hotel's ballroom. To further expand its outreach, the hotel's Corporate Responsibility Committee has coordinated several programs such as tree planting for World Environment Day and volunteer efforts to repair a children's home.





## Mandarin Oriental, Miami

Mandarin Oriental, Miami has made great strides to improve its environmental performance and support the Group's 2020 targets. For instance, the hotel has successfully worked towards reducing energy consumption by 17% since 2007. Under the leadership of the hotel's Director of Engineering, the Corporate Responsibility Committee also piloted a water filtration system to replace bottled water, the results of which are shared with the Group for consideration at Mandarin Oriental hotels.

Furthermore, Mandarin Oriental, Miami has been an active supporter of community initiatives to assist at-risk youth, the homeless and the local environment, all of which are important causes identified by the hotel's Corporate Responsibility Committee. In 2014, the committee participated in the Group's Fantastic Match program by organising a softball tournament to raise US\$11,000 towards the purchase of a shuttle van for His House Children's Home, a local social services agency. The hotel's committee also organises on-going visits to Nicklaus Children's Hospital, volunteer opportunities at the Miami Rescue Mission, and hotel tours for at-risk youth. To help Miami's growing homeless population, the hotel created a shoe collection bin, and coordinates three shoe drives each year.

The Spa at Mandarin Oriental, Miami has also worked with the nearby Everglades National Park on an innovative initiative whereby a tree is planted every time a guest books a Thai Herbal Compress Ritual. The donated trees are planted by The Spa team in Everglades National Park to support local conservation and build resilience in the region prone to sea level rise and hurricanes.

## Mandarin Oriental, Prague

In an effort to raise funds in support of its initiatives and contribute to the community, Mandarin Oriental, Prague and its Corporate Responsibility Committee have developed creative and cost effective ways to advance sustainability. The hotel has made its mission to reuse materials for a host of worthy causes – from supplying discarded towels and carpeting to a local dog shelter to donating used appliances to an orphanage. The committee has also held various charitable events such as a Christmas Party fundraiser, as well as leveraged efforts of other related organisations by joining the Czech Republic's Association of Social Responsibility.

Mandarin Oriental, Prague's Corporate Responsibility Committee has continued to elevate its performance to advance sustainability. It has achieved one of the Group's highest waste diversion rates, diverting 66% of its waste from landfill in 2014.







# Advancing Sustainability

“As an industry, it is important to be aware of our environmental footprint. It is easy to introduce energy-efficiency mechanisms, and it makes economic sense”.

—*Edouard Ettegui*  
Group Chief Executive

## Advancing Sustainability

In the World Economic Forum's 2015 Global Risk Perception survey, the failure to address climate change and water scarcity were amongst the world's top five risks in terms of impact<sup>6</sup>.

Current and future regulatory requirements related to climate change, as well as increased energy and water rates, will lead to an increase of operating expenses. Changing climate patterns can also cause an increased occurrence of drought, natural disasters and risk affecting our infrastructure, our colleagues in their livelihoods, and our guests' travel plans. As a responsible company, Mandarin Oriental strives to help mitigate such risks by embedding sustainability strategies into our global business model. Investing in efficient technology and equipment, combined with integrating sustainability

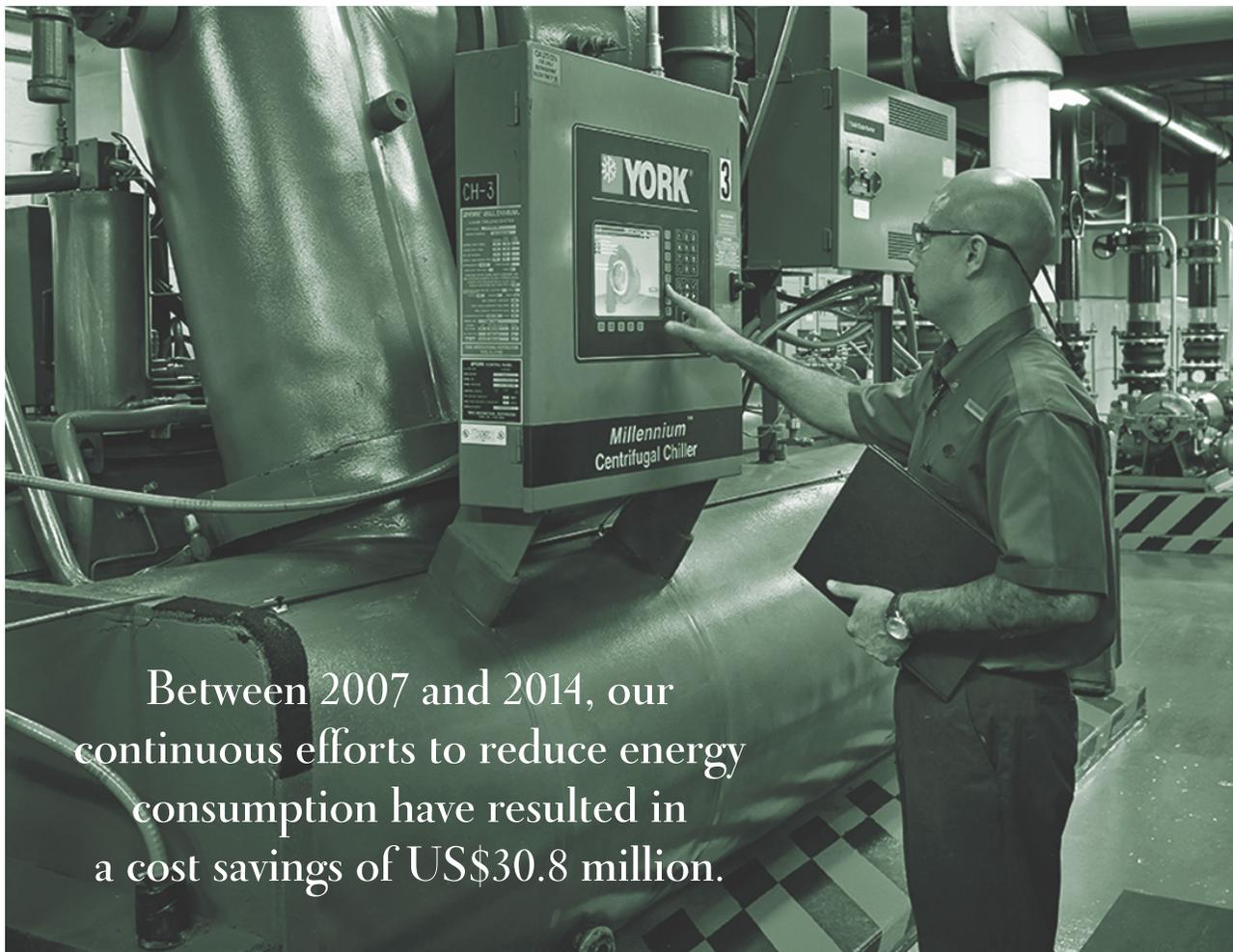
practices into our business, affords multiple benefits. This link can clearly be demonstrated by our continuous efforts to reduce energy consumption, which has resulted in cost savings of US\$30.8 million from 2007 to 2014.

Over the same period, we also experienced significant increases in the electricity and water rates across our portfolio. For electricity, Southeast Asia is the worst affected region with rate increases exceeding 40%. The United States is the worst affected region as it relates to water, with rate increases exceeding 35%. Without strategies to reduce energy consumption, these increases would have significantly impacted the profitability of several hotels.

People and process are vital to our overall success. Our colleagues'

dedication and enthusiasm for our sustainability efforts makes the difference; the environmental achievements included in this report would not be possible without their commitment. We also believe that what gets measured gets done. Goals have been clearly set to ensure that all of our colleagues are aware of our progress and can identify ways to help us improve.

We established a 2020 vision with significant reduction goals based on a 2007 baseline, and interim 2016 goals to track our progress. Beginning in 2013, every hotel was also provided with individual short-term goals for the environmental aspects of their operation, including energy, emissions and water. These short term goals are reviewed and adjusted annually.



Between 2007 and 2014, our continuous efforts to reduce energy consumption have resulted in a cost savings of US\$30.8 million.

# Environmental Sustainability Goals

Energy Intensity				
	KPI	2016 Goals	2020 Vision	Current Status to Baseline
	MJ / square metre	Reduction of 15% by 2016 over 2007 levels	Reduction of 20% by 2020 over 2007 levels	Reduction of 17.4%
		ON-TRACK	ON-TRACK	
Emission Intensity				
	KPI	2016 Goals	2020 Vision	Current Status to Baseline
	kg CO <sub>2</sub> e / square metre	Reduction of 17.5% by 2016 over 2007 levels	Reduction of 25% by 2020 over 2007 levels	Reduction of 18.3%
		ON-TRACK	ON-TRACK	
Waste Intensity				
	KPI	2016 Goals	2020 Vision	Current Status to Baseline
	kg of waste sent to landfill / Guest Night	Reduction of 10% by 2016 over 2012 levels	Reduction of 20% by 2020 over 2012 levels	Reduction of 0.9%
		OFF-TRACK	OFF-TRACK	
Water Intensity				
	KPI	2016 Goals	2020 Vision	Current Status to Baseline
	Litre / Guest Night	Reduction of 15% by 2016 over 2007 levels	Reduction of 20% by 2020 over 2007 levels	Reduction of 17.9%
		ON-TRACK	ON-TRACK	

## Reducing Energy Consumption

Finding ways to reduce energy consumption are essential to reducing our environmental footprint. We have established three main strategies to drive our performance in this area: energy auditing; retro-commissioning and the use of innovative technology. As each Mandarin Oriental hotel is unique, we strive to adapt our strategies to each hotel's individual performance, local conditions, technical structure and potential renovation plans.

### Energy Auditing

As a Group, we introduced a systematic approach to energy auditing in 2007. This strategy was further enhanced in 2012, when we included energy audits

under the "Safe, Sound & Sustainable" programme, with guidelines based on ASHRAE's "Procedures for Commercial Energy Audits". The audits are adapted to the particular requirements of each hotel and are at times targeted to specific areas, such as chilled water or hot water production. Since the strategy was introduced six years ago, 88% of our hotels have completed energy audits.

### Retro-Commissioning

We recently established retro-commissioning as an important strategy for identifying areas of improvement in our buildings' operations in order to enhance overall building performance.

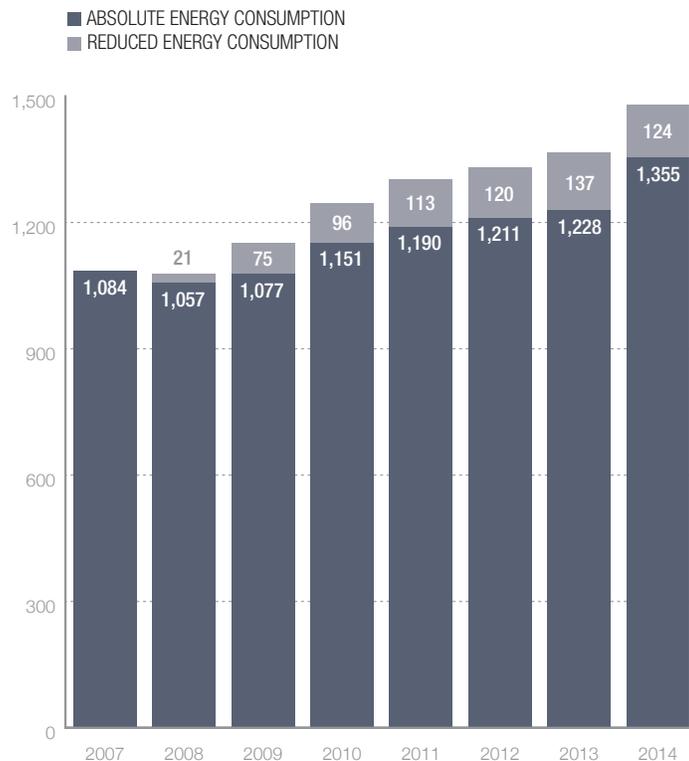
By optimising our existing equipment and maintenance procedures, we can enhance the efficiency results that contribute to our environmental goals. Part of our strategy includes the provision of sub-metreing to continuously monitor performance and make objective, fact-based decisions. Retro-commissioning is an important initiative, as operational standards evolve over time and our hotels frequently undergo renovations that require re-evaluation of building systems and processes. We have two retro-commissioning programmes currently underway, the results of which will assist in planning additional hotel projects.

Energy auditing, retro-commissioning and the use of innovative technology are the three main strategies established to reduce energy consumption and our environmental footprint.

### Our Performance: Absolute Energy Consumption

Absolute energy consumption for the Group totalled 1,355 TJ in 2014, an increase of 10.5%, associated with a 17% increase in total floor area. By implementing energy efficiency measures, the Group avoided 124 TJ of energy consumption in 2014<sup>9</sup>. The total avoided consumption 2007 to 2014 was 687 TJ, which translates to cost savings of US\$30.8 million.

ABSOLUTE ENERGY CONSUMPTION  
2007–2014 (TJ/year)



## Energy Equipment Upgrades at Mandarin Oriental, Bangkok

Originally opened as The Oriental in 1876, the legendary Mandarin Oriental, Bangkok was the first hotel in Thailand, then Siam. With 339 elegant rooms, 35 luxurious suites, innovative restaurants and a world-class spa, Mandarin Oriental, Bangkok offers a luxurious five-star experience.

Historic hotels with older infrastructure like Mandarin Oriental, Bangkok present us with excellent opportunities to increase energy efficiency. We've initiated several efficiency projects at the property, with significant investments made to update heating and cooling equipment. This has been an important priority to improve our environmental performance, as the hotel's electricity rates have increased by 44% since 2007. As a result, the Group has prioritised Mandarin Oriental, Bangkok's energy reduction plans.

### Chiller Upgrades

As part of the Group's chiller optimisation programme, a comprehensive overhaul of the hotel's chillers began in 2008 and was completed in 2014. All five of the hotel's chillers were replaced with high efficiency models over this period, with a combined investment of US\$1.8 million. The replacement included several enhancements, such as using a significantly less potent R-123 for a refrigerant, upgrading the chiller controls, converting pump systems to work on variable flow, as well as replacing and increasing the capacity of the cooling towers. Now that the equipment has been installed, ongoing optimisation work is in place to fine tune performance.

### Steam Boiler Replacement

The boilers used to generate steam and hot water throughout the

building were also aging and ready for replacement. The Group explored several innovative technologies such as solar heating and heat pumps, or reducing capacity by outsourcing the hotel's laundry operations. In the final analysis, solar heating required a much longer return on investment, and heat pumps proved unfeasible with the hotel's available space. The decision was made to maintain a boiler system, installing new equipment that burns LPG (liquefied petroleum gas) instead of diesel oil, and which features heat recovery of condensate to increase efficiency.

### Additional Projects

In addition to upgrading the building equipment, a number of other energy efficiency projects are underway at the property, including upgrading the demand-based guestroom control system and installing LED lighting as part of the upcoming room renovation.

### Efficiency Increases and Emission Reductions

As a result of these efforts, over the period 2007–2014 the hotel's energy use per square metre has been reduced by 19.5% and GHG (greenhouse gas) emissions reduced by 18.0%, whilst environmental conditions have improved. The boiler replacement with conversion to LPG alone provided a year-over-year reduction of 32% energy intensity, 37% in greenhouse gas emissions and US\$230,000 in cost savings.

Mandarin Oriental, Bangkok's successful programme has helped the Group make strides to achieve our energy and emissions reduction targets by 2020. Further efforts are underway for Mandarin Oriental, Bangkok to improve its utility usage and move us closer to our committed results.



### Technology and Innovation

While optimising the efficiency of our systems and equipment, we will continue to use innovative technology to reach our goals, balanced with fundamentally sound engineering practices. Chiller optimisation continues to offer significant improvements without impacting the guest experience. Collectively the Group has invested over US\$14.2 million in chiller replacements and conversions in the past six years with proven results to

the bottom line<sup>7</sup>. In 2014, the chillers at Mandarin Oriental, Sanya were replaced and chiller optimisation projects are well underway at Mandarin Oriental, Bangkok and Mandarin Oriental, Macau. With such success, the Group views chiller optimisation as a key strategy for energy and emissions reductions, which can be further deployed across the company.

In other areas, we are continuing to expand our demand-based guestroom

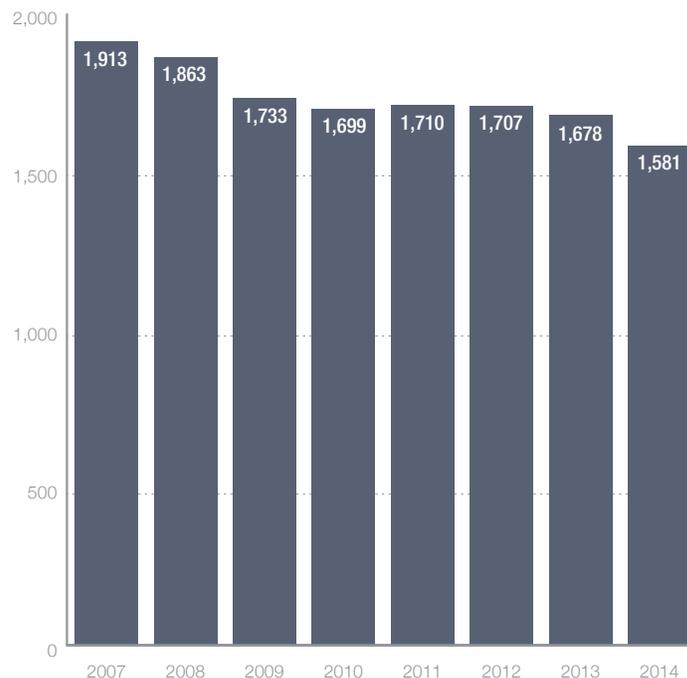
control systems. In 2014, 88% of our hotel rooms were equipped with automatic systems to reduce energy consumption when guestrooms were unrented or unoccupied, an increase from 67% in the prior year. This increase is mainly due to the hotels opening in 2014 and our drive to include this technology as part of our standards for new hotels. As other technologies mature, we anticipate similar rollouts throughout our hotels.



### Our Performance: Energy Intensity

Energy intensity is a normalised measure of energy consumption per square metre of property. This measure allows us to evaluate our energy consumption over time, since the footprint of our company continues to change. In 2014, the energy intensity for the Group decreased by 5.7% to 1,581 MJ/m<sup>2</sup>/year. Thanks to energy efficiency strategies, our intensity has been steadily decreasing since 2007.

ENERGY INTENSITY  
2007–2014 (MJ/m<sup>2</sup>/year)



## Reducing Emissions

By implementing energy efficiency measures at our hotels, we are steadily reducing our greenhouse gas emissions. In 2014, 76% of our emissions were related to electricity consumption, which underscores the need for continual conservation efforts<sup>9</sup>. Emissions vary widely across our hotels as they are primarily dependent upon the emission factors of their regional utility providers.

### Industry Collaboration

Emissions reduction is a key focus for the Group, and we're proud to support the climate change initiative established by the World Travel & Tourism Council (WTTC) to reduce CO<sub>2</sub> emissions. Mandarin Oriental also participates in the Hotel Carbon Measurement Initiative (HCMI), led by the WTTC and the International

Tourism Partnership, which launched a standard methodology for the hotel industry to calculate carbon emissions. The HCMI's common approach to carbon measurement provides greater clarity to guests and event planners who aim to better understand the environmental impact of a guest stay.

### New Strategies

To further reduce our carbon footprint, we aim to implement new strategies where financially feasible to assist in achieving our goals, such as clean energy technologies, or in the purchase of renewable energy certificates (RECs). Purchasing RECs, where energy is sourced either partially or fully from renewable energy sources, is one of the most effective ways of reducing

greenhouse gas emissions. Currently, Mandarin Oriental, Washington DC and Mandarin Oriental, Munich are making use of RECs. In 2014, the purchase of RECs reduced the group's overall footprint by 3.0%, and we foresee more hotels following suit in the coming years.

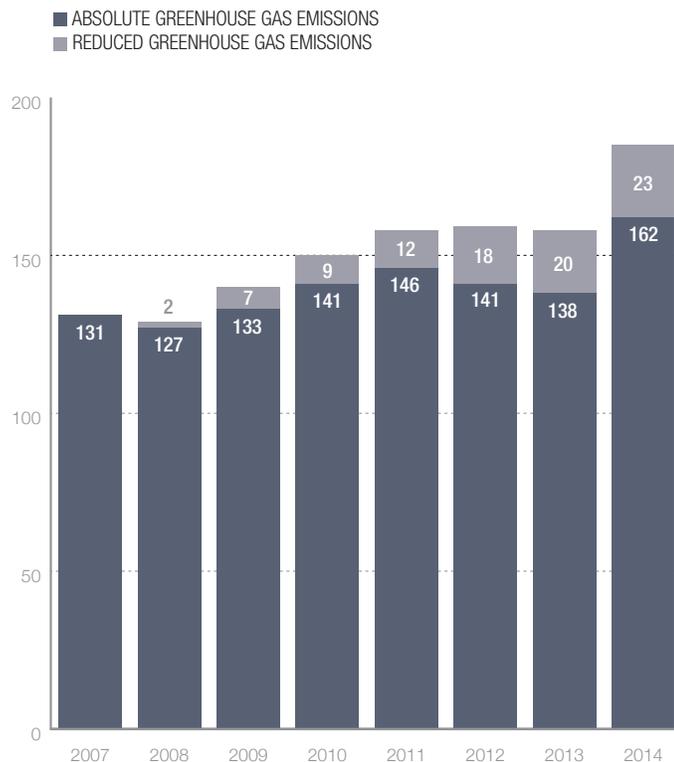
We are also gradually replacing or upgrading diesel-operated boilers with LPG or natural gas-fired boilers, which can reduce emissions by nearly 80%. As of 2014, only two hotels continue to use diesel-powered boilers<sup>11</sup>. Since 2011, diesel fuel usage has decreased from 10% of total energy consumption to just 2% in 2014. In addition to reduced emissions, the phasing out of diesel-operated boilers also provides benefits in reduced energy consumption.

## Our Performance: Absolute Emissions

In 2014, absolute emissions generated by the Group amounted to 161,645 metric tons of CO<sub>2</sub> equivalent (including reductions from RECs). From 2007 to 2014, our total avoided emissions totalled 92,501 metric tons of CO<sub>2</sub> equivalent<sup>12</sup>.

From 2007 to 2014, our total avoided emissions totalled 92,501 metric tons of CO<sub>2</sub> equivalent. This is equivalent to taking 18,000 cars off the road<sup>13</sup>.

**ABSOLUTE GREENHOUSE GAS EMISSIONS**  
2007–2014 (t CO<sub>2</sub>-Eq/year)



### Fugitive Emissions

Fugitive emissions are emissions that are unintentionally released into the atmosphere. Fugitive emissions typically occur from leaks in refrigeration systems or while handling refrigerants. They include hydrofluorocarbons (HFCs) used in refrigeration and air conditioning equipment. In some properties fugitive emissions can exceed 5% of greenhouse gas emissions for a given year. We began to manage these emissions in a more systematic way, focusing on the four properties that have the greatest impact and considering refrigerant types in our chiller optimisation programme.

While several different types of HFCs are available for use in chiller systems, the Global Warming

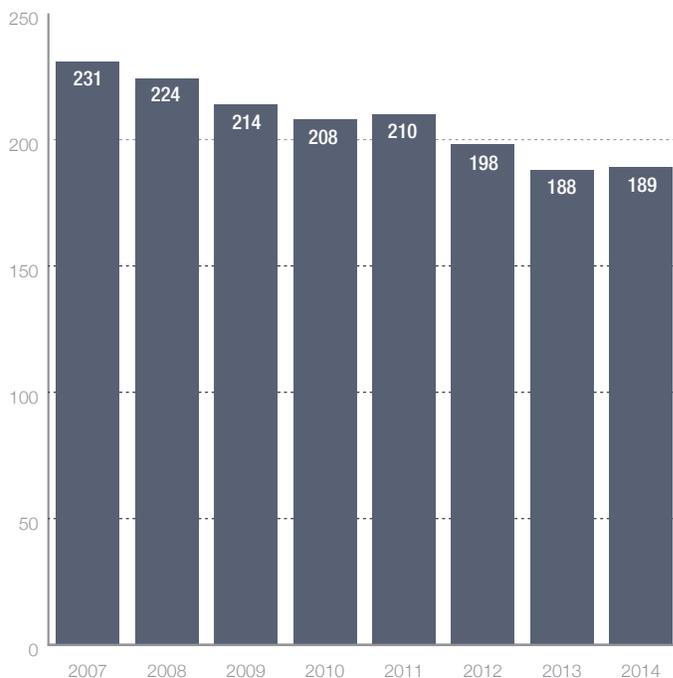
Potential (GWP) can vary widely amongst them. Our preference is to use R-123 in chiller optimisation given its superior energy performance, which also has a GWP of approximately 95% lower than other traditional refrigerants such as R-22. Over the past five years, we have used R-123 centrifugal chillers exclusively in our chiller replacement at all owned hotels.

To increase the monitoring of refrigerant leakage we incorporated the management of refrigerants into the Safe, Sound & Sustainable programme to provide a consistent global approach, and are making good progress. Through these collective efforts, fugitive emissions are down 65% and in 2014 represented only 2.2% of total emissions.



Between 2007 and 2014, we reduced our emission intensity by a total of 18.3% due to our efficiency strategies.

GREENHOUSE GAS EMISSION INTENSITY  
2007–2014 (kg CO<sub>2</sub>-Eq/m<sup>2</sup>/year)



### Our Performance: Emission Intensity

Emissions intensity is a normalised measure of greenhouse gas emissions per square metre of property. In 2014, the Group's emissions intensity increased by 0.3% over the prior year to 189 kg CO<sub>2</sub> per square metre. Our emissions intensity ratio has gradually improved as a result of our energy and emissions reduction strategies. Between 2007 and 2014, we reduced our emission intensity by a total of 18.3%

## Reducing Waste

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

In 2012, we implemented new Waste Management Guidelines as part of the Safe, Sound & Sustainable programme to develop a complete and consistent measurement process and strengthen our efforts. We've learned some important lessons along the way. Accurately measuring waste at hotels that are part of larger mixed-use developments has been challenging. Accurately measuring waste in developing countries, where the waste disposal network is under developed, has also been very labour intensive for our operations.

Despite these challenges, we're making

progress. Through 2014, we were able to collect waste tonnage for 80% of the Group's hotels, up from 62% in 2012, increasing our ability to monitor, analyse, and make decisions regarding waste minimisation and diversion. Internal waste audits have proven to be useful exercises in understanding "what" and "where" waste is generated within a hotel. Since incorporation into our auditing process, 73% of hotels have completed internal waste stream audits.

We know that enhancements are required to our waste measurements in order to account for the high volume of heavy waste, such as wet waste and glass generated at our food and beverage operations. It has been important to "think global—act local" in order to adapt great concepts to practical processes. Recycling has provided unexpected revenues in many locations, and this has provided funding for other corporate responsibility

initiatives at our hotels. Colleague engagement has proven tremendously rewarding, as our hotel teams have identified their own waste reduction opportunities well beyond expectations.

While our waste reduction programme is in early stages, we are ready to take on the challenge of improving our processes. Waste management is tied to operations, and we recognise our colleagues' ability to make positive strides to improving our waste figures. At Mandarin Oriental, Tokyo, a Green Café event is held annually by the hotel's Corporate Responsibility committee to build awareness of environmental issues. Information is presented for colleagues to learn about the hotel's initiatives and the positive impact colleagues can make. Waste figures, including soap recycling initiatives and impact information such as the average amount of paper waste from a guestroom, are presented.



### Our Performance: Absolute Waste Generation

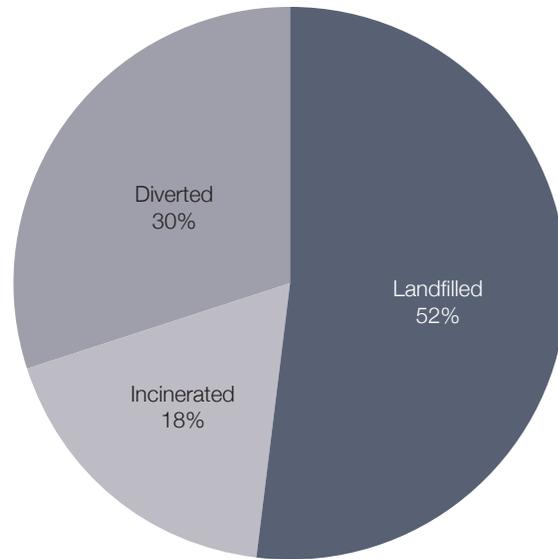
The Group generated 12,599 metric tons of waste in 2014, of which 52% was disposed of in landfills, 30% was recycled or composted, and 18% sent to incinerators<sup>16</sup>. The amount of waste recycled or composted increased from 24% in 2013 to 30% in 2014.

### Hotel Initiatives

Because landfilling is not permitted by law in Germany, Mandarin Oriental, Munich has implemented a 100% reuse and recycle programme for all waste generated at the hotel. This programme considers end-of-life disposal at the time of purchase in order to ensure that, once waste is generated, a suitable alternative to landfilling is available.

At Mandarin Oriental, Geneva, a thorough update of its waste management processes has taken place over the past three years. Food waste, previously sent to incineration, is now separated and composted. Recycling has been increased by facilitating waste separation and the main waste compactor has increased in size to reduce collection frequency. From 2012 to 2014, the diversion rate has increased from 11% to 46% and waste to landfill reduced from 5.33 kg/guest night to 2.82 kg/guest night. Waste processing costs increased initially, but are now below 2012 levels.

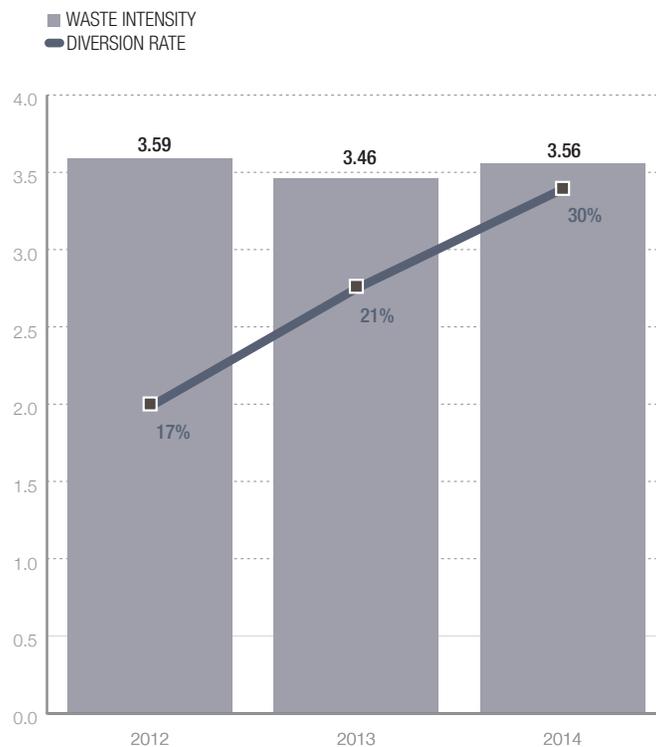
WASTE BY DISPOSAL METHOD  
2014



### Our Performance: Waste Intensity

In 2014, 80% of our hotels collected comprehensive waste data, an improvement of 18% (62% in 2012). The data collection process is audited annually under the Safe, Sound & Sustainable programme to ensure compliance. Waste data collection began in 2012, and we refer to 3.59 kg waste sent to landfill/guest night as our 2012 baseline year measurement. In 2014, the Group assessed 3.56 kg waste sent to landfill/guest night, a marginal decrease from 2012 but a slight increase of over 2013 figures. We attribute this increase to the programme's enhanced data collection procedures. We also anticipate additional challenges for hotels not yet reporting on waste data.

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



## Waste Management Challenges and Opportunities

When we incorporated waste reduction and diversion into our Environmental Sustainability Goals in 2012, we set an ambitious target: reduce waste to landfill by 20% in the year 2020. After three years of tackling waste initiatives, we have identified some systemic challenges to overcome, which include the management of waste in destinations with less municipal waste infrastructure, and diverting waste in mixed-use facilities.

### Destinations with Limited Waste Infrastructure

Reducing waste to landfill depends of two factors: reducing waste generated, and increasing the amount of waste diverted from landfill. In locations where recycling and composting are inadequate, there can be a decreased perception of the importance of waste minimisation. This is especially true when waste diversion cannot be properly measured as colleagues cannot monitor the results of their efforts. Two of our hotels, Mandarin Oriental, Bangkok and Mandarin Oriental, Las Vegas, are addressing these challenges.

At Mandarin Oriental, Bangkok, municipal recycling and composting has been an issue for some of the waste streams. The hotel's Corporate Responsibility Committee organised a comprehensive programme in 2014 to help improve performance and many departments contributed to the effort:

- Food & Beverage reduced waste tonnage by replacing glass water bottles with plastic bottles that were accepted by a recycling provider. They also installed a pilot composting bin for kitchen and flower waste, converting organic material that is then sold for a profit;
- IT standardised all printer settings for optimal use and reduced paper consumption;
- All departments worked with their suppliers to reduce packaging;
- Engineering found a donation partner for scrap metal waste—the Princess Mother's Prosthesis Foundation. They also colour-coded waste bins for improving separation for recycling streams;
- The hotel also conducted a waste stream audit to better understand waste composition and identify further opportunities.

Thus far, the results have been promising and hotel colleagues are motivated to monitor their waste data and improve performance. With 4% of the hotel's landfill waste generated from the kitchen alone, we look forward to seeing the positive outcome of these efforts.

### Waste Separation and Measurement in Mixed-use Facilities

Waste management in a destination often proves viable with the scale of waste materials that can be diverted, hauled, and sold or repurposed. As such, recycling contracts are more viable in large facilities that generate significant amounts of waste. However, in the case of hotels this is often found in mixed-use developments that house several different entities. However, this structure can prove challenging to obtain waste figures specific to a hotel within a larger mixed-use facility.

Mandarin Oriental, Las Vegas is located within the CityCenter complex which has centralised waste hauling across the entire facility. Waste data had been problematic when the Group started with its 2012 baseline. Diversion rates were proximate to the whole facility and the efforts of the hotel were not accurately captured. To ensure that the hotel's waste figures could be properly isolated and measured as part of the whole, the hotel worked with MGM Resorts to set up waste separation areas, and the entities worked to obtain more accurate figures from waste haulers. In 2014 the hotel was able to receive its first set of waste data specific to Mandarin Oriental, Las Vegas. Now that waste can be properly measured, the results of reduction and diversion efforts can be demonstrated.

The success of Mandarin Oriental, Las Vegas may be replicated in some hotels but challenging in others. In some hotels, recycling may be available within the destination and separable by the hauler or other partner recipients, but the physical space needed to separate and store waste stream may be limited. This is especially true in older hotels that were designed years before recycling became a common practice. Some of our hotels, such as The Landmark Mandarin Oriental, Hong Kong, where space is constrained, have sought additional solutions. The hotel started weighing waste manually prior to sending it to the building's central collection area, which will result in better figures. For other waste streams where space is limited, options such as food waste digesters are being studied, as well as a focus on waste minimisation practice in operations.

We are proud to present the efforts made by our colleagues in addressing waste challenges. This year's success stories will bring better data and help us progress toward the Group's waste reduction goals. The efforts also demonstrate that despite lack of developed waste diversion infrastructure, every hotel and its colleagues can make great strides to reduce their footprint.

## Reducing Water Consumption

As we are a luxury hospitality company, water is essential to the services we provide, whether in guestroom baths, spas and pools, or in our back-of-house operations. As a responsible company, we understand the importance of clean, accessible water to human health and to the economic viability of the communities where we operate.

As mentioned earlier, The World Economic Forum identified water supply crises amongst the most significant global risks in 2015<sup>17</sup>. To

fully understand our current and future exposure, Mandarin Oriental conducts an annual review of the water supply sources, leveraging WBCSD Global Water Tool, WRI Aqueduct as well as third-party subject matter experts. This information is used to focus our efforts on specific hotels, either in operation or under development. By 2025, we estimate that one third of our hotels will be located in water stressed areas, impacted either by supply limits, quality concerns or other factors. The increased demand will also, without doubt, drive costs of water higher.

As a Group, we will continue our efforts to reduce water consumption in non-guest areas, and we believe strongly that colleague awareness and training has the most significant impact.

Municipal water supplies provide water for all Mandarin Oriental hotels with the exception of one property, which relies partially on surface water. Municipal supply accounts for 97.2% and surface water 2.8% of our total water supply.

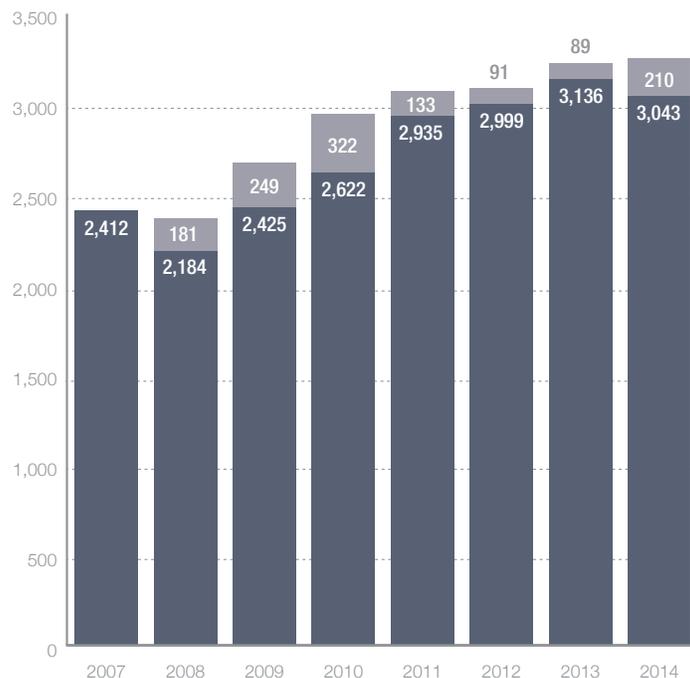


### Our Performance: Absolute Water Consumption

In 2014, the Group's absolute water consumption including irrigation, cooling towers, swimming pools and guestrooms, was 3,042,952 cubic metres<sup>18</sup>. The Group increased absolute water consumption by 26% between 2007 and 2014, whilst the number of guest nights included in the portfolio increased by 33% over the same period. Implementing water efficiency projects resulted in avoiding the use of 209,536 cubic metres of water at our properties in 2014.

ABSOLUTE WATER CONSUMPTION  
2007–2014 (1,000 m<sup>3</sup>/year)

■ ABSOLUTE WATER CONSUMPTION  
■ REDUCED WATER CONSUMPTION





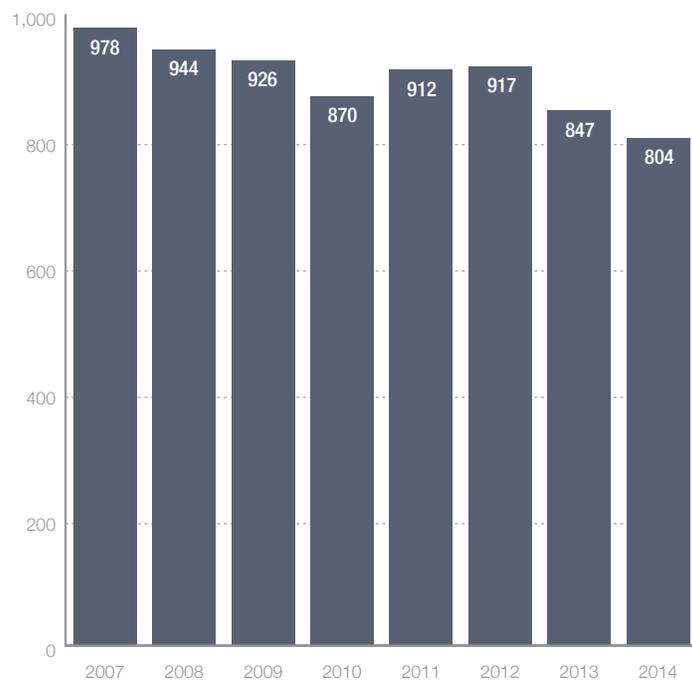
DELIVERING EXCELLENCE

ADVANCING SUSTAINABILITY

## Our Performance: Water Intensity

To measure our water performance over time and account for company growth, we utilise water consumption per guest night as our key performance indicator. Though not all water is consumed directly by the guest, water consumption is indirectly tied to guest nights through back-of-house operations. In 2014, the Group's average water use reduction was 17.9% compared to 2007 levels, a 5.1% Improvement from 2013 and for the second year in a row our lowest consumption per guest night ever.

WATER INTENSITY  
2007–2014 (liters/guest night)



CHAMPIONING COMMUNITY





# Championing Community

As a leader in luxury hospitality steeped in the values of the Orient, Mandarin Oriental Hotel Group understands the importance of culture and community to our brand.

## Championing Community

Acting with responsibility involves not just our business or the impact we have on the environment. It means making a difference in the communities in which we operate. We're proud to participate in causes that support our communities, ranging from cultural heritage preservation to education, hunger eradication and environmental conservation.

### 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 the trademark logo for the luxury hotel group, all Mandarin Oriental hotels have their own hallmark fan to represent the unique heritage of their property. Each hotel's fan is sensitively linked to the place in which it resides, and is a visual representation of the cultural soul of each location.

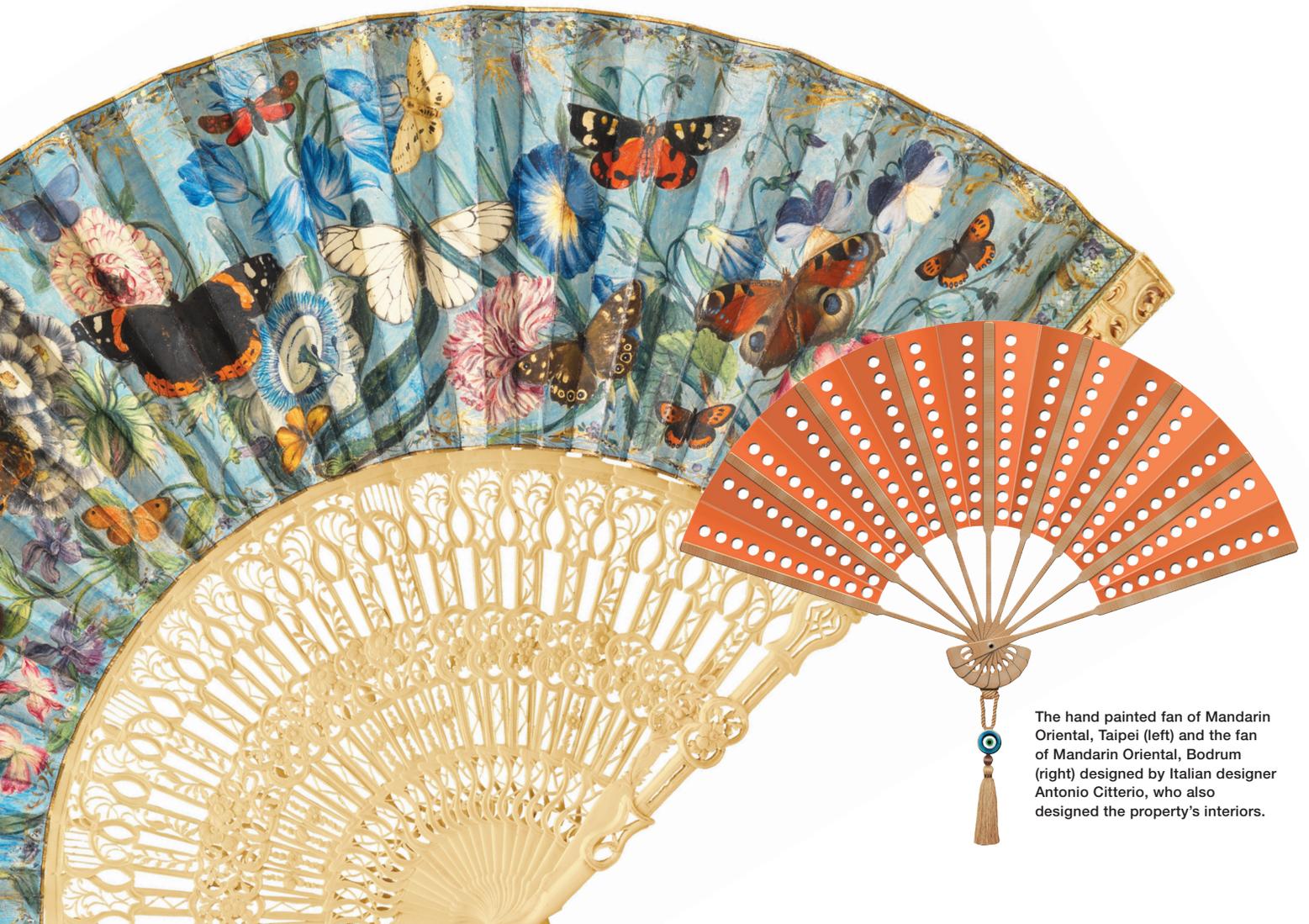
Mandarin Oriental, Taipei's signature fan is a genuine antique, handmade circa 1800. A European-style antiquity

showcasing hand painted butterflies amidst blossoming flowers, the fan represents the hotel's classic continental design and unrivalled location along Taipei's leafy green avenue.

The fan's delicate paper leaf has been exquisitely hand painted in a tapestry of autumnal hues set against a pale sky-blue backdrop. The fan's antique ivory spokes are an exceptional example of the merging of fashion with the decorative arts, intricately carved and pierced with noble and precise patterns to create a fine lace effect. Bordered by a vast canopy of trees on Taipei's main

boulevard and featuring exquisitely landscaped gardens within, Mandarin Oriental, Taipei's peaceful and serene setting within a bustling metropolis are evocative of the natural beauty depicted in its signature fan.

Mandarin Oriental, Bodrum's signature fan was created by acclaimed Italian designer Antonio Citterio, responsible for the resort's interiors. Its design is inspired by the warm colour of the mandarin fruit and the hues of the setting sun while the rope tassel and marine-style knot at the base of the design reflect the coastal ambiance of the resort.



The hand painted fan of Mandarin Oriental, Taipei (left) and the fan of Mandarin Oriental, Bodrum (right) designed by Italian designer Antonio Citterio, who also designed the property's interiors.

## Sustainability in Action

### The Mandarin Oriental Fellowship for Cultural Preservation with the Asian Cultural Council

Li Shasha performs at the Asian Cultural Council's 50th Anniversary Gala at Mandarin Oriental, New York.

As a company that greatly values cultural traditions and the arts, Mandarin Oriental is delighted to be a partner of the Asian Cultural Council (ACC), a non-profit organisation dedicated to transformative cultural exchange by awarding grants for creative work and study in the United States and Asia. In 2005, Mandarin Oriental established a dedicated fellowship with the ACC for the preservation of indigenous arts, cultures and traditions of Asia.

Li Shasha, the 2014 Mandarin Oriental Fellowship grantee, is an award-winning puppet artist who holds the title Key Performer at the Shanghai Puppet Theater. Li received her B.A. in puppet performance from the Shanghai Theatre Academy in 2011 and specialises in traditional rod puppets, a style of puppetry that requires a strong background in dance and Chinese opera movement. During her Mandarin Oriental ACC Fellowship, Li met with puppeteers in New York, Vermont, San Francisco, and Atlanta. She was introduced to

the director HuaHua at the Eugene O'Neill Theater Center, and later participated in workshops in Philadelphia, which resulted in the early formations of a new work "Dream of Land".

"I was truly fortunate to have embarked on my grant trip during the 50th anniversary year of the Asian Cultural Council", Li says. "I was invited to perform at the ACC 50th anniversary gala at Mandarin Oriental, New York, and it was a true honour for me. This performance sparked my thoughts on culture: Where am I from? What is distinctive about where I come from? When I returned to Shanghai, I went up to the mountains to practice my writing, looking for simplicity in Han steles, and rich Chinese philosophy in ink calligraphy. I started to explore traces of my culture that was once wiped away. When I first received the Mandarin Oriental Fellowship from the ACC, I was surprised and, of course, proud. Now I know that it's in fact a touching thing, to join this family".

## Our Philanthropic Celebrity Fans

Over the years, Mandarin Oriental's international advertising campaign "He's a Fan / She's a Fan", has gathered 'fans' from around the world. The campaign is celebrated for its style and simplicity by elegantly connecting our well-recognised symbol—the fan—with international celebrities who regularly stay at the Group's hotels. Importantly, all of our fans are thanked for their participation in our campaign with a donation from Mandarin Oriental to the charity of their choice. Since the campaign launch in 2000, Mandarin Oriental has donated over US\$500,000 to various local and international charities that are supported by our philanthropic fans.



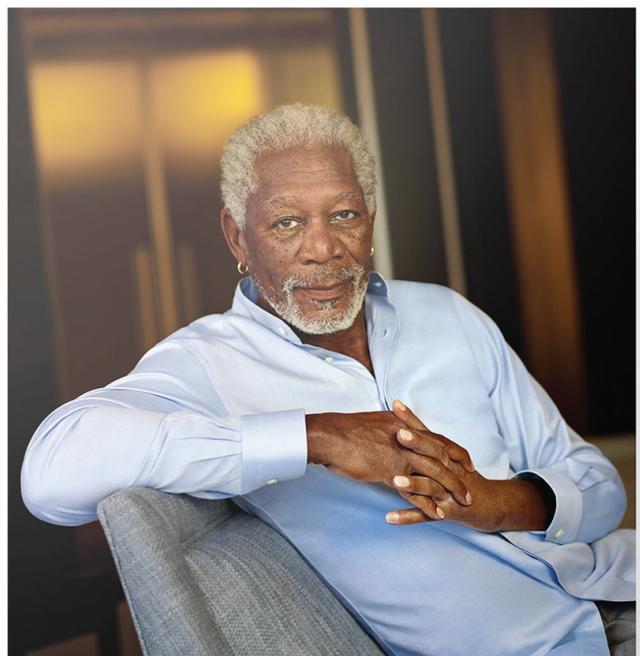
She's a fan.



The Royal Academy of Dance teaches a world-class, classical ballet syllabus and also creates and inspires a passion for dance, which is very special to me.

—Darcy Bussell

My favorite charity is  
**St. Jude's  
 Children's Hospital**  
 in Memphis, Tennessee.  
 Cancer in children is their specialty and no child is turned away for any reason; they are accepted and treated.  
 —Morgan Freeman

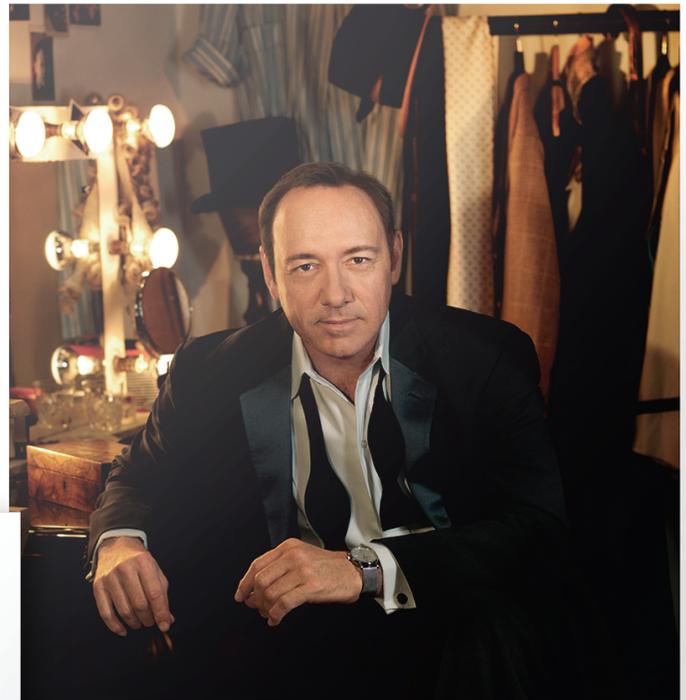


He's a fan.



I've been working with  
**UNICEF**  
since 2004. I've always wanted  
to work with children and to  
work with them in a very global  
way. UNICEF has that reach.

—Lucy Liu



He's a fan.



She's a fan.



The aim of the  
**Kevin Spacey  
Foundation**  
is to “send the elevator  
back down,” and create  
opportunities for  
young emerging artists.

—Kevin Spacey

Mandarin Oriental has donated over US\$500,000  
to various local and international charities  
that are supported by our philanthropic fans.

# Sustainability in Action

## The Fantastic Match

Mandarin Oriental colleagues are making a positive difference in their communities by helping the causes that inspire them. Our U.S. hotel colleagues have a special opportunity to extend their charitable efforts through a matching grant program, "The Fantastic Match." Launched in 2010, the program matches the funds raised by colleagues through their hotel's charitable activities up to US\$10,000 per year. Highlights from "The Fantastic Match" initiative in 2014 include:

### Mandarin Oriental, Miami

The hotel hosted their second annual Hotel Charity Softball Tournament and with the help of a matching grant, donated US\$11,000 to His House Children's Home, a non-profit that provides safe, caring homes to neglected children in South Florida.

### Mandarin Oriental, New York

Through various fund-raising activities in 2014, and a matching grant, Mandarin Oriental, New York contributed US\$20,000 to City Harvest, a food rescue organisation dedicated to helping the more than 1.4 million New Yorkers facing hunger.

### Mandarin Oriental, Washington DC

Colleagues held their fourth annual 5K run/walkathon in September 2014 and with the Group's matching grant, donated over US\$25,000 to Unity Health Care, which helps provide health care services to homeless individuals and families in the District of Columbia.



## Community Programmes

Mandarin Oriental hotels contribute to a number of community outreach and educational programmes within our local communities, whether by volunteering, organising, philanthropy or making in-kind donations. Our programmes demonstrate how we work side-by-side to benefit the communities in which we operate.

### Mandarin Oriental, Bangkok's FANtastic Fundraiser Charity Run

Following the success of its inaugural event in 2013, Mandarin Oriental, Bangkok hosted its second annual FANtastic Fundraiser Charity Run, which drew more than 700 colleagues, their families and for the first time, hotel guests to the 10K run/walk. On 7 December 2014, participants came together to raise funds and awareness for two worthy causes—The Bann Nokkamin Foundation, a non-profit organisation supporting under-privileged children, and The Intellectual Disability Foundation of Thailand under the Royal Patronage of Her Majesty The Queen. Led by General Manager Amanda Hyndman, the event exceeded its goal by raising US\$30,000 through a series of colleague fundraising initiatives in the lead up to the run. The Governor of Bangkok, M.R. Sukhumbhand Paribatra, presided over the event and served as the race official at the starting line. In celebration of their efforts, participants were treated to a barbecue and carnival games courtesy of Mandarin Oriental, Bangkok colleagues.



### Mandarin Oriental, Paris 'Acts for the Planet' with its Tree Donation Programme

In April 2014, Mandarin Oriental, Paris launched a tree donation initiative called 'Act for the Planet' as part of its mission to develop unique and interesting ways to build a more sustainable future. The hotel joined forces with Pur Projet, a Paris-based organisation that aims to counter climate change through reforestation and forest conservation projects carried out by local communities. Through 'Act for the Planet', hotel guests who book a stay on Mandarin Oriental's website can make a donation of eight euros for a tree to be planted in a nearby agroforestry farm. Participating guests also receive an official certificate from Pur Projet with the exact location of their donated tree.



### Mandarin Oriental, Singapore Donates to Food from the Heart

Mandarin Oriental, Singapore has made significant strides to help combat hunger in neighbourhoods nationwide. Each day, the hotel donates unsold bread and pastries from its restaurants to Food from the Heart, a non-profit distribution programme servicing the needs of children, senior citizens and low-income families. This initiative not only reduces the hotel's food waste, but helps to alleviate hunger for less privileged communities in Singapore. Hotel colleagues extended their support for the cause and gathered at the Food from the Heart warehouse to assist with the organisation's food pantry which provides assistance to over a thousand families in need. Colleagues helped pack bags containing basic necessities as well as non-perishable food items such as rice, cooking oil, noodles, biscuits, beverages and canned goods.

# Community Programmes

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



## MANDARIN ORIENTAL, LAS VEGAS

The Public Education Foundation in Las Vegas is dedicated to improving student performance and advancing quality public education in Nevada. Mandarin Oriental, Las Vegas established a programme for colleagues, family members and friends to donate through payroll deductions, gifts and volunteer time.

Thanks to this effort, the charity received over US\$16,000 in 2014.



## MANDARIN ORIENTAL HYDE PARK, LONDON

The annual coat drive Wrap up London took place in early November and Mandarin Oriental Hyde Park colleagues were delighted to 'give a coat and warm a heart'. The charity collects, recycles and redistributes thousands of coats for men, women and children, providing essential winter wear for people in need.



## MANDARIN ORIENTAL, ATLANTA

Colleagues at Mandarin Oriental, Atlanta came together in April 2014 for Sweep the Hooch, an annual spring cleanup of the local Chattahoochee River basin. Volunteers help to pull more than 7 tons of litter from the Chattahoochee, helping to protect the river for the people, fish and wildlife that depend upon it.



## MANDARIN ORIENTAL, GENEVA

The Geneva Volunteer Centre, founded in 1988, is a non-profit organisation whose purpose is to promote volunteerism and aid disadvantaged individuals and institutions. The Centre also collects apparel for distribution to those in need. Colleagues at the hotel contributed in 2014 by arranging a clothing drive of gently used items for men, women and children. The hotel also made clothing donations to its local chapter of the Red Cross.



## MANDARIN ORIENTAL, MACAU

Colleagues at Mandarin Oriental, Macau were delighted to be amongst the supporters of Macau Green Week 2014, organised by The Civic and Municipal Affairs Bureau (IACM) of the Macau government. The 33rd Annual Green Week included tree planting, hiking and educational seminars. The IACM chose Rua de Pequim in Taipa as this year's location for their tree-planting event, where our colleagues helped to plant more than 50 trees.



## MANDARIN ORIENTAL, SANYA

The Bright Connection Centre in Sanya is a haven for children with disabilities and the long-standing charity partner of our resort. In 2014, colleagues raised over US\$22,000 through various events, including the organisation's 10th anniversary gala dinner. Colleagues also helped set-up an art gallery and Taobao online shop featuring children's artwork.



## MANDARIN ORIENTAL, HONG KONG

Oxfam International works with communities in over 90 countries to alleviate poverty. Their Hong Kong partnership produces one of the island's largest fundraising events: the Oxfam Trailwalker. Colleagues at Mandarin Oriental, Hong Kong formed a team and successfully completed the dynamic 100-kilometre coastal trail challenge in 29 hours and 31 minutes. The hotel collected over US\$17,000, a sum that included proceeds from The Mandarin Cake Shop's special fundraising "Cake for a Cause".

## Future Directions

As we look ahead, we will remain focused on the continuous improvement of our environmental performance. In so doing, we will provide our hotels with the necessary resources and leadership to achieve our ambitious 2020 goals. While striving for results, we recognise that each Mandarin Oriental hotel is unique, and our strategies must be adapted to each hotel's individual performance and local conditions.

To help accelerate our progress, we aim to enhance the culture of sustainability at Mandarin Oriental through an empowered and engaged workforce. We will continue to promote the work of our hotel Corporate Responsibility Committees to share best practices. We also plan to enhance our sustainability training programmes for all colleagues.

As we prepare for the G4 reporting next year, we are evaluating topics that are material to our business, in an effort to increase the relevancy and transparency of our reporting and better inform our stakeholders on sustainability issues in the future.

We encourage you to share your views on our sustainability progress. If you have comments or questions about this report, please contact our corporate responsibility team at [sustainability@mohg.com](mailto:sustainability@mohg.com).



# Sustainability Awards and Certifications

## AWARDS

### THE EXCELSIOR, HONG KONG

*Social Capital Builders 2014*

Sustainable Supportive Network

### MANDARIN ORIENTAL, KUALA LUMPUR

*Green Award 2013-2015*

Malaysian Ministry of Tourism

*ASEAN Tourism Award 2014-2016*

### MANDARIN ORIENTAL, MACAU

*Silver Award*

*Macau Green Hotel Award 2013*

### MANDARIN ORIENTAL, TOKYO

*Low Emission Buildings Top 30 in Tokyo*

As part of the Mitsui Nihonbashi Tower, awarded in April 2011 under the Tokyo Metropolitan Government's urban Cap-and-Trade Program and Tokyo Green Building Program.

### MANDARIN ORIENTAL, MIAMI

*3 Palm Award*

Florida Green Lodging Program

*Bronze Level Award*

TripAdvisor GreenLeaders

### MANDARIN ORIENTAL, MUNICH

*Okoprofit Award 2014*

Ecological Project for

Integrated Technology in Germany

## CERTIFICATIONS

### MANDARIN ORIENTAL, KUALA LUMPUR

*ISO 14001*

Certified since December 2003

*ISO 22000*

Certified since December 2008

*OHSAS 18001*

Certified 2003–2015

### MANDARIN ORIENTAL, LAS VEGAS

*GOLD LEED Certified*

LEED Gold Certification after third-party verification of the buildings' green design and performance in multiple categories.

### MANDARIN ORIENTAL, PARIS

*HQE Certified*

First hotel to get the operational HQE certification. The certification builds on 14 criteria of eco-design, eco-management, comfort and health.

### THE EXCELSIOR, HONG KONG

*ISO 22000*

Certified since December 2012

HACCP Certificate

### MANDARIN ORIENTAL, SINGAPORE

*Friend of Water Certification 2014*

## Total Workforce

TOTAL WORKFORCE	MALE	%	FEMALE	%	TOTAL	%
<b>By Region</b>	<b>6,417</b>	<b>54%</b>	<b>5,382</b>	<b>46%</b>	<b>11,799</b>	
Asia	3,847	56%	3,255	44%	7,336	61%
Europe	926	55%	789	45%	1,743	14%
The Americas	1,537	53%	1,372	48%	2,873	24%
Corporate	107	35%	93	65%	143	1%
<b>By Employment Contract</b>						
Full-time	5,955	55%	4,817	45%	10,772	91%
Part-time	151	35%	284	65%	435	4%
Casual	311	53%	281	47%	592	5%
<b>By Colleague Category</b>						
Line Staff	4,709	54%	3,996	46%	8,705	74%
Management	1,368	54%	1,161	46%	2,529	21%
Executive	179	63%	102	37%	274	2%
Other (Casual/Trainee)	161	58%	115	42%	276	2%
<b>By Age Group</b>						
Under 30	2,141	52%	1,967	48%	4,108	35%
30 to 50	3,380	56%	2,691	44%	6,071	51%
Over 50	896	55%	724	45%	1,620	14%
<b>By Nationality</b>						
Asia	3,975	55%	3,312	45%	7,287	62%
Europe	917	55%	747	45%	1,664	14%
North America	981	52%	915	48%	1,896	16%
South America	279	58%	205	42%	484	4%
Africa	102	59%	71	41%	173	1%
Oceania	18	72%	7	28%	25	1%
Other	146	54%	125	46%	271	2%
<b>EXECUTIVE TEAM &amp; BOARD OF DIRECTORS<sup>1</sup></b>	<b>MALE</b>	<b>%</b>	<b>FEMALE</b>	<b>%</b>	<b>TOTAL</b>	<b>%</b>
<b>By Age Group</b>						
Under 30	-	-	-	-	-	-
30 to 50	5	100%	0	0%	5	35.7%
Over 50	7	78%	2	22%	9	64.3%
<b>By Nationality</b>						
Europe	9	90%	1	10%	10	71.4%
North America	2	67%	1	33%	3	21.4%
Oceania	1	100%	0	0%	1	7.1%

## Turnover

NEW COLLEAGUES	MALE	%	FEMALE	%	TOTAL	% OF TOTAL
<b>Colleagues by Age Group</b>	<b>1,914</b>	<b>54%</b>	<b>1,639</b>	<b>46%</b>	<b>3,553</b>	<b>30.1%</b>
Under 30	1,166	52%	1,096	48%	2,262	63.7%
30 to 50	684	58%	486	42%	1,170	32.9%
Over 50	64	53%	57	47%	121	3.4%
<b>Colleagues by Region</b>	<b>1,914</b>	<b>54%</b>	<b>1,639</b>	<b>46%</b>	<b>3,553</b>	<b>30.1%</b>
Asia	1,169	56%	932	44%	2,101	59.1%
Europe	374	52%	348	48%	722	20.3%
The Americas	360	51%	340	49%	700	19.7%
Corporate	11	37%	19	63%	30	0.8%
TOTAL TURNOVER	MALE	%	FEMALE	%	TOTAL	% OF TOTAL
<b>Separations by Age Group</b>	<b>2,015</b>	<b>54%</b>	<b>1,776</b>	<b>47%</b>	<b>3,791</b>	
Under 30	1,049	52%	981	48%	2,030	53.5%
30 to 50	838	55%	687	45%	1,525	40.2%
Over 50	128	54%	108	46%	236	6.2%
<b>Separations by Region</b>	<b>2,015</b>	<b>53%</b>	<b>1,776</b>	<b>47%</b>	<b>3,791</b>	
Asia	1,178	54%	990	46%	2,168	57.2%
Europe	452	53%	396	47%	848	22.4%
The Americas	377	50%	377	50%	754	19.9%
Corporate	8	38%	13	62%	21	0.6%
<b>Turnover Rate by Age Group</b>		<b>31.4%</b>		<b>33%</b>		<b>32.1%</b>
Under 30		49%		49.9%		49.4%
30 to 50		24.8%		25.5%		25.1%
Over 50		14.3%		14.9%		14.6%
<b>Turnover Rate by Region</b>						
Asia		30.6%		32.6%		31.5%
Europe		48.8%		51.8%		50.1%
The Americas		24.5%		27.3%		25.8%
Corporate		7.5%		6.6%		6.9%

## Health & Safety Incidents: Audit Results

PERFORMANCE INDICATOR	UNIT	REGION	2010	2011	2012	2013	2014
<b>Safe Sound &amp; Sustainable</b>							
Audit Results	% Compliance		89.3	90.3	89.8	88.3	90.1
Lost Time Incident Rate	Lost time Incidents / 100 employees	ALL	2.73	2.90	2.46	2.70	2.32
		Asia	2.86	3.04	2.40	2.83	2.30
		Europe	2.27	3.91	4.58	4.20	3.56
		The Americas	2.56	1.90	1.16	1.82	1.53
Lost Time Incident Severity Rate	Severity of incidents / 100 employees	ALL	19.49	24.27	24.59	27.30	25.04
		Asia	17.62	23.54	23.05	27.50	22.22
		Europe	29.18	36.37	42.49	40.42	31.98
		The Americas	20.40	20.57	16.95	19.11	29.16 <sup>19</sup>

## Environmental Performance Summary

PERFORMANCE INDICATOR	UNIT	2012	2013	2014
<b>Energy</b>				
Absolute Energy Consumption (Actual)	GJ	1,211,179	1,227,566	1,354,980
	MMBTU	1,147,977	1,163,508	1,284,273
Absolute Energy Consumption (Baseline)	GJ	1,331,201	1,364,773	1,479,063
	MMBTU	1,261,735	1,293,556	1,401,881
Energy Intensity (Actual)	MJ / m <sup>2</sup>	1,707	1,678	1,581
	MMBTU / ft <sup>2</sup>	0.150	0.148	0.139
<b>Emissions</b>				
Absolute Emissions (Actual)	tons (metric) of CO <sub>2</sub> -e	140,570	137,559	161,645
	tons (US) of CO <sub>2</sub> -e	154,950	151,631	178,181
Absolute Emissions (Baseline)	tons (metric) of CO <sub>2</sub> -e	158,979	157,833	184,481
	tons (US) of CO <sub>2</sub> -e	175,242	173,979	203,354
Emission Intensity (Actual)	kg CO <sub>2</sub> -e / m <sup>2</sup>	198	188	189
	lb CO <sub>2</sub> -e / ft <sup>2</sup>	40.6	38.5	38.6
<b>Water</b>				
Absolute Water Consumption (Actual)	m <sup>3</sup>	2,998,857	3,136,483	3,042,952
	million gallons (US)	792	829	804
Absolute Water Consumption (Baseline)	m <sup>3</sup>	3,089,579	3,225,003	3,252,488
	million gallons (US)	816	852	859
Water Intensity	litres / guest night	917	847	804
	gallon (US) / guest night	242	224	212
<b>Waste</b>				
Total Waste	kilograms	10,304	9,635	12,599
	pounds	22,717	21,242	27,777
Diverted Waste	kilograms	1,364	2,286	3,742
	pounds	3,006	5,039	8,250
Waste Landfill Intensity	kilograms / guest night	3.59	3.46	3.56
	pounds / guest night	7.91	7.63	7.84
Diversion Rate	percent	17	24	30
<b>Operational Data</b>				
Total Air Conditioned Area	m <sup>2</sup>	709,465	731,431	857,215
	ft <sup>2</sup>	7,636,608	7,873,047	9,226,979

Mandarin Oriental, Bangkok and Mandarin Oriental, Sanya 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, Bangkok, Sanya, San Francisco, Atlanta as well as The Landmark Mandarin Oriental are excluded from the waste figures, due to incomplete data.

## Endnotes

### Delivering Excellence

- 1 Mandarin Oriental, Manila was closed in 2014. Per our calculation methods, the final energy and GHG emissions figures are included in the 2014 data. Other figures in this report exclude this property.
- 2 Headcount was reduced in 2014 compared to 2013 because of changes in boundary with three properties exiting the portfolio or closing
- 3 Local is defined as residing near a hotel's location for six months prior to employment. Managers are defined as colleagues directing a department or group of colleagues.
- 4 Compensation Force "2014 Turnover Rates by Industry," 2014.  
[www.compensationforce.com/2015/03/2014-turnover-rates-by-industry.html](http://www.compensationforce.com/2015/03/2014-turnover-rates-by-industry.html)
- 5 United States Bureau of Labor Statistics "Work-related Fatalities, Injuries, and Illnesses", 2013.  
[www.bls.gov/iag/tgs/iag72.htm](http://www.bls.gov/iag/tgs/iag72.htm)
- 6 World Economic Forum "Global Risks 2015" 10th Edition, 2015. [reports.weforum.org/global-risks-2015](http://reports.weforum.org/global-risks-2015)

### Advancing Sustainability

- 7 This investment figure only applies to our partially and wholly-owned properties in Asia, with additional investments made in properties where we hold partial ownership of the asset.
- 8 Reductions—in energy use, greenhouse gas emissions and water use—are calculated as the difference between the absolute performance in the current year and a "baseline" value, which assumes that no measures have been taken to increase efficiency since the reference year 2007. The baseline is corrected for variable factors such as occupancy, weather or number of meals served, to ensure that data is comparable from year to year. The method we developed follows the guidelines established by the International Performance Measurement and Verification Protocol (IPMVP).
- 9 Scope 1 emissions are composed of emissions from direct energy sources, including natural gas, diesel and propane. Scope 2 emissions are the sum of emissions from indirect energy sources, including electricity generation, chilled water and heated water/steam. Due to the nature of our business, indirect emissions (Scope 2) make up the largest component of our emissions. Electricity emission factors for properties outside the US have been obtained from the International Energy Agency. Electricity emission factors for US properties have been based on the eGrid of the US Environmental Protection Agency (EPA). Chilled water purchased from external sources such as district or centralised cooling has been converted to energy and emissions using the simplified approach for electric-driven compressor and a COP of 4.2 as defined by California Climate Change Registry. Steam or heating purchased from external sources such as district or centralised heating has been converted to emissions using Energy Information Administration, Voluntary Reporting of Greenhouse Gases, Appendix N.
- 11 Diesel will remain the primary fuel source for stand-by generators.
- 12 Renewable Energy Certificates (RECs) are included in the emission calculations, Annual average greenhouse gas emissions per passenger vehicle is 5.10 t CO<sub>2</sub>-e per year as in [www.epa.gov/cleanenergy/energy-resources/refs.html](http://www.epa.gov/cleanenergy/energy-resources/refs.html). Emissions from stationary combinations, such as boilers, have been based on the Greenhouse Gas Protocol Cross Section Tools.
- 13 [www.epa.gov/cleanenergy/energy-resources/refs.html](http://www.epa.gov/cleanenergy/energy-resources/refs.html)
- 16 Mandarin Oriental, Sanya, Bangkok, Atlanta, and San Francisco as well as The Landmark Mandarin Oriental, Hong Kong are not included in the waste figures due to inconsistencies in data collection methodology. We are striving to correct these processes
- 17 World Economic Forum "Global Risks 2015" 10th Edition, 2015. [reports.weforum.org/global-risks-2015](http://reports.weforum.org/global-risks-2015)
- 18 Mandarin Oriental, Sanya and Mandarin Oriental, Bangkok are included in total water consumption figures, but not included in water intensity figures due to inconsistent data. We are striving to correct these processes.
- 19 Prior data have been restated to correct prior omissions from some properties in data collection.





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