



MANDARIN ORIENTAL  
THE HOTEL GROUP

# SUSTAINABILITY REPORT 2015



MANDARIN ORIENTAL  
THE HOTEL GROUP

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

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



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ASIA-PACIFIC



Mandarin Oriental, Bangkok



Mandarin Oriental, Guangzhou



Mandarin Oriental, Hong Kong



The Landmark 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

THE AMERICAS



Mandarin Oriental, Atlanta



Mandarin Oriental, Boston



Mandarin Oriental, Las Vegas



Mandarin Oriental, Miami



Mandarin Oriental, New York



Mandarin Oriental, Washington DC

EUROPE,  
MIDDLE EAST  
AND AFRICA



Mandarin Oriental, Barcelona



Mandarin Oriental, Bodrum



Mandarin Oriental, Geneva



Mandarin Oriental Hyde Park, London



Hotel Ritz, Madrid



Mandarin Oriental, Marrakech



Mandarin Oriental, Milan



Mandarin Oriental, Munich



Mandarin Oriental, Paris



Mandarin Oriental, Prague

## About Mandarin Oriental Hotel Group

Mandarin Oriental Hotel Group is an international hotel investment and management group with deluxe and first class hotels, resorts and residences in sought-after destinations around the world. Having grown from its Asian roots into a global brand, the Group now operates 29 hotels and seven residences in 19 countries and territories, with each property reflecting the Group's oriental heritage and unique sense of place. Mandarin Oriental has a strong pipeline of hotels and residences under development, with the next hotel opening planned in Doha. The Group has equity interests in a number of its properties and adjusted net assets worth approximately US\$3.6 billion as of 31st December 2015.

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 Group regularly receives recognition and awards for outstanding service and quality management. Mandarin Oriental is committed to exceeding its guests' expectations through exceptional levels of hospitality, while maintaining its position as an innovative leader in the hospitality industry. The strategy of the Group is to open the hotels currently under development, while continuing to seek further selective opportunities for expansion around the world.

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. Mandarin Oriental is a member of the Jardine Matheson Group.





**As the Group extends its global reach, it is important to have a framework of sustainability strategies and programmes in place to address topics such as climate change and water scarcity.**

## Doing More for a Sustainable Future

For more than 50 years Mandarin Oriental has been recognised as a leader in luxury hospitality. The hotels are renowned for service excellence, which is delivered daily by 12,000 colleagues around the world. The Group remains committed to operating its hotels to the highest standards and in responsible and sustainable ways.

As the Group extends its global reach, it is important to have a framework of sustainability strategies and programmes in place to address topics such as climate change and water scarcity.

In 2015, the Group sharpened its focus on sustainability—convening a stakeholder panel of leading NGOs and experts to prioritize the most quantifiable topics. As a result, this report is the first to be published using the G4 standards from the Global Reporting Initiative, which is the leading standard for corporate reporting on sustainability.

The 2015 report highlights the progress towards the Group's 2020 environmental goals as well as group-wide commitments and practices to deliver excellence, advance sustainability and champion the communities in which it operates. The aim is also to be transparent about future sustainability challenges and ambitions.

The 2015 sustainability accomplishments were made possible due to the hard work and dedication of the Group's 12,000 colleagues:

- From 2007–2015, Group-wide emissions and water intensity were reduced by 18.8% and 16.0% respectively—placing the company well on-track to meet its 2020 goals and resulting in cost savings in excess of US\$36 million to date.
- The Group celebrated its 15th year of executing the Safe, Sound and Sustainable Programme—exceeding the 2015 Group-wide performance target and improving environmental performance scores for the fourth consecutive year.
- Mandarin Oriental colleagues across all destinations, continued to identify and engage with local community needs in impactful and targeted ways.

Despite the company's pride in these accomplishments, it recognizes that it must continue to evolve and improve, particularly in the area of waste minimisation, in order to meet the 2020 goal of a 20% reduction in waste intensity from 2012 levels.

Looking ahead, the Group will continue to encourage colleagues to advance sustainability, and engage with communities and stakeholders to achieve measurable results over the decades to come. Thank you for following Mandarin Oriental's progress.

James Riley  
Group Chief Executive



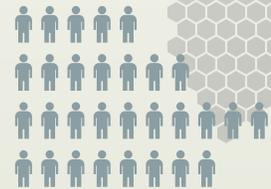
# Report Highlights: Scope of 2015 Operations



29 hotels and  
7 residences in  
19 countries and  
territories

Nearly 900,000  
square metres of  
properties across  
close to 8,000 rooms

Approximately  
12,000 colleagues  
employed representing  
nationalities across  
the globe



## Goals, Commitments and Practices



**25%**  
reduction by **2020** in  
**greenhouse  
gas emissions intensity**  
(from 2007 levels)

Reduced 2015 greenhouse gas  
emissions intensity by

**18.8%**  
(from 2007 level)

On track to reach interim goal of

**17.5%**  
by 2016

Committed to begin a  
Food & Beverage  
**fair trade sourcing**  
initiative in 2016



**20%**  
reduction by **2020** in  
**water intensity**  
(from 2007 levels)

Reduced 2015 water intensity by

**16.0%**  
(from 2007 level)

On track to reach  
interim goal of

**15%**  
by 2016

Convened  
**stakeholder panel**  
to support the Group's  
first materiality assessment



**20%**  
reduction by **2020** in  
**waste to landfill** per guestroom  
(from 2012 levels)

Reduced 2015 waste intensity by

**0.4%**  
(from 2012 level)

Behind schedule to  
reach interim goal of

**10%**  
by 2016

Conducted portfolio-wide  
**biodiversity and  
water risk assessments**  
for hotels

## Safe, Sound and Sustainable Programme

### 15th year

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

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

Exceeded  
**90%**

Group-wide target Safe, Sound, and Sustainable score in 2015

Group-wide  
**85%**  
environmental score in 2015

**100%**  
increase in environmental scores since introduced four years ago

## Delivering Excellence

**11**

of our restaurants have been honoured with a total of

**16**

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

Announced **Healthy Living** programme with Mayo Clinic in Bodrum, Turkey—the first of its kind

**85%**

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



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

## Advancing Sustainability

More than  
**US\$36 million**

saved due to our energy and water conservation measures since 2007

**4%**

of greenhouse gas emissions reduced from utilisation of renewable energy credits



**7,300 kilograms**

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

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



## Championing Community

**10 years**

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

Completed

**5th year**

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

Supported more than  
**50**  
charities and community organisations in 2015

Each property identified and executed on **targeted community support activities** in 2015





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# Strategy and Governance

## Guiding Principles and Corporate Responsibility Policy

### Our Guiding Principles and How they Inform our Corporate Responsibility Programmes

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

### Our Corporate Responsibility Policy

Each of our Guiding Principles feeds into how we execute our Corporate Responsibility policy.

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

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

The World Travel and Tourism Council estimates that travel and tourism generated 10% of global GDP and 11% of jobs in the global economy in 2014. Growth in tourism and the number of global travellers are expected to continue to rise over the next ten years<sup>1</sup>.

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



## Our Guiding Principles

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

### Delighting our guests

We 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.

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

### 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.

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

### 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.

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

### 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.

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

### 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.

*To deliver shareholder value, we emphasise strong corporate governance practices and promote conservation, increased operational eco-efficiency and targeted return on investment projects through our corporate responsibility programmes.*

### 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.

*We strictly enforce our Code of Conduct and promote our values to our suppliers and business partners.*

### 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.

*The topics of Energy, Emissions, Water, Waste, Biodiversity and Community Engagement are central to our corporate responsibility platform. Through active stakeholder engagement, we identify opportunities where our corporate responsibility programmes can continue to improve and evolve.*



## Management And Governance

### Our Group Corporate Responsibility Committee

The Group Corporate Responsibility Committee (GCRC) is responsible for Mandarin Oriental's overall sustainability strategy, including the establishment of measurable goals, developing programmes, and promoting and soliciting feedback on corporate responsibility initiatives. Since formation, Terry Stinson, Group Development Director and President, The Americas has directed the GCRC. Mr Stinson is an executive-level member of the management board who directly reports to our Chief Executive Officer.

From January 2016, Vincent Marot, our Group Director of Technical Services, will be leading the GCRC upon Mr Stinson's retirement.

### Hotel Corporate Responsibility Committees

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

### How We Execute our Corporate Responsibility Policy

The following directives anchor how we execute our corporate responsibility policy

#### Conservation

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

#### Luxury and Sustainability

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

#### Awareness and Integration

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

#### Local Empowerment

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

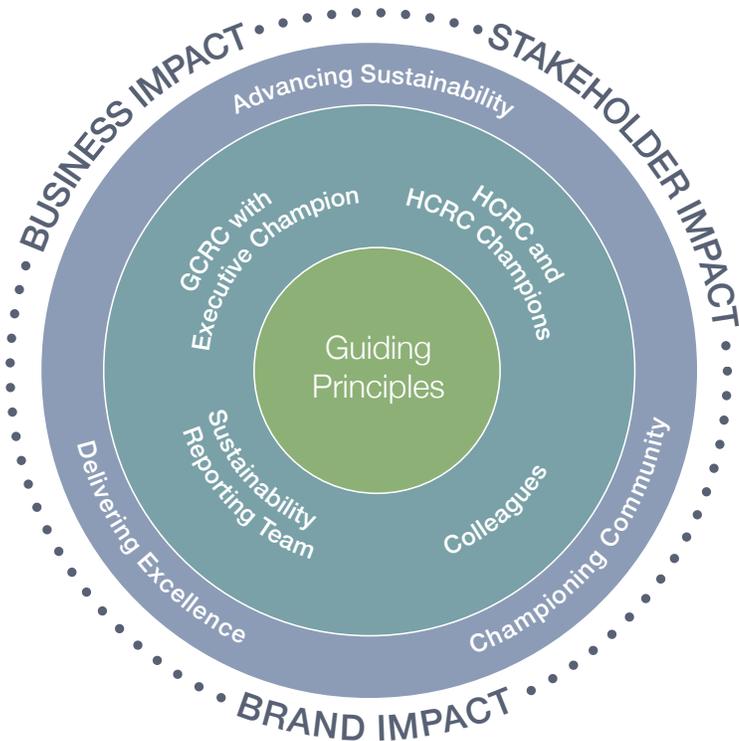
#### Accountability

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

#### Authenticity

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

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



## Safe, Sound and Sustainable Programme

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

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

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. The environmental guidelines cover the Hotel Corporate Responsibility Committee, management of energy and water consumption, greenhouse gas emissions and the generation and disposal of waste.

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

### Our Performance: 2015 Audit Results

Over the past 10 years, audit performance has remained stable, within 2% of the Group's target of 90%. In 2015, the Group's overall average score was 90.8%, an improvement of 0.7 percentage points over the prior year and above the target of 90%, with 23 of 26 hotels exceeding 85%. Additionally, 19 hotels (90% of all eligible properties) received unannounced audits in 2015.

In 2015, Group performance in the environmental section increased to 85%, an improvement over the prior year's score of 77%. Over the past four years, the Group's score has improved dramatically from its initial score of 42% in 2012, when the environmental guidelines were introduced.

## 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*



### OCCUPATIONAL HEALTH & SAFETY

Health and safety topics in the workplace.

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



### SECURITY

Security of guests, colleagues and property.

*Based on international best practices*



### HEALTH AND SAFETY

Health and safety topics related to guests.

*Based on the British and European standards*



### FOOD & BEVERAGE

Health and safety related to

Food and Beverage operations.

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



### BUSINESS CONTINUITY PLANNING & RISK MANAGEMENT

Overall Risk Management and business continuity.

*Developed on proven risk assessment and risk management methodology*



### SPA, FITNESS & WELLNESS

Health and safety related to Spa, Fitness and Wellness operation.

*Based on international best practices*



### ENVIRONMENT

Management of the property's environmental impact.

*Based on international best practices*

## Responsible Operating Practices

### Enforcing Our Code of Conduct

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 ensure awareness and compliance by direct reports within their organisations. The Group has procedures in place by which colleagues can raise, in confidence, matters of serious concern in areas such as financial reporting or compliance.

### Respecting and Protecting Human Rights

Mandarin Oriental Hotel Group strives to conduct our business in a manner consistent with the United Nations Universal Declaration of Human Rights and the International Labour Organisation's Fundamental Conventions with regard to child labour and forced labour, wages and working hours, health and safety, freedom of association and non-discrimination. We also aim to ensure that suppliers, vendors and business partners share our values with regard to fundamental human rights.

### Managing Anti-Corruption Risk

Bribery and corruption are explicitly prohibited in our Code

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

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

### Enterprise Risk Management

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



In 2015, our Group Corporate Responsibility Committee oversaw the development of the first Group-wide water and biodiversity risk assessments for our properties.

## Long-Term Outlook

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

TOPICS	IMPLICATIONS	STRATEGIES
 <p><b>CLIMATE CHANGE</b></p>	<p>In the World Economic Forum's 2016 Global Risk Perception survey, the failure to address climate change was named the world's top risk in terms of perceived impact<sup>2</sup>.</p> <p>Changing climate patterns may cause an increased occurrence of droughts, hurricanes and typhoons, risks affecting our infrastructure, our colleagues in their livelihoods, our guests' travel plans and the health of our communities.</p>	<p>Mandarin Oriental strives to help mitigate these risks by embedding sustainability strategies into our global business model. Investing in efficient technology and equipment, combined with integrating sustainability practices into our business, affords multiple benefits.</p>
 <p><b>WATER STRESS</b></p>	<p>According to the World Resource Institute, more than a billion people currently live in water-scarce regions, and as many as 3.5 billion could experience water scarcity by 2025<sup>3</sup>.</p> <p>Society and businesses depend on the availability of safe, reliable supplies of water to maintain life, sanitation and human activities.</p>	<p>Mandarin Oriental formally assesses water risks across our portfolio to inform long-term strategies to conserve and protect water.</p>
 <p><b>SUSTAINABLE FOOD</b></p>	<p>Determining a way to sustainably feed the world's growing population presents a series of challenges including soil erosion, destructive fishing practices and the agriculture industry's own impacts on local climates, ecosystems and water supplies.</p>	<p>Across our operations, we plan to continue our support for and sourcing from farmers, ranchers and fisheries that engage in sustainable methods for food production.</p>
 <p><b>CHANGING CONSUMER DEMOGRAPHICS AND PREFERENCES</b></p>	<p>Augmented by technology, connectivity and globalisation, the travel and tourism industry is currently experiencing robust growth and transformation, increased interest in sustainability, a more diverse travel population and the emergence of the sharing economy, which are among the many trends that we closely monitor.</p>	<p>Our corporate responsibility programmes provide us with methods that support how we can better understand and respond to the changing market landscape in a manner that elevates our brand and how we will delight our guests in the 21st century.</p>



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





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# Stakeholder Engagement and Materiality

# Stakeholder Engagement

Mandarin Oriental Hotel Group serves a diverse group of stakeholders. Effective consultation and involvement with our stakeholders is crucial to understanding their viewpoints so that we can better align our business with their goals:

STAKEHOLDERS			
GUESTS	COLLEAGUES	OWNERS AND DEVELOPERS	LOCAL COMMUNITIES
PRIMARY 2015 ENGAGEMENT METHODS			
<ul style="list-style-type: none"> <li>- Guest Satisfaction Survey</li> <li>- Solicitation of Direct and Target Feedback to Inform Quality Programmes</li> </ul>	<ul style="list-style-type: none"> <li>- Colleague Engagement Survey</li> <li>- Career Development Plans and Performance Reviews</li> <li>- Hotel Corporate Responsibility Committees</li> <li>- Safe, Sound and Sustainable Programme</li> </ul>	<ul style="list-style-type: none"> <li>- Close Partnerships and Regular Communications throughout Design, Development, Construction and Management of Properties</li> </ul>	<ul style="list-style-type: none"> <li>- Participation in Local Stakeholder Groups including:                             <ul style="list-style-type: none"> <li>- Hotel Associations</li> <li>- Chambers of Commerce</li> <li>- Business Development Councils</li> <li>- Convention and Visitors' Bureaus and Promotion Organisations</li> <li>- Travel and Tourism Associations</li> <li>- Community Benefit Organisations</li> <li>- Local Heritage Preservation Initiatives</li> <li>- Training and Local Talent Retention Organisations</li> <li>- Local Collectives for Recycling</li> <li>- Employer Organisations and Professional Associations</li> </ul> </li> </ul>
IDENTIFIED TOPICS OF CONCERN			
<ul style="list-style-type: none"> <li>- Guest Wellness</li> <li>- Food Safety</li> <li>- Information Protection</li> </ul>	<ul style="list-style-type: none"> <li>- Compensation and Benefits</li> <li>- Professional Development</li> <li>- Occupational Health and Safety</li> <li>- Corporate Responsibility</li> <li>- Community Engagement</li> </ul>	<ul style="list-style-type: none"> <li>- Economic Performance</li> <li>- Energy Efficiency</li> <li>- Risk Evaluation and Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>- Economic Presence and Participation</li> <li>- Local Talent Acquisition and Retention</li> <li>- Skills Training</li> <li>- Culture and Heritage Protection</li> <li>- Topics Specific to Individual Communities</li> </ul>



PRIMARY 2015 ENGAGEMENT METHODS

<ul style="list-style-type: none"> <li>– Ongoing and routine discussions with our controlling shareholder Jardine Matheson Group on Financial Performance, Risk Management and other current issues</li> <li>– Financial and Sustainability Reporting</li> <li>– Shareholder Feedback Mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>– Supplier Meetings to discuss Sustainable Sourcing Opportunities</li> <li>– Food and Beverage Conference</li> <li>– Partnerships with Local Farmers, Ranchers and Fisheries</li> </ul>	<ul style="list-style-type: none"> <li>– Participation in World Travel and Tourism Council’s Task Force on Industry Strategies for Climate Change</li> <li>– Participation in Industry Hotel Carbon and Water Measurement Initiatives</li> <li>– Monitoring and Evaluating Industry Corporate Responsibility Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>– Interviews and Panel Discussion to discuss opportunities to improve Corporate Responsibility Programmes and Reports</li> </ul>
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IDENTIFIED TOPICS OF CONCERN

<ul style="list-style-type: none"> <li>– Corporate Governance</li> <li>– Economic Performance</li> <li>– Customer Satisfaction</li> <li>– Environmental Performance</li> <li>– Risk Evaluation and Monitoring</li> </ul>	<ul style="list-style-type: none"> <li>– Economic Performance</li> <li>– Operational Eco-Efficiency</li> <li>– Climate and Water Risk</li> <li>– Sustainable Food</li> <li>– Human Rights in the Supply Chain</li> </ul>	<ul style="list-style-type: none"> <li>– Carbon Emissions Reduction Targets</li> <li>– Human Rights in the Supply Chain and Tourism Industry</li> </ul>	<ul style="list-style-type: none"> <li>– Energy, Water, Waste, and Greenhouse Gas Emissions</li> <li>– Colleague Training and Skills Development</li> <li>– Guest Engagement on Sustainability</li> <li>– Human Rights in the Supply Chain and Tourism Industry</li> <li>– Biodiversity</li> <li>– Supply Chain Responsibility</li> </ul>
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## Materiality Assessment

In alignment with the framework and best practices set forth in the Global Reporting Initiative's G4 guidelines, we have conducted a materiality assessment to inform the selection of topics for our Sustainability Report.

The process began with the conducting of an internal workshop facilitated by a third-party consulting firm, Greenview, where the Group Corporate Responsibility Committee evaluated a series of corporate responsibility topics based on the degree of the Group's economic, social and environmental impacts (both actual and potential) and the level

of stakeholder concern for each topic. We also considered issues that are specific to the travel and tourism industry.

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

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

**Based on the findings of the materiality assessment, we identified topics to prioritise within the Group's corporate responsibility reporting and programmes, which include:**

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

Our 2015 Sustainability Report includes expanded content that incorporates the GRI G4 reporting guidelines, materiality assessment findings and specific feedback from our stakeholder panel to improve our sustainability reporting.







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# Delivering Excellence

## Delighting our Guests

### Goals and Commitments

To completely delight and satisfy our guests

### Practices

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

### Future Directions

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

Mandarin Oriental's reputation for providing legendary service is the hallmark of our brand.

### Creating Legendary Quality Experiences

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.

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

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



Mandarin Oriental's reputation for providing legendary service is the hallmark of our brand.



## Fostering Loyalty and Adding a Personalised Touch

A personalised touch and attention to the smallest details are critical to how we are able to delight and satisfy guests. For example, we take the time and effort to remember and address each guest by name, document guest preferences and customise meals according to their dietary requirements.

When guests visit our hotels for special events, we also take notice. In 2015, several guests visited us in Tokyo and New York to participate in marathons. To celebrate this achievement, colleagues at Mandarin Oriental, Tokyo used guests' running numbers to find out their final times and print them a congratulatory card with their picture when crossing the line, as well as their time of completion at the race. Colleagues at Mandarin Oriental, New York provided marathon runners with special menus and a goodie bag filled with marathon essentials, such as Vaseline, Epsom salts and arnica oil.

We also identify creative and meaningful ways to acknowledge some of our most loyal guests. In 2015 in Tokyo, a guest and avid rugby fan, who has stayed with us more than 200 times, celebrated his birthday at the hotel. Colleagues at Mandarin Oriental, Tokyo prepared a birthday cake designed as a rugby field, and gave him a rugby shirt and a rugby ball signed by all colleagues as gifts to commemorate the occasion.

## Incorporating Sustainability into the Guest Experience

In addition to partnering with guests through linen and towel reuse programmes, we have begun to identify compelling ways to further integrate sustainability into the guest experience. Here are highlights from 2015 across our properties:

**Going Electric** The Tesla Model S is now a guest transportation vehicle at

select Mandarin Oriental hotels in the United States and Europe. In Miami and Washington DC, the exclusive use of the Tesla is also part of a special guest package. Additionally, we have begun installing electric vehicle charging stations at our hotels and residences.

**Sustainability and Style** Mandarin Oriental, Singapore created a "Swim in Style" guest package, which includes eco-friendly swimwear made of recycled materials in addition to yoga treatments and special spa cuisine. The swimwear is also featured and sold at the hotel's spa.

**Promoting Socially Responsible Enterprises** The Spa at Mandarin Oriental, Boston now features a local jeweller that uses recyclable metals, with some of the proceeds from sales being donated to Maloto, a charity focused on helping the people of Malawi.

**The Library of the Future** Our hotels have begun providing guests with access to an online library of international newspapers and magazines available upon check-in—an alternative that avoids printed copies and provides guests with greater choice.

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

**Having Your Own Tree** Mandarin Oriental, Paris introduced an “Act for the Planet” activity where guests can buy a tree in Paris for under EUR10. In return, guests receive a personalised certificate that allows them to follow the evolution of their tree in its natural environment, and support forests and sustainable agriculture models in France.

**Starting Young** At Mandarin Oriental, Sanya, a popular destination for

families, children are provided with a fun activity where they complete their own personalised “passport” and learn about the nearby Coral Bay’s fauna and wildlife in the process.

Moving forward, the inclusion for more specific questions on sustainability in a guest survey and receipt of solicited guest feedback will inform future guest initiatives and programmes.

### Listening to Our Guests

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

We also 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 2015, the Group received over 36,500 guest satisfaction surveys.

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

### Solving Problems

Each of our hotels is committed to achieving its guest satisfaction goals, and monthly reports highlight both improvements made and “red flag” areas that need to be addressed.

Floral Garden at  
Mandarin Oriental  
Hyde Park, London



An important mechanism utilised by the Group to address these “red flag” areas is the Project Solving Technology programme.

Over a duration of several months, teams at the hotels are tasked with identifying root causes to specific problems, engaging in ideation to identify solutions, presenting on their solutions and then measuring progress based on designated key performance indicators for the project. In 2015, we began to refresh the programme and revised its standards. In 2016, each hotel is targeted to complete two Problem Solving Technology projects.

### Responding to Emerging Information Protection Challenges

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

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

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

In 2015, we experienced a malware incident. Further information on the nature of the incident and our company’s response can be found in our press release dated 10 July 2015.

## OUR PERFORMANCE

### Guest Satisfaction

Mandarin Oriental’s overall satisfaction ratings indicate a consistently high level of guest satisfaction and loyalty to the brand, varying less than three percentage points since 2009. In 2015, we achieved an overall satisfaction rate of 89%, consistent with our performance range between 88-89% since 2011. We have identified colleague engagement, anticipation of guest needs and a smooth arrival process as key drivers of customer satisfaction.



## Committing to Health, Safety and Wellness

### Goals and Commitments

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

### Practices

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

### Future Directions

Enabling “Wellness Everywhere”—not only in our Spas but across all touch points of the guest experience

We are responsible for providing a safe environment for our guests.

### The Importance of Health and Safety

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

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



### OUR PERFORMANCE

#### Occupational Health and Safety

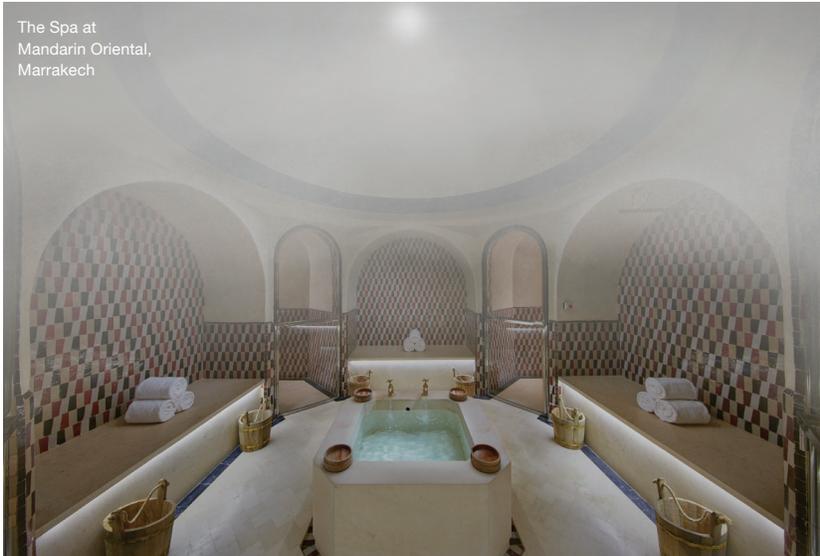
In 2015, there were 6.7 incidents per 100<sup>5</sup> colleagues resulting in lost time, an increase from 2014 and above the United States Bureau of Leisure and Hospitality safety rate of 3.7 incidents per 100 colleagues. The incident rate of our European hotels was above the proximate U.S. industry average at 14.3 incidents per 100 colleagues, and increased significantly from the prior year.

The incident severity rate, a measure of lost days per incident, decreased 3% in 2015, to 24.29 lost days per incident per 100 colleagues. Asia demonstrated decreasing trends, whilst Europe and the Americas increased slightly.

*Please see the Appendix for more detailed results.*

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

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



The Spa at  
Mandarin Oriental,  
Marrakech

### Holistic

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

### Authentic

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



### Personal

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





In 2015, Mandarin Oriental Group announced an exciting new partnership with Mayo Clinic to introduce the Mayo Clinic Healthy Living Programme at Mandarin Oriental, Bodrum—the first of its kind. With a focus on preventive wellness and designed to inspire a more balanced lifestyle, the wellness programme offers guests a choice of tailor-made experiences, from one-day assessments to five-day retreats, as well as à la carte services.

In alignment with this philosophical approach, our Group's Global Spa and Wellness team achieved a series of milestones in 2015, which included:

- A coordinated **Global Wellness Day**, where our spas offered a complimentary wellness activity to local communities around the globe
- A piloted experimental **Silent Night event** across all spas during the holiday season with no talking or music, in recognition that the spa is a place to rest one's mind
- Presented the Spa's **wellness activity** at the Group's Food and Beverage Conference to inform on changing consumer trends and expectations in the wellness arena and discuss future developments and best practices to enhance our wellness offerings
- Established a relationship with **Mayo Clinic**, a leading research hospital in the United States, to seek authentic expertise in developing scientifically validated wellness programmes

### The Path Toward "Wellness Everywhere"

We are motivated by a vision of "Wellness Everywhere" where wellness is cultivated not only in our spas but also across all touch points of the

guest experience. To deliver on this vision, we are focused on harnessing the experience of our therapists and their unique specialisations that cover a wide range: from Tai Chi to Shanghaiese pedicures. In addition, we plan to increasingly host innovative visiting practitioners, such as iridologists, trichologists and specialised sound healers. We also continue to explore innovative partnerships and share best practices from our spa programmes to enhance the wellness of our colleagues.

### Integrating Wellness into our Corporate Culture

Often inspired by our guest services, colleague wellness has increasingly become part of the corporate culture at our hotels. Colleague wellness activities consider both physical and mental health, and provide an opportunity to support team building. 2015 colleague wellness highlights included:

**Start with a Stretch** At Mandarin Oriental, Macau, a stretching exercise is now part of colleagues' MOver In orientation.

### Betterment Through Wellness

Anchored by its "Wellness Fridays", Mandarin Oriental, Singapore hosted team building activities that included kickboxing, yoga, rock climbing and

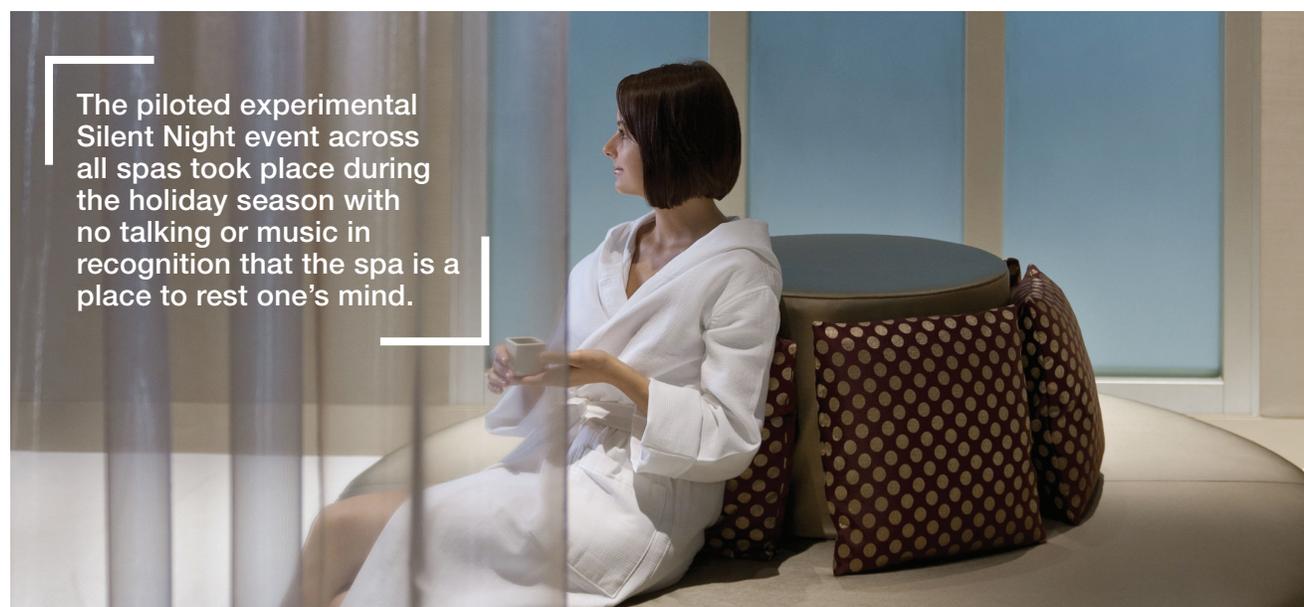
cycling. The hotel also held seminars that covered skin care, posture, the relationship between food and mood, and motivational techniques.

**Talking About Health** Mandarin Oriental, Kuala Lumpur hosted a series of "Health Talks" covering topics including insomnia, ergonomics and cancer awareness. Mandarin Oriental, Hong Kong also conducted a colleague seminar on stress management.

**Run. Run. Run.** Colleagues at Mandarin Oriental Hyde Park, London formed a running club that completed a half marathon and night race where 21 colleagues raised nearly £500 to support a paralysis charity.

**Leading By Example** Mandarin Oriental, Kuala Lumpur's General Manager joined more than 20 colleagues to participate in a run, which supported the Group's Global Spa and Wellness team in the #wellnesseverywhere social media campaign. He also led the way up 31 floors during the hotel's "Conquer MOKUL" team event.

**Knowledge is Power** The Human Resources team at Mandarin Oriental, Washington DC conducted a health fair for colleagues with on-site vendors providing information on how to access the hotel's wellness benefits.



The piloted experimental Silent Night event across all spas took place during the holiday season with no talking or music in recognition that the spa is a place to rest one's mind.

## Engaging our Colleagues

### Goals and Commitments

To recruit, develop and retain the best talent

### Practices

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

### Future Directions

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

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

### The Importance of an Engaged Workforce

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

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

### Beginning the Journey

In the same way that we consider the various touch points associated with our guests' journey through our hotels, we also consider the colleague's journey and how we can improve upon the touch points that they experience during their employment with us.

Upon commencement with the Group, all new colleagues follow our extensive MOve In orientation process, which introduces them to our unique company culture and heritage.

### Recognising Excellence and Tenure

Each of our hotels has a Colleague of the Month or Quarter programme, which is developed locally to ensure that the recognitions and rewards are relevant to the local environment. At the Group level, our Long Service Awards programme rewards



colleagues upon every five years of employment. We also recognise colleagues through the MOstay programme, which enables colleagues to stay at our hotels at reduced rates. During bi-monthly Human Resources meetings, hotels share best practices and ideas so that we can continue to enhance our colleague benefits and recognition programmes.

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

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

Results from the Colleague Engagement Survey are reviewed at the hotel, regional and Group levels. Data is also analysed by age, length of service and gender to ensure that we are able to identify any specific concerns among these target groups.

During our annual Human Resources Strategy Meeting, the Colleague Engagement Survey results inform the development of the plan for the upcoming year.

### Engaging our Colleagues in Sustainability

An educated and engaged workforce is key to operating our hotels more sustainably. Equally important, we believe that our sustainability programmes will also lead to greater engagement among our colleagues and connect them with a greater sense of purpose. In recent years, we have made strides to increase colleague awareness of our commitment to sustainability.

The following 2015 highlights exemplify the types of activities that we can expand upon:

#### Colleague Orientation Integration

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

#### Harnessing the Ideas of Colleagues

Mandarin Oriental, Hong Kong launched the i-Suggest campaign where colleagues were invited to

submit their suggestions on how to make the hotel more sustainable.

#### Field Trips and Educational Site Visits

Colleagues at The Landmark Mandarin Oriental, Hong Kong visited a nearby Ecopark and plastic recycling centre in addition to a "Clean the World" factory to understand how the hotel's soap is converted to new soap and donated to people in developing countries. Colleagues at Mandarin Oriental, Bangkok visited a centre at Sunny Banchak where 150,000 solar panels produce 38 megawatts of electricity for commercial distribution. Mandarin Oriental, Prague also arranged a colleague visit to The Prague Museum of Water Supply to learn more about water distribution and storage.

#### Team Building Activities

Mandarin Oriental, Atlanta adopted a section of the Old Forth Ward Park near The Atlanta Beltline for park cleanup. On a quarterly basis, colleagues pull weeds and general cleanup of the designated area. This project has built team morale and provided colleagues with a chance to participate in a group activity outside of the workplace.

## OUR PERFORMANCE

### Colleague Engagement and Turnover

The colleague response rate to our most recent survey in 2015 was 95% and revealed an 85% favourable rating (excellent or above average). Since 2010, the percentage of colleagues rating Mandarin Oriental Hotel Group as favourable has steadily improved from approximately 80%.

Whilst our colleague satisfaction rate remains high, turnover continues to be a challenge as we operate in an industry that is characterised by high turnover. In 2015, Mandarin Oriental experienced an increase in our global turnover rate of 7 percentage points from the prior year and above the current industry average of 27.6%. The increase in turnover was mainly driven by the seasonal separation of colleagues at Mandarin Oriental, Bodrum. Colleagues under 30 continue to be the demographic with the highest turnover rate of 57.7%.

In 2015, our colleague engagement survey included questions to gauge colleague awareness and satisfaction with our Group's sustainability performance and practices. Among all topics, we achieved the highest improvement for the topic of sustainability, with 93% of colleagues responding that their role to help the company achieve its environmental goals is made clear.

## Investing in Training and Education

### Goals and Commitments

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

### Practices

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

### Future Directions

Enhance tools and resources available to support colleague learning and development

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

### Partnering with Colleagues to Chart Their Careers

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

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

### Continuous and Experiential Learning for All Colleagues

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

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



In 2015, we piloted a new programme to further develop the functional competencies of our Hotel Managers. To be a successful manager, leadership competencies are not enough. Knowing that our managers need to wear many hats, the programme gives managers deeper, “hands on” exposure to many facets of our operations, including sales, information technology, finance, marketing, spa services and food and beverage operations.

In 2016, we will focus on enhancing colleague access to e-Cornell online learning modules in a manner that maps target areas identified during a colleague’s performance review. We also plan to develop a networking site to connect colleagues and to “train the trainers” to ensure consistency in the way that we deliver our learning and development plans globally.

### Developing and Promoting from Within

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

Signature learning and development programmes at the Group include:

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

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

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

These programmes also create value because they unify colleagues who work in different hotels. In 2015, colleagues from six hotels participated in our MOve Forward programme in Europe. They had the opportunity to travel to other hotels and, as a result, forged deeper regional bonds. We believe that there are opportunities to replicate this model for future cross-location learning programmes.

Ultimately, our success lies in the number of leaders that emerge from within our ranks. For example, the General Manager of Mandarin Oriental, Prague began his career with us as a trainee and became a General Manager, having completed the MBA Programme. We seek to highlight and celebrate these examples of career development. In 2015, we began the development of a dashboard that will track the number of internal promotions. Additionally, we plan to promote and track the number of internal transfers.

## Mandarin Oriental Executive Development Centre

Launched in 2014, the Mandarin Oriental Executive Development Centre provides senior managers with feedback to facilitate their personal and career development. Through the Centre’s programme, senior managers produce an individual development plan focused on maximising their personal leadership style and enhancing leadership effectiveness towards a General Manager’s position. The Mandarin Oriental Executive Development Centre offers support and structure to help uncover our managers’ potential for advancement within the Group.



## Building Sustainability Knowledge Across the Workforce

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

In 2015, all colleagues completed the Sustainability Awareness Training programme, and it is now part of the Group’s mandatory MOve In orientation programme for new colleagues. In 2015, we developed targeted training for our Corporate Responsibility champions at each hotel.

## Promoting Diversity and Inclusion

### Goals and Commitments

**To create an environment where each colleague feels valued and respected**

### Practices

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

### Future Directions

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

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

### Enforcing Our Guidelines and Policies

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

### Increasing Our Productivity and Creativity

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

### Connecting with Our Global Guest Populations

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

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





## Supporting Our Own

In the wake of a devastating 2015 earthquake in Nepal, our hotels rallied to provide support to our Nepalese colleagues. Colleagues at Mandarin Oriental Hyde Park, London raised funds from bake sales and the sale of old stock items to help three Nepalese colleagues build new homes for their families. The London colleagues also placed donation cards on every table in its Rosebery Lounge to raise money to purchase school uniforms for Nepalese girls in partnership with Faircloth & Supply. Across the globe, colleagues at Mandarin Oriental, Macau hosted a charity barbecue with all proceeds being donated to the Nepalese Help Association.

## Raising Disability Awareness

In 2015, Mandarin Oriental, Paris organised a week-long programme to raise awareness about disabilities in the workplace. Activities were held each day, which included inviting deaf instructors to teach the basics of sign language and blind masseuses to provide massages. Colleagues were also trained on how to welcome disabled guests. The General Managers of Mandarin Oriental, Singapore and The Landmark Mandarin Oriental, Hong Kong serve on the Steering Committee of MINDSET, an organisation that works to change attitudes regarding mental health disabilities. Some of the participants are given the opportunity to apply for positions within our company.

**A broad mix of prior experience and expertise in certain processes encourages colleagues to discuss and learn from each other.**





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# Advancing Sustainability

## Reducing Energy and Emissions

### Goals and Commitments

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

Our 2016 interim goals are 15% and 17.5% for energy and greenhouse gas emissions reductions

### Practices

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

### Future Directions

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

Mandarin Oriental is committed to reducing energy consumption and greenhouse gas emissions associated with our operations. Through a focused, coordinated effort, we've made significant progress over the past eight years.

### Mobilising to Reach our Energy and Emissions Reduction Goals

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

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.

### Key Strategies as We Begin our Journey

We acknowledge that we are still in the formative stages of a multi-decade journey to decarbonise our operations. We have established three main strategies that create a foundation and have driven notable performance improvements over the past several years:

**Energy Audits** As part of our Safe Sound and Sustainable programme, we conduct energy audits with guidelines based on ASHRAE's Procedures for Commercial Energy Audits. The audits also consider the particular requirements of each hotel and often target specific mechanical functions, such as chilled water or hot water production. In 2015, five energy audits were completed, which identified energy measures that if implemented would provide estimated savings of US\$640,000 per year with a return on investment of 2.25 years.

**Retro-Commissioning** We apply this process when it is clear that the testing and commissioning process conducted as part of the project handover have been ineffective or when a specific area of concern is identified during an energy audit, such as the balancing of the air conditioning, ventilation, heating or chilled water systems. A more comprehensive retro-commissioning process is applied when there are significant changes to the operation due to renovations or extensions of the property.

**Technology and Innovation** In addition to optimising the efficiency of our systems and equipment, we continue to invest in innovative technology balanced with fundamentally sound engineering practices that do not adversely impact the guest experience. For example, 88% of our hotel rooms are now equipped with automatic systems to reduce energy consumption when guestrooms are unrented or unoccupied.

# US\$36.8 million saved

## The Importance of Operational Eco-Efficiency

Investing in efficient technology and equipment, combined with integrating sustainability practices into our business, affords multiple benefits. Since 2007, our Group has achieved cost savings of US\$36.8 million through our energy and emission reduction projects.

## Portfolio Highlights

As each Mandarin Oriental hotel is unique, we adapt our strategies to consider each hotel's individual performance, local conditions, technical structure, potential renovation plans and other business drivers. In 2015, portfolio highlights included:



**Going for Gold**  
Mandarin Oriental, Las Vegas has received LEED® Gold certification.



**Free Cooling**  
Mandarin Oriental, Prague optimised their chiller system and replaced their cooling towers in 2015. This included a free cooling system, where cooling of the building during the winter months is provided without operating the chillers. Similar installations are also provided at our hotels in Geneva, Munich, Boston and Washington DC.

## An Industry First

Mandarin Oriental, Paris is the first hotel in France with the country's HQE green building certification for both construction and operations.



## Changing Behaviors

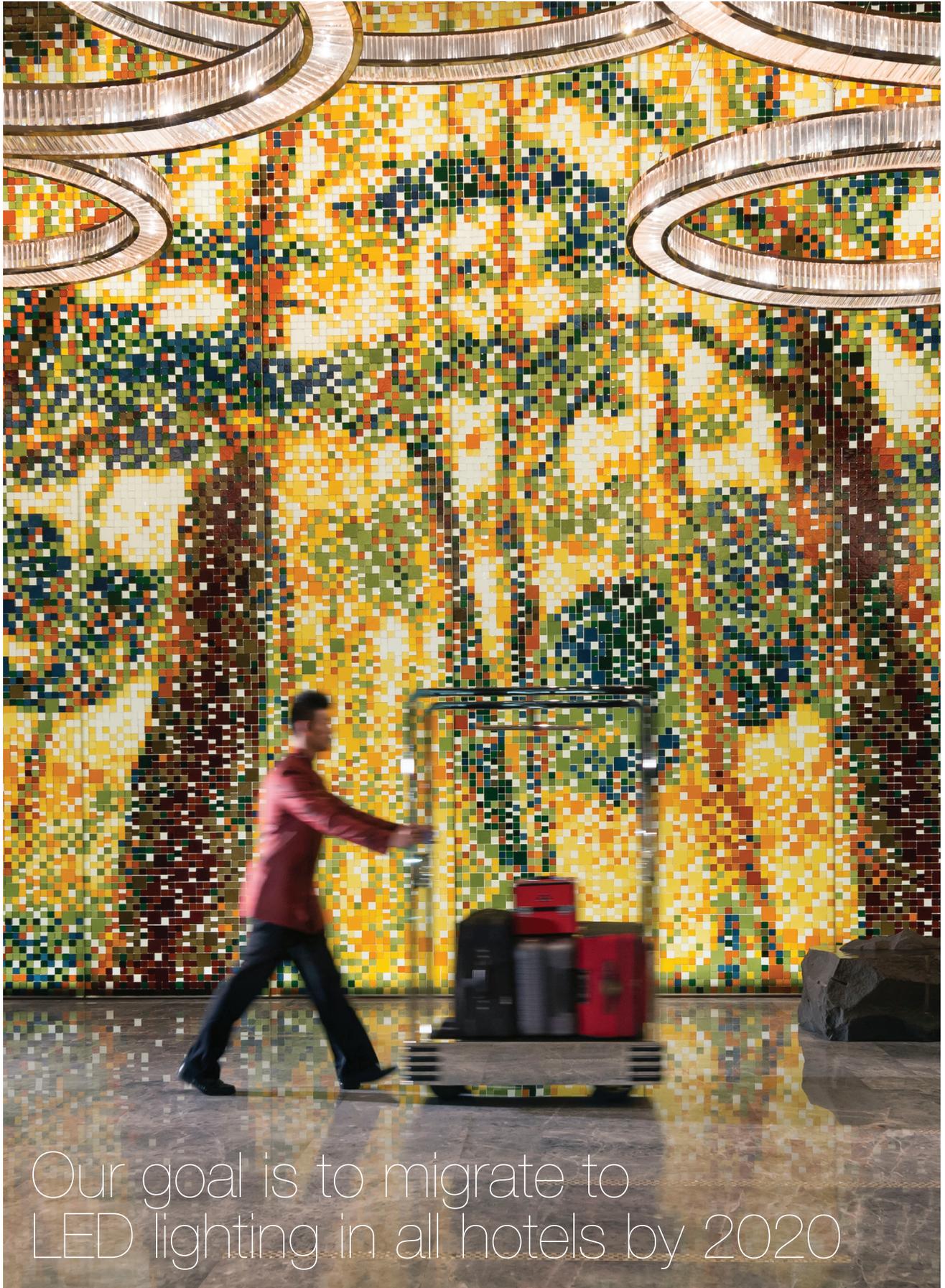
In 2015, management at One Hyde Park, our Group's residences in London, began to monitor utility consumption of all residents' apartments and investigate abnormal usage. Additionally, simple behavioural change opportunities were identified for landlord-controlled areas.



## A Better Alternative

Our Group continued to replace diesel-operated boilers with natural gas-fired boilers, which can reduce emissions by nearly 80%. Since 2011, diesel fuel usage has decreased from 10% of total energy consumption to just 2% in 2015<sup>6</sup>. Mandarin Oriental, Geneva is scheduled to convert their diesel fired boilers in 2016, leaving the Group with only two remaining hotels with diesel fired boilers.





Our goal is to migrate to  
LED lighting in all hotels by 2020

## Let There Be LED Light

For many years, LED lighting technologies were simply not a viable option for our Group, because they did not meet our quality standards and requirements for dimming controls in guest contact areas. Fortunately, there have been great advancements in the technology, and we have rapidly acted to deploy LED lighting across our hotels.

In 2015, guestrooms were equipped with LED lighting at The Landmark Mandarin Oriental, Hong Kong and Mandarin Oriental hotels in Hong Kong, Guangzhou, Jakarta, Macau, Singapore, Sanya, Tokyo, Geneva, Prague, Boston, Miami and Atlanta.

LED lighting was also installed in restaurants, banquet areas, corridors, guestroom floors, parking garages and back of house areas at properties in Hong Kong, Guangzhou, Shanghai, Singapore, Barcelona, Geneva, London, Prague, Miami and Washington DC.

It is our goal to migrate to LED lighting in all hotels by 2020.



## OUR PERFORMANCE

### Energy Consumption

Energy intensity is a normalised measure of energy consumption per square metre of property. This measure allows us to evaluate our energy consumption over time, since the footprint of our company continues to change. Our energy intensity has steadily decreased since 2007. In 2015, annual energy intensity for the Group decreased further by 1.1% to 1,613 MJ/m<sup>2</sup>/year.

Absolute energy consumption for the Group totalled 1,449 TJ in 2015, an increase of 8.8% over 2014, associated with a 10% increase in air conditioned floor area. By implementing energy efficiency measures, the Group avoided 195 TJ of energy consumption in 2015<sup>7</sup>. The total avoided consumption 2007 to 2015 was 857 TJ.

### The Power of Optimisation

Chiller optimisation continues to offer significant improvements and has a positive impact on the guest experience. In 2015, further improvements were completed to the chiller systems at Mandarin Oriental, Macau and Mandarin Oriental, Prague, where the “free cooling” project enabled domestic hot water to be pre-heated through heat recovery on the chillers. In 2016, chiller optimisation projects are planned for Mandarin Oriental, Washington DC and Boston.

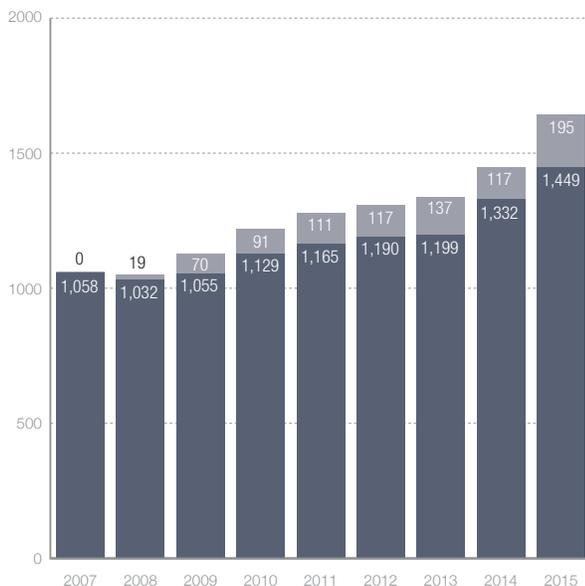
### Industry Collaboration on Climate Change and Carbon

In 2015, we served on a task force for the World Travel and Tourism Council (WTTTC) to prepare a report that assessed the preparedness of our industry to address climate change in advance of the UN Climate Conference in Paris. In the report entitled *Travel and Tourism 2015: Connecting Global Climate Action*, the following five priority areas were identified: (1) Integrating Climate Change into Business Strategy, (2) Supporting the Global Transition to a Low Carbon Economy, (3) Strengthening Local Resilience, (4) Promoting the Value of Responsible Travel and (5) Engaging Across the Value Chain.

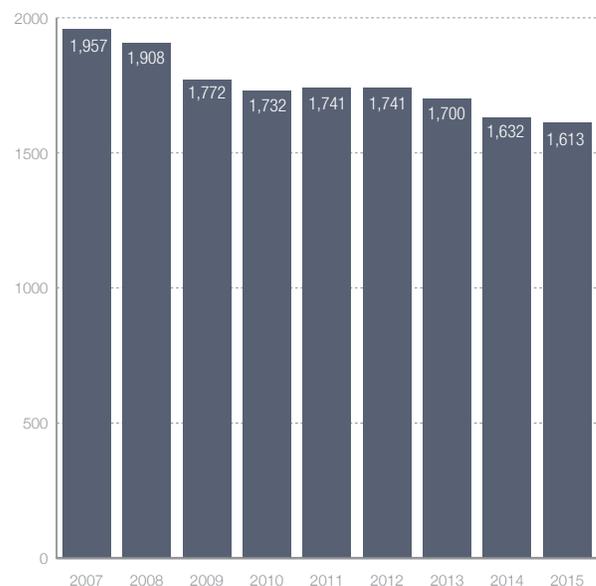
Our energy intensity has steadily decreased since 2007

ABSOLUTE ENERGY CONSUMPTION  
2007–2015 (TJ/year)

■ ABSOLUTE ENERGY CONSUMPTION  
■ REDUCED ENERGY CONSUMPTION



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



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

Additionally, we participate in the Cornell Hotel Sustainability Benchmark, an endeavour to deepen the understanding of the relative and collective greenhouse gas footprints of hotels worldwide.

### Addressing Fugitive Emissions

Fugitive emissions are emissions that are unintentionally released into the atmosphere. Fugitive emissions typically occur from leaks in refrigeration systems or whilst handling refrigerants. In 2012, we began to manage these emissions in a more systematic way by incorporating these emissions in the Safe, Sound & Sustainable programme. Through these collective efforts, fugitive emissions are down 62% since the start of the programme and represented only 2.3% of total emissions in 2015.

## OUR PERFORMANCE

### Greenhouse Gas Emissions

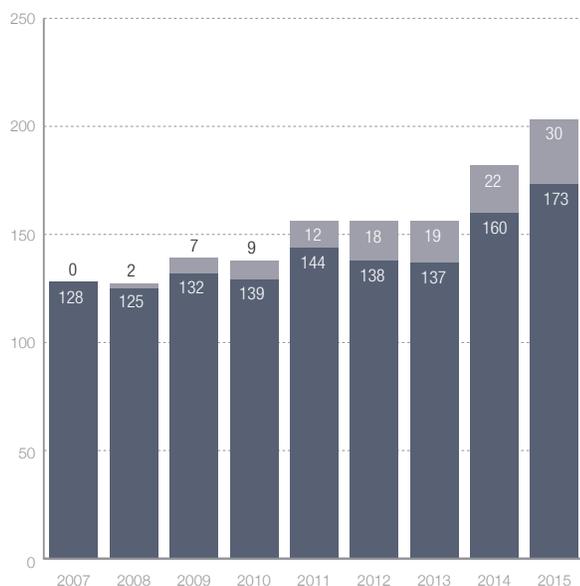
Emissions intensity is a normalised measure of greenhouse gas emissions per square metre of property. In 2015, the Group's emissions intensity decreased by 1.3% over the prior year to 193 kg CO<sub>2</sub> per square metre. Since 2007, we have reduced our emission intensity by a total of 18.8%

In 2015, absolute emissions generated by the Group amounted to 173,310 metric tons of CO<sub>2</sub> equivalent (including reductions from RECs)<sup>8</sup>. 78% of our emissions were from electricity consumption. From 2007 to 2015, our total avoided emissions are estimated at 119,526 metric tons of CO<sub>2</sub> equivalent<sup>9</sup>. This is equivalent to taking 23,436 cars off the road<sup>10</sup>.

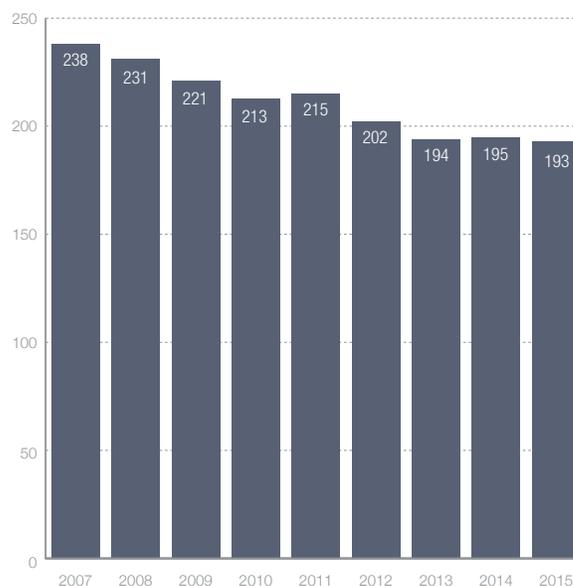
Our total avoided emissions from 2007–2015 is equivalent to taking 23,436 cars off the road

ABSOLUTE GREENHOUSE GAS EMISSIONS  
2007–2015 (1000 × t CO<sub>2</sub>-Eq/year)

■ ABSOLUTE GREENHOUSE GAS EMISSIONS  
■ REDUCED GREENHOUSE GAS EMISSIONS



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



## Conserving Water

### Goals and Commitments

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

Our 2016 interim goal is to reduce water intensity by 15%

### Practices

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

### Future Directions

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

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

### Understanding our Water Risks

Water is a finite natural resource whose value is not always reflected in its relatively low cost. When droughts and other water challenges arise, we experience notable increases in costs. In recent years, the United States region has been most affected on a cost basis, with rates estimated to have increased by 40% from 2010–2015<sup>11</sup>. However, cost is merely a small part of the equation when considering the potential implications that water risks could pose to our business and the communities where we operate.

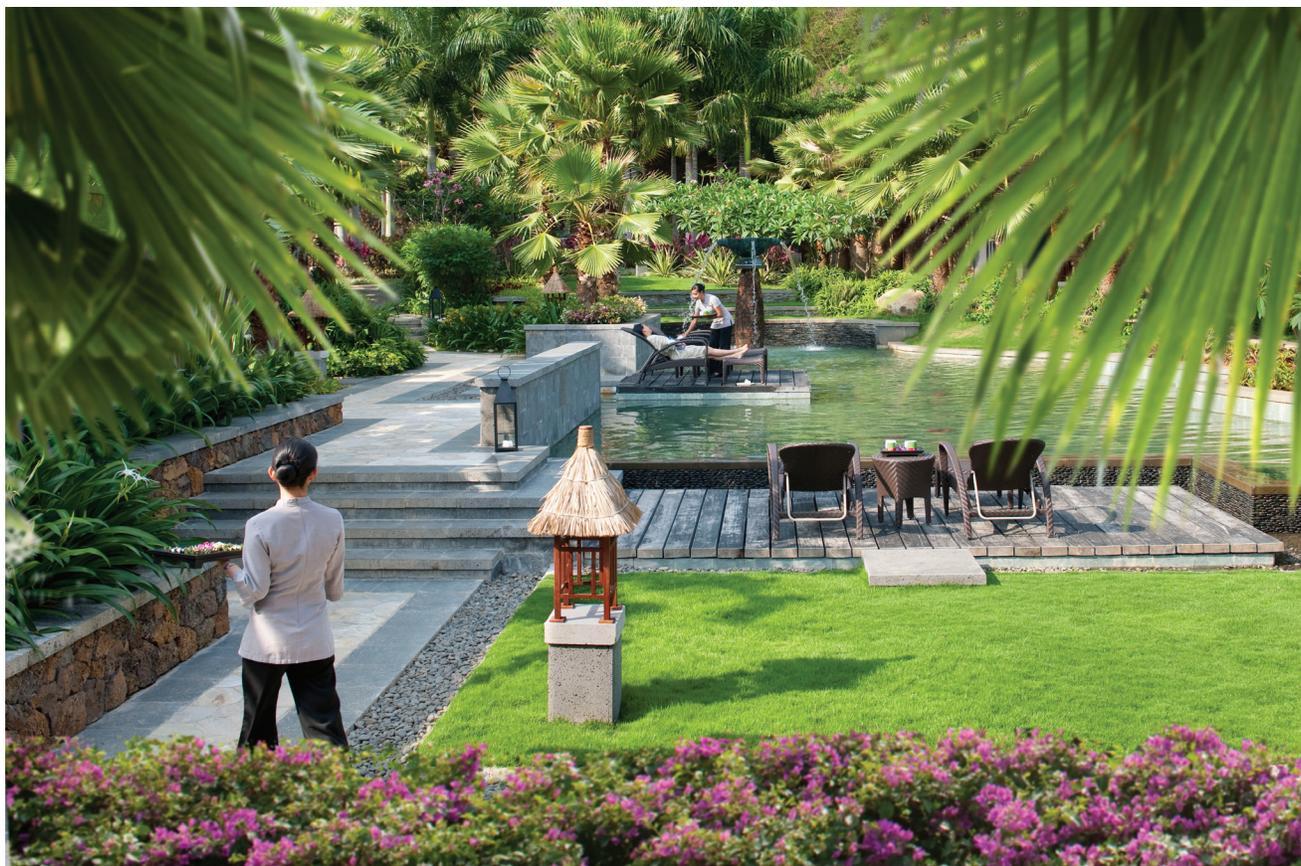
In 2015, we conducted a Group-wide water risk assessment, using the World Resources Institute's Aqeduct tool<sup>12</sup>. Based on the location of our properties, we considered our exposure on a site-by-site basis to a series of risks, which included baseline water stress, flood occurrence and drought severity. The assessment reviewed the current condition as well as a projection for 2020. The water risk assessment identified 13 properties in our existing portfolio and 7 development projects that are located in high water stressed areas. In 2016, the key findings of the water risk assessment will be used to identify and prioritise target water conservation actions and programmes.

### Implementing Conservation Best Practices

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

**Motion Sensors and Low Flow Fixtures** We continue to install motion sensor and low flow fixtures in our properties' common areas, back of house areas and guestrooms. In 2015, Mandarin Oriental hotels in Hong Kong, Sanya, Singapore and Washington DC further integrated these features.





**Process Improvements** From our buildings' heating and cooling systems to our kitchen, laundry and gardening operations, the stimulation of process improvements that conserve water has helped to support the Group's progress toward our 2020 goal.

**Behavioural Change Initiatives** Due to behavioural change initiatives, we have been able to support a culture of conservation. For example, at Mandarin Oriental, Hong Kong, overnight cleaning water consumption is monitored daily and water saving opportunities are reviewed with the kitchen team on a monthly basis.

### Deploying Water Efficient Technologies and Process Improvements

To support our 2020 goals, each of our hotels and residences are actively identifying and implementing water efficiency technologies and process improvements to conserve water. In 2015, highlights across our properties included:

– **Mandarin Oriental, Jakarta** increased water efficiency by connecting its dry cleaning machine condenser cooling to the chilled water system.

– **Mandarin Oriental, Macau** and **Mandarin Oriental, Atlanta** installed automatic water blowdown controls on the cooling towers in order to minimise make-up-water consumption.

– **One Hyde Park, The Residences at Mandarin Oriental, London** also installed valves that have greatly decreased the amount of water associated with irrigation.

### Identifying Opportunities for Water Reuse and Recycling

Central to our water conservation are plans to increase the amount of water that we are able to recycle and reuse as well as using alternative methods to provide cooling to the chiller system whilst maintaining high system efficiency.

This is best implemented at the design stage or in conjunction with major system or property renovations. The following are some examples where this is applied:

– **Mandarin Oriental, Sanya** uses recycled treated grey water for irrigation throughout the resort's extensive gardens.

– **Mandarin Oriental, Milan** is using groundwater for the chiller system rather than evaporative cooling towers.

– **Mandarin Oriental, Tokyo** uses recycled water for toilet flushing in part of the building.

– **Mandarin Oriental, Hong Kong** and **The Excelsior, Hong Kong** recycle water from the cooling towers for toilet flushing.

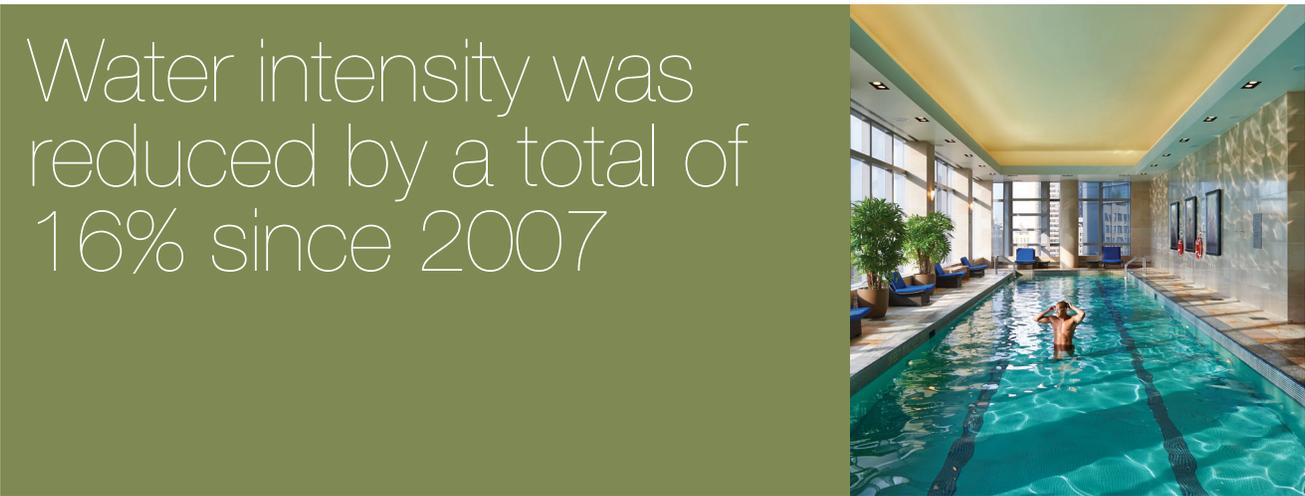
– **Mandarin Oriental, Bodrum** is using seawater for the chilled water system rather than evaporative cooling towers.

**OUR PERFORMANCE**

Water Consumption

In 2015, the Group’s absolute water consumption including irrigation, cooling towers, swimming pools and guestrooms, was 3,233,580 cubic metres<sup>13</sup>. While 2015 water intensity increased over the prior year, we have reduced our water intensity by a total of 16.0% since 2007.

Municipal water supplies provide water for all hotels with the exception of Mandarin Oriental, Bangkok, which relies partially on surface water, and Mandarin Oriental, Bodrum, which predominantly uses groundwater purified by reverse osmosis. Municipal supply accounts for 94.8% and surface and groundwater represents 5.2% of our total water supply.

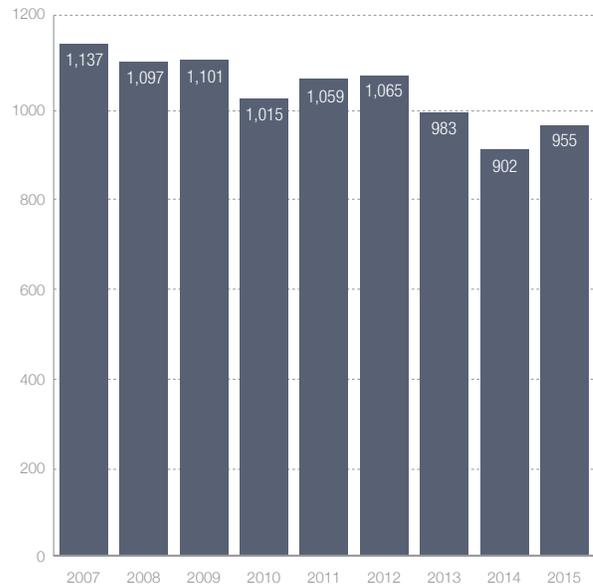


**ABSOLUTE WATER CONSUMPTION**  
2007–2015 (1,000 m<sup>3</sup>/year)

■ ABSOLUTE WATER CONSUMPTION  
■ REDUCED WATER CONSUMPTION



**WATER INTENSITY**  
2007–2015 (litres/guest night)



## Challenges and Opportunities

To measure progress against our 2020 reduction goals, we utilise the number of guest nights as our intensity metric. However, variations in the number of guest nights can either accelerate or decelerate our progress. In 2015, our progress against our 2020 goals decelerated due in part to a reduction in guest nights.

We continue to focus our efforts of reducing water consumption in areas where it is not directly impacting guest experience and the sense of luxury associated with our brand.

We recognise that our guestrooms and spas are very water

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

As we see an increasing number of resorts in our portfolio, this is likely to have a negative impact on our future performance. Moving forward, we aim to improve communication processes with developers on the importance of water efficiency, continue to drive process improvements and capitalise on opportunities to reuse and recycle water. Additionally, our water risk assessment will play an important role in driving future strategies, especially in water stressed areas.



## Managing Waste

### Goals and Commitments

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

**Our 2016 interim goal is to reduce waste intensity by 10%**

### Practices

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

### Future Directions

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

**At Mandarin Oriental, we assume responsibility for reducing the amount of waste we generate and strive to identify resourceful ways to minimise our environmental impact.**

### Managing Our Waste Streams

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

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

Over the past five years, we have engaged in significant efforts to obtain credible data that will enable us to measure progress against our goals. In 2015, 96% of our operating hotels provided waste data compared with 63% when we started this initiative in 2012.

### Reducing the Amount of Waste Generated

Several of our waste streams present opportunities to reduce the amount of waste that we generate. Although the individual hotels are focusing their efforts in the areas where it makes most sense for their operation, we have identified the following overall target areas for our Group:

**Plastic bottles are used for drinking water provided to guests in rooms, spa, fitness and wellness areas, restaurants, banqueting and limousine services.**

Several of our hotels have provided alternatives, where reusable glass bottles or drinking water units are used. Although we are at a very initial stage, we are optimistic that this may replace a significant amount of plastic bottles in the near future.

**Food waste has a significant impact on the overall weight of the waste being disposed of.** Our efforts are primarily focused on eliminating food waste in the first place. Most of our hotels have also identified locally available recycling options, such as composting or animal feed.

Further expansion of these measures will enable us to reduce the amount of generated waste whilst maintaining a luxury experience for our guests.



## Driving Positive Impact Through Reuse

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

In 2015, highlights and best practices across the Group included:

– **Mandarin Oriental, Singapore** partnered with the “Food from the Heart” organisation to donate surplus pastries and breads monthly for distribution to welfare homes, children, senior citizens and other needy families on the island.

– **Mandarin Oriental, Macau** donated unusable towels to a local home for the elderly and a local charity. Colleagues at Macau also identified the opportunity to reuse guestroom linen as a massage table cover in its spa.

– **Mandarin Oriental, Miami** donates its used linen to local animal rescue charities.

– **Mandarin Oriental, Kuala Lumpur** expanded a pilot programme with a vendor to convert slightly damaged linen and towels into usable items for the hotel. The programme is estimated to have saved the hotel thousands of dollars through avoided purchases.

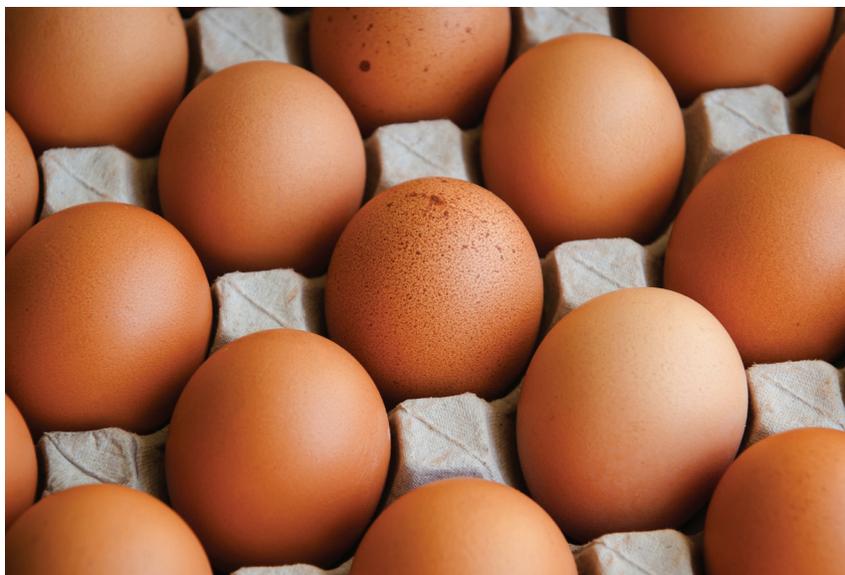
– **Mandarin Oriental, Atlanta** enables colleagues to reuse hotel mattresses, linens, cooking equipment, china and silverware in exchange for a nominal fee, which was used to fund the hotel’s corporate responsibility initiatives.

– **Mandarin Oriental, New York** implemented a programme to reuse all wire hangers in the hotel, diverting approximately 75,000 hangers from landfills annually.

## Addressing Food Waste

We are working to transform our operations so that the practice of sending food waste to the landfill is consistently avoided. Several of our hotels have invested in food waste bioreactor machines for composting. There has been a learning curve associated with using these machines, with Mandarin Oriental, Washington DC having the greatest success to date. In Washington DC, nearly 150,000 kilograms of food waste were composted in 2015 using its two waste bioreactors. Mandarin Oriental Hyde Park, London has installed a food macerator in its kitchen that compacts and macerates leftover food, such as banana peels and egg shells—resulting in decreasing waste volume.

Colleague engagement is critical and we aim to continue promoting best practices, such as those at Mandarin Oriental, Hong Kong where “Zero Food Waste” days are held in the staff canteen monthly and colleagues are given chopsticks that promote the message of “Take just enough. Do not waste food.”



Additionally, nine hotels across our Group have partnered with Clean the World, where used soap, shampoo and other amenities are donated for reuse to support those in developing nations. In 2015, Mandarin Oriental donated 7,300 kilograms of soap and bottled amenities to Clean the World. We plan to extend our partnership with Clean the World as their network expands to other locations where we operate.

## Strengthening our Organisation Through Recycling

Recycling has provided unexpected revenues in many locations, which has helped to fund corporate responsibility initiatives at our hotels. For example, Mandarin Oriental, Bangkok was able to generate thousands of dollars in 2015 from sending scrap metal from its renovation back to the contractor for recycling.

Across the Group, we continue to identify new opportunities for recycling: from Mandarin Oriental, Singapore's identification of a local partner to recycle expended lamps to Mandarin Oriental, Las Vegas's selection of a vendor to increase the amount of electronics and metals that can be recycled. In 2015, Mandarin Oriental, Prague established a means to recycle Nespresso capsules in guestrooms, diverting nearly 2,000 capsules from landfills each month.

Colleague engagement is critical to increasing the amount of recycled waste at each property. Led by our Corporate Responsibility Champions, many of our hotels have enacted awareness and education measures that also enable our colleagues to have fun in the process. Mandarin Oriental, Boston engages colleagues in a "Trash-ket ball" game to promote recycling. At Mandarin Oriental, Paris, colleagues participated in a waste sorting game in collaboration with

local waste partners, where awards were given based on speed and accuracy. To promote the importance of recycling, Mandarin Oriental, Macau developed an activity where colleagues collected and recycled 3,000 red envelopes, presented as gifts during the Chinese New Year and normally disposed of following the festive season.

## Challenges and Opportunities

Moving forward, we aim to enhance how we account for the high volume of heavy waste, such as "wet" waste and glass generated at our food and beverage operations. We believe that is important to think globally but act locally in order to adapt great concepts to practical processes. We must also address specific local challenges. For example, limited waste infrastructure for recycling and composting is a challenge for some of our destinations. Waste separation and measurement in hotels that are part of a mixed-use development can also be a challenge. As such, a review of the waste management process at the construction stage for new developments is particularly important, especially for mixed-use developments.

To reach our 2020 goals, we must continue to build awareness and education among our colleagues on the importance of recycling and diverting waste from landfills. This will continue to be a focus area for our Hotel Corporate Responsibility Committees in 2016 and beyond.



**OUR PERFORMANCE**

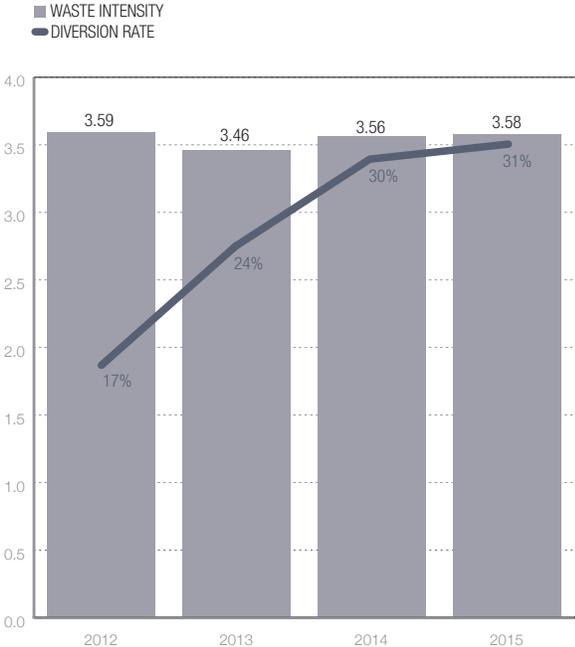
**Waste-To-Landfill Diversion**

In 2015, 96% of our hotels collected comprehensive waste data, up from 83% in 2014. 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 2015, the Group assessed 3.58 kg waste sent to landfill/guest night, a marginal decrease from 2012 but a slight increase of over 2014 figures. We attribute this increase to the programme’s enhanced data collection procedures and the fact that we have now brought on line the large majority of our hotels.

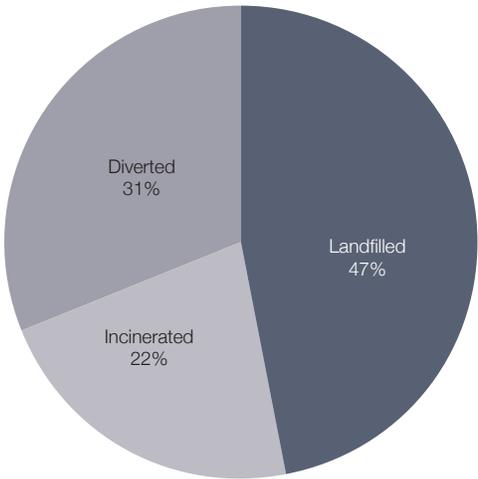
Although not part of our goals, we monitor our waste diversity performance closely, as this provides us with an indication of how effective the properties are in diverting waste from landfill. In 2015, our waste diversion factor was 31%, up from 30% in 2014 and 17% in 2012.



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



**WASTE BY DISPOSAL METHOD**  
2015



## Sourcing Responsibly

### Goals and Commitments

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

### Practices

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

### Future Directions

**Develop and enhance standards and practices to be applied consistently throughout the Group**

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

### Our Supply Chain

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

### Environmental and Social Screening

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

### Environmentally Preferable Purchasing

Each hotel is encouraged to identify and partner with suppliers that provide environmental preferable purchasing opportunities, such as recycled and reusable materials, that meet our needs and support our brand. Each year, new opportunities are identified. Our corporate offices also aim to lead by example. In 2015, we switched to recyclable, re-usable bags for our corporate merchandising packaging. In addition to having a higher retention value, these bags are also able to provide an enhanced aesthetic look to support our brand.



## Cleaning Supplies and Detergents

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

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

In the Americas region, we have begun to partner with hospitality procurement service company Avendra to leverage their buying power with key suppliers of cleaners and consumables. With a wide range of available suppliers and products, Avendra has been working with our Group over several years to identify renewable, recyclable and eco-friendly products. To be part of the Avendra network, suppliers must undergo a rigorous approval process. As such, we have begun exploratory conversations with Avendra to help inform the development of Group-wide sustainable procurement procedures.





The vegetable garden  
at Mandarin Oriental,  
Marrakech

## Engaging with Our Suppliers

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

Beyond daily procurement processes, we also demonstrate our values and engage with our suppliers through community initiatives. We include suppliers and vendors in relevant community initiatives and are able to drive greater positive impacts as a result of their support. For example, in 2015, local suppliers and vendors were invited to join Mandarin Oriental, Singapore in donating food and basic necessities to children from low-income families. Alongside our colleagues, suppliers and vendors volunteered their time as well help in packing “goodie bags” for the children in need.

## Our Food and Beverage Operations

Our Group maintains very complex food and beverage operations with the highest commitment to service and quality. Eleven of our restaurants have been honoured with a total of 16 Michelin stars—more than any other hotel group in the world. Our restaurants feature world-renowned chefs who are given freedom to develop menus and space to express their culinary creativity. A common thread, however, is a determination to “be the best” in the markets we serve, and we believe that sustainably and ethically sourced food is not only a moral responsibility. Sustainably and ethically sourced food also simply tastes better.

Hallmarks of our management approach are as follows:

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

**Sustainable Seafood** We are sensitive to the impacts caused by overfishing and environmentally destructive fishing methods. For example, Mandarin Oriental, Geneva increased its commitment to sustainable, local fish in 2015: adding to its menu local perch from the nearby lake that is only available seasonally due to practices implemented to avoid overfishing.

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

**Fair Trade Coffee, Cocoa and Tea** In 2015, we committed to switch at least one product per year over a four-year period to ensure that coffee, cocoa and tea is purchased only from fair trade certified producers.

## Ringling in a Difference

Mandarin Oriental, Singapore collaborates with its Food and Beverage suppliers to bring awareness and make contributions to its Ring Tabs Collection programme. Through this programme, used or discarded can tabs are recycled to create prosthetic limbs for the disabled. With the support of our suppliers, in addition to our colleagues and their friends and family, Mandarin Oriental, Singapore was able to collect approximately 288,000 ring tabs in 2015. Weighing 72 kilograms, the ring tab donations contributed to the production of 95 prosthetic legs. Mandarin Oriental, Bangkok is also engaged in a similar programme, collecting 24 kilograms of ring tabs in 2015 to be recycled for prosthetic limbs.



**Protecting the World's Bees** Bees are critical to food and vegetable production, in addition to protecting biodiversity. In 2015, we have begun to develop a beekeeping programme with the objective to have each of our hotels invest in a beekeeper and serve the honey to guests—further integrating sustainability into the guest experience.

In 2015, a Group-wide Food and Beverage conference was held in Bangkok with more than 60 participants, including our leadership team. Sustainability topics were embedded in the agenda to facilitate discussion around sustainability topics and identify priority actions within food and beverage procurement. We invited the Chief Executive Officer of The Mekong Club to educate participants on human trafficking, modern day slavery and fair trade.

## Challenges and Opportunities

With the recent commitments to Group-wide beekeeping, fair-trade sourcing and sustainability assessment procedures, we have begun to develop the blueprints for a bolder vision for supply chain responsibility. The principles of supply chain responsibility are innately complex, with specific challenges among product types, such as traceability and impacts on ecosystem services, and within individual product categories. The harmonisation of practices within the decentralised management structure of our operations also presents challenges. We believe that we are in the initial stages of a multi-decade journey to source as responsibly and sustainably as possible.



## Respecting Biodiversity

### Goals and Commitments

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

### Practices

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

### Future Directions

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

Biodiversity provides society with vital goods and services to sustain life and encourage growth. The cohabitation of ecosystem services provides countless benefits to our business and the travel and tourism industry.

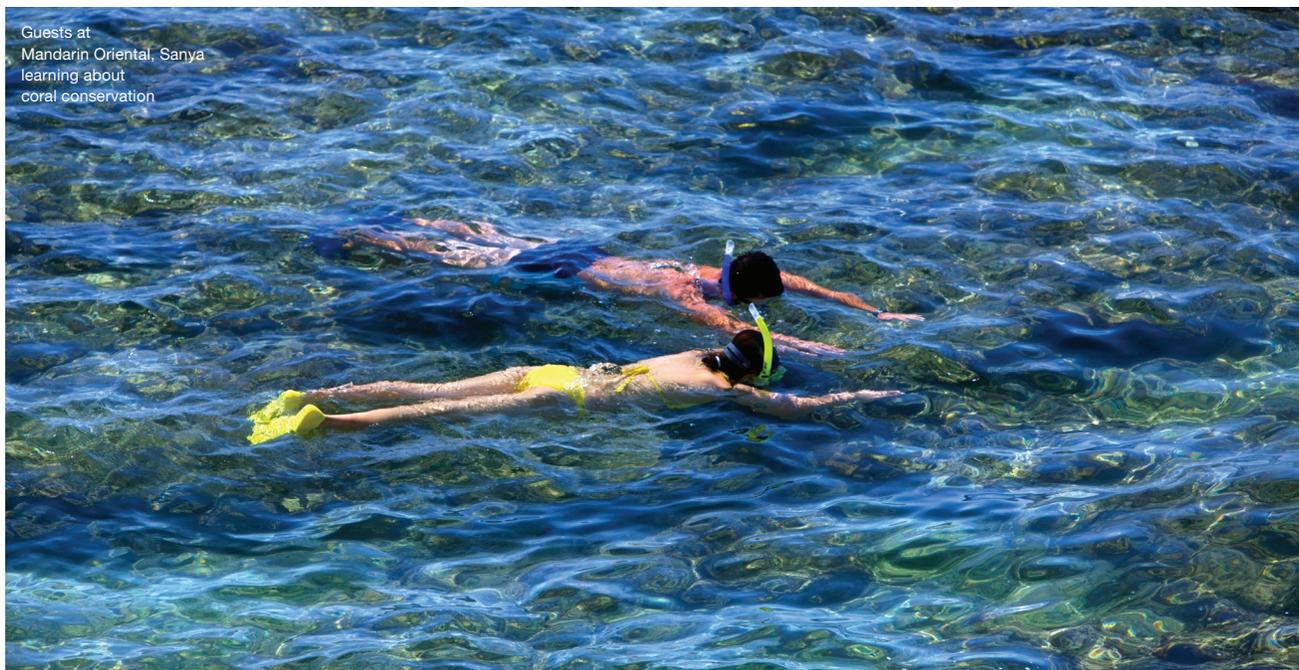
### Increasing Our Focus

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

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

The biodiversity risk assessment confirmed that no properties are located in internationally-determined protected areas; however, nine of our properties are located near areas with biodiversity risk. Three of our properties—Mandarin Oriental, Prague, Las Vegas and Washington DC—are located near IUCN protected areas. Additionally, Mandarin Oriental, Milan is located near Valle del Ticino, an ecologically important ecosystem where two key rivers meet, that is recognised as a biosphere





Guests at  
Mandarin Oriental, Sanya  
learning about  
coral conservation

reserve within UNESCO's Man and Biosphere Programme. Based on the findings, these four properties will be subject to future evaluation, and we plan to engage with these properties' Corporate Responsibility Committees to determine future actions and opportunities.

### Current Practices

During the planning stage for new projects, the Group's Technical Services Department is responsible for identifying whether planned projects are located in sensitive areas and conducting detailed assessments as required. Any potential risks and considerations are reviewed to inform execution during the construction stage. Once our hotels are open and operational, we utilise our Safe, Sound and Sustainable Programme to audit environmental practices.

Additionally, our hotels identify local opportunities to support the protection of biodiversity. Examples include the following:

**Taking Pride in the River** Mandarin Oriental, Tokyo partners with the local community to help keep the Nihonbashi River clean. This river runs behind the hotel, and many

tourists enjoy boat trips on the river. Colleagues take pride in doing their part to keep the river clean and healthy, particularly when fish can be seen in small shoals, indicating the health of the river system.

### Engaging Guests, Protecting the Turtles

Mandarin Oriental, Sanya guests learn about coral conservation through its Kid's Resort Passport programme. Additionally, colleagues at the hotel participated in a 2015 beach cleaning at Dadong Bay and helped to coordinate the release of turtles with Sea Turtle 911, a non-profit organisation focused on protecting turtles in the South China Sea.

**Getting Our Hands Dirty** As part of the island's Green Week, colleagues at Mandarin Oriental, Macau rolled up their sleeves to prune trees, aerate the soil, and take on other hands-on activities, such as fertilising and weeding, to protect local ecosystems. It is estimated that 73 trees were protected by this colleague event.

### The Art of Biodiversity Protection

Mandarin Oriental, Singapore has adopted the marina reservoir across from the hotel. Additionally, the hotel

engages with the local community on biodiversity protection. In 2015, the hotel participated in the government's Friend of Water initiative—hosting a competition where 50 local art students' creations were displayed in the hotel and the top three winners were awarded hotel stays and dining experiences.

**A Family Affair** Colleagues at Mandarin Oriental, Boston brought their families along to join them in the International Coastal Clean Up event at a nearby beach.

### Our Path Forward

Building upon the findings of our biodiversity risk assessment, we aim to enhance our consideration of potential impacts through all stages of its lifecycle: from planning to construction and operation. Additionally, we aim to consider supply chain impacts as products derived from biodiversity resources are consumed across all components of property construction, operations and management. We also have the opportunity to promote sustainable recreational activities and excursions that support conservation and help to build awareness among guests.





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# Championing Community

## Championing Community

### Goals and Commitments

To positively impact our local communities and celebrate our cultural heritage

### Practices

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

### Future Directions

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

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

From promoting local culture to organising charitable events, the dedication and enthusiasm of our colleagues creates value and unites us toward a higher purpose. We encourage colleagues to commit time towards enhancing the wellbeing of the communities in which we operate through projects that aid and empower those in need. Mandarin Oriental supports many worthy causes, with a special focus on cultural heritage preservation, hunger eradication and local skills building.

### Cultural Heritage

At Mandarin Oriental, we take pride in our Asian heritage and recognise the importance of artistic and cultural preservation to ensure continued enjoyment for future generations. A classic, elegant and meaningful symbol of oriental culture, the 11-bladed fan logo is an iconic emblem of the Group's identity. In addition to the trademark logo, every Mandarin Oriental hotel is distinguished by its own unique fan which reflects each property's local charm.

Mandarin Oriental, Marrakech commissioned Moroccan fashion designer Zineb Joundy and French fan maker Maison Duvelleroy to create the hotel's signature fan. Featured in the hotel's lobby, the fan is directly inspired by the soothing grey and white tones of the resort, complemented with saffron-coloured highlights. The 'palmettes' of the fan are strikingly large, measuring 60 centimetres, and the alternating grey and white silk has been intricately crafted in a traditional Berber design.

The fan's stained wooden frame is painted black and decorated with straw marquetry and saffron tones created exclusively for Mandarin Oriental, Marrakech. A black ribbon and hand-painted taupe palm leaf are tied together around the base, while a second ribbon surrounds the oversized bespoke tassel. The piece took more than 100 hours to produce and bears the stamped rivet of a daisy, the signature emblem of Maison Duvelleroy.

Designed in China in the 20th century, the signature fan of Mandarin Oriental, Milan is a unique and rare piece. Fashioned entirely from brisé wood, the fan has a simplicity that highlights the elegance of the hotel's surroundings and reflects the unusual colours and textures of this most natural and inspiring of materials.



The art fan of  
Mandarin Oriental, Milan



The art fan design of  
Mandarin Oriental, Marrakech



“My artistic path is expanded by this life-changing opportunity.”

— *Jin Hi Kim*

## Mandarin Oriental Fellowship with the Asian Cultural Council

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

In 2015, the Mandarin Oriental Fellowship was awarded to Korean-American contemporary composer and musician Jin Hi Kim. A pioneer and master of the komungo, a Korean fretted board zither originating in the 4th century, Kim was born in Korea and has spent thirty years of her professional career to help expand the American contemporary music scene. In her work, Kim strives to balance her cerebral and intellectual way to creating music with the spiritually-based approach she left behind when she moved to the United States.

As part of the Mandarin Oriental Foundation Fellowship, Kim spent four months of research and creative exploration in Indonesia. She delved into the country’s vast musical traditions and investigated their relationship to Indonesian religious practices by traveling extensively to Indonesia’s rich artistic centres while collaborating with former ACC grantees. Inspired and reinvigorated by performing artists she met during her fellowship, Kim is preparing to incorporate her new ideas into a variety of commissions and new projects in 2016.

“I am reshaping my artistic journey in the West with new perspective, which is now much more balanced between Asia and the West”, Kim says. “My artistic path is expanded by this life-changing opportunity.”

## Empowering Future Generations

**Mandarin Oriental encourages colleagues to continue the Group's tradition of championing community, specifically in support of young people in need. Here are examples of how our colleagues have dedicated their time and imparted key skills to empower the future generation.**

### Mandarin Oriental Pudong, Shanghai and Shanghai Young Bakers

Launched in February 2009 by a team of 12 French volunteers, Shanghai Young Bakers is a charitable programme that provides free training in French and Chinese baking skills to marginalised youth in the local community. In 2015, Mandarin Oriental Pudong, Shanghai offered one-month pastry internships to students, ranging from ages 17 to 23. Each month, the hotel's pastry team hosted one student and taught them various cooking techniques, as well as providing a glimpse into the operations behind delivering a fine-dining experience. With the support of the Shanghai Charity Foundation and the French Consulate, Shanghai Young Bakers is operated by the Chinese non-governmental organisation, Chi Heng Foundation, and strives to help youth secure qualified jobs and lead independent lives after graduation.



## Mandarin Oriental, Miami Championing Youth through Music and Career Awareness

The American Children's Orchestra for Peace (ACOP) provides music instruction to underprivileged children in public schools, parks and community centres in Miami-Dade County. To support the organisation's important work to break the cycle of poverty, Mandarin Oriental, Miami held their third annual Hotel Charity Softball Tournament. With the help of "The Fantastic Match" programme, which matches funds raised by colleagues through the hotel's charitable activities up to US\$10,000 per year, the hotel raised US\$11,000 to purchase new musical instruments for children in the ACOP programme.

Mandarin Oriental, Miami is a long-standing participant of the Kids And The Power Of Work (KAPOW). Part of the National Child Labour committee, KAPOW is a network of business and elementary school partnerships which introduces students to career awareness through professionally developed lessons taught by business volunteers in the classroom. In 2015, Mandarin Oriental, Miami worked closely with students from Southside Elementary School and shared insight on the operations of a Five-Star hotel. The KAPOW year ended with an invitation to visit Mandarin Oriental, Miami for a front and back of house hotel tour and lunch with colleagues.



## Mandarin Oriental, Singapore Participates in the Work Experience Programme

Mandarin Oriental, Singapore has made significant strides in making a positive change in the lives of young people in its community. In 2015, 22 colleagues teamed with the Work Experience Programme (WEP), which offers students the opportunity to experience working life in both the public and private sectors, interact with professionals and explore possible career paths. From table service to engineering, nearly 200 students aged 14- to 18-years-old were trained by hotel staff as part of a 12-week hospitality course. Participants were awarded with a certificate at the completion of the programme and top students were invited to dine at the hotel in celebration of their outstanding performance.

## Community Programmes

### Mandarin Oriental, Taipei Celebrates Seniors in the Local Community

Part of Taipei City Government's Department of Social Welfare, the Haoren Senior Citizens' Home is one of the few public organisations in Taipei that provide nursing care services for the homeless senior population. Mandarin Oriental, Taipei colleagues paid a visit to the facility and spent quality time with its residents in celebration of Mid-Autumn Festival, an important family reunion holiday in Chinese culture. The hotel colleagues also organised fun-filled birthday celebrations for seniors, complete with a wide selection of exciting games and culinary delights courtesy of the hotel's Cantonese restaurant, Ya Ge, which included handmade signature mooncakes and a special birthday cake.



### Mandarin Oriental, New York Volunteers and Raises Funds for City Harvest

For the second straight year, Mandarin Oriental, New York selected City Harvest as its "Fantastic Match" charity-of-choice. As the world's first food rescue organisation, City Harvest works to end hunger across the city by helping to feed nearly 2 million New Yorkers. Hotel colleagues contributed a total of 230 volunteer hours at City Harvest's Mobile Markets throughout the year, raised more than US\$6,000 during two internal "Iron Spoon" cook-offs, donated their Thanksgiving turkeys and participated in the organisation's annual "Bid Against Hunger" charity fundraiser event. In total, Mandarin Oriental, New York helped raise more than US\$25,000 for City Harvest with Mandarin Oriental's matching grant.



### Mandarin Oriental, Bangkok Colleagues “Clean Up the World”

On 18 September 2015, Mandarin Oriental, Bangkok joined forces with the Bangkok Metropolitan Administration to participate in Clean Up the World, a global campaign led by the United Nations Environment Programme (UNEP). The programme aims to inspire and empower communities worldwide to clean, fix and conserve the environment. Over 70 colleagues and 25 district members came together to clean Wat Muang Kae, a Buddhist temple situated within walking distance of Mandarin Oriental, Bangkok. This community effort was part of the hotel's Human Resources initiative called Happy Workplace, which is based on eight key elements—soul, heart, body, mind, family, wealth, relaxation and community—and aims to promote a healthy work-life balance and overall well-being for colleagues.



### Mandarin Oriental, Paris Helps Feed the Homeless

On 27 November 2015, a group of 20 Mandarin Oriental, Paris colleagues came together to support La Soupe Saint Eustache, a local organisation that collects food and provides meal service to the poor during the winter season in Paris. Hotel colleagues were stationed outside a local supermarket and collected donated food items from customers on behalf of La Soupe Saint Eustache. The colleagues' efforts contributed to the nearly 10 tons of food donated to the organisation in 2015.



# Community Programmes

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



## Mandarin Oriental, Atlanta

In support of Breast Cancer Awareness Month, Mandarin Oriental, Atlanta introduced a variety of creative promotions to benefit the American Cancer Society. The Spa offered the Body, Mind & Pink experience, in which 15% of each treatment booked was donated. The Café & Bar offered a menu of pink beverages and donated US\$1 of every “pink” beverage sold. Colleagues also participated in the Making Strides Against Breast Cancer Walk on 24 October 2015.



## Mandarin Oriental, Miami

The Hospitality Institute is a programme of the Miami International Hospitality Center at Miami Dade College, which connects residents in need with job opportunities in the local hospitality and tourism industry. Hotel colleagues volunteered their time in 2015 by providing individuals with job readiness and customer service training. Since its inception in 2007, The Hospitality Institute has provided training and job placement assistance to thousands of participants in need.



## Mandarin Oriental, Washington DC

For the fifth consecutive year, Mandarin Oriental, Washington DC took to the streets for its FANTastic March, a 5K fundraiser event on 12 September 2015. With the Group's matching grant, colleagues donated US\$50,000 to Jan's Tutoring House, which provides educational and enrichment activities for inner city youth in the District of Columbia.



### Hotel Ritz, Madrid

Fundación Menudos Corazones (Little Hearts Foundation) is a Spanish non-profit organisation whose mission is to improve the quality of life of children with congenital heart defects and provide support for their families. On 26 May 2015, Hotel Ritz, Madrid held a charity event in the hotel's terrace and garden to help raise awareness for this important cause among members of the local community. Heart-inspired jewelry was sold during the event, with proceeds benefiting the Little Hearts Foundation.



### Mandarin Oriental, Tokyo

The Tōhoku Disaster Relief Fund provides assistance to local communities still affected by the devastating 9.0 magnitude earthquake that struck the Tōhoku region in 2011. Colleagues from Mandarin Oriental, Tokyo participated in the organisation's annual Fun Run to benefit disaster relief. A group of 10 hotel staff raised money and raced around Tokyo's Imperial Palace grounds in support of this important local cause.



### Mandarin Oriental, Kuala Lumpur

Mandarin Oriental, Kuala Lumpur works closely with Reach Out Malaysia, a non-profit organisation which feeds the homeless, rural and urban poor in the city. Each night after the hotel's Mosaic restaurant closes, the culinary team packs leftover food into reusable containers for collection by Reach Out volunteers. Since 2010, Reach Out Malaysia has distributed over 2,500 packets of food, clothes and toiletries on a weekly basis.

## Future Directions

In 2015, we have endeavoured to increase the relevancy of our reporting and better inform our stakeholders on sustainability issues in the future. As the Group's first report to be published using the G4 standards from the Global Reporting Initiative, we are as focused as ever to work towards continuous improvement of our environmental performance sustainability with the utmost transparency.

Looking ahead, we will provide our hotels with the necessary resources and leadership to achieve our 2020 environmental goals as well as group-wide commitments and practices to deliver excellence, advance sustainability and champion the communities in which we operate. The aim is to recognise and openly address future sustainability challenges and ambitions as well as understand that each Mandarin Oriental property is unique, and our strategies must be adapted to each hotel's individual performance and local conditions.

As ever, stakeholder feedback supports our on-going efforts to improve our performance and to provide more transparent communication. If you would like to share your views on our sustainability progress and on this report, please contact our corporate responsibility team at [sustainability@mohg.com](mailto:sustainability@mohg.com).



## Total Workforce

TOTAL WORKFORCE	MALE	%	FEMALE	%	TOTAL	%
<b>By Region</b>	<b>7,010</b>	<b>55%</b>	<b>5,843</b>	<b>45%</b>	<b>12,853</b>	
Asia	4,045	54%	3,396	46%	7,441	58%
Europe	1,522	59%	1,070	41%	2,592	20%
The Americas	1,327	53%	1,186	47%	2,513	20%
Corporate	116	38%	191	62%	307	2%
<b>By Employment Contract</b>	<b>7,010</b>	<b>55%</b>	<b>5,843</b>	<b>45%</b>	<b>12,853</b>	
Full-time	6,648	55%	5,352	45%	12,000	93%
Part-time	205	44%	256	56%	461	4%
Casual	157	40%	235	60%	392	3%
<b>By Colleague Category</b>	<b>7,010</b>	<b>55%</b>	<b>5,843</b>	<b>45%</b>	<b>12,853</b>	
Line Staff	4,579	55%	3,780	45%	8,359	65%
Management	1,785	56%	1,406	44%	3,191	25%
Executive	194	61%	126	39%	320	2%
Other (Casual/Trainee)	452	46%	531	54%	983	8%
<b>By Age Group</b>	<b>7,010</b>	<b>55%</b>	<b>5,843</b>	<b>45%</b>	<b>12,853</b>	
Under 30	2,452	51%	2,366	49%	4,818	37%
30 to 50	3,548	57%	2,689	43%	6,237	49%
Over 50	1,010	56%	788	44%	1,798	14%
<b>By Nationality</b>	<b>7,010</b>	<b>55%</b>	<b>5,843</b>	<b>45%</b>	<b>12,853</b>	
Asia	4,197	53%	3,658	47%	7,855	61%
Europe	1,404	57%	1,038	43%	2,442	19%
North America	698	49%	735	51%	1,433	11%
South America	243	61%	158	39%	401	3%
Africa	329	70%	142	30%	471	4%
Oceania	15	58%	11	42%	26	1%
Other	124	55%	101	45%	225	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	2	-	1	33%	3	21.4%
Over 50	9	82%	2	18%	11	78.6%
<b>By Nationality</b>						
Europe	8	80%	2	20%	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>Hires by Age Group</b>	<b>3,200</b>	<b>54%</b>	<b>2,695</b>	<b>46%</b>	<b>5,895</b>	<b>45.9%</b>
Under 30	1,913	51%	1,810	49%	3,723	63.2%
30 to 50	1,116	59%	791	41%	1,907	32.3%
Over 50	171	65%	94	35%	265	4.5%
<b>Hires by Region</b>	<b>3,200</b>	<b>54%</b>	<b>2,695</b>	<b>46%</b>	<b>5,895</b>	<b>45.9%</b>
Asia	1,656	52%	1,537	48%	3,193	54.2%
Europe	1,239	62%	768	38%	2,007	34.0%
The Americas	284	45%	341	55%	625	10.6%
Corporate	21	30%	49	70%	70	1.2%
TOTAL TURNOVER	MALE	%	FEMALE	%	TOTAL	% OF TOTAL
<b>Separations by Age Group</b>	<b>2,762</b>	<b>55%</b>	<b>2,258</b>	<b>45%</b>	<b>5,020</b>	
Under 30	1,466	53%	1,314	47%	2,780	55.4%
30 to 50	1,100	57%	814	43%	1,914	38.1%
Over 50	196	60%	130	40%	326	6.5%
<b>Separations by Region</b>	<b>2,762</b>	<b>53%</b>	<b>2,258</b>	<b>45%</b>	<b>5,020</b>	
Asia	1,447	54%	1,248	46%	2,695	53.7%
Europe	974	62%	604	38%	1,578	31.4%
The Americas	329	48%	356	52%	685	13.6%
Corporate	12	19%	50	81%	62	1.2%
<b>Turnover Rate by Age Group</b>		<b>39.4%</b>		<b>38.6%</b>		<b>39.1%</b>
Under 30		59.8%		55.5%		57.7%
30 to 50		31.0%		30.3%		30.7%
Over 50		19.4%		16.5%		18.1%
<b>Turnover Rate by Region</b>						
Asia		35.8%		36.7%		36.2%
Europe		64.0%		56.4%		60.9%
The Americas		24.8%		30.0%		27.3%
Corporate		10.3%		26.2%		20.2%

## Health & Safety Incidents: Audit Results

PERFORMANCE INDICATOR	UNIT	REGION	2013	2014	2015
<b>Safe Sound &amp; Sustainable</b>					
Audit Results	% Compliance		88.3	90.1	90.8
Lost Time Incident Rate	Lost time Incidents / 100 employees	ALL	3.01	2.32	6.66
		Asia	2.71	2.35	2.85
		Europe	4.20	3.56	14.30
		The Americas	3.06	1.44	13.84
Lost Time Incident Severity Rate	Severity of incidents / 100 employees	ALL	27.30	25.07	24.29
		Asia	26.89	22.69	19.84
		Europe	40.42	31.98	33.12
		The Americas	19.11	27.52	32.73

## Environmental Performance Summary

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

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

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

## GRI G4 Content Index

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

INDICATOR	DESCRIPTION	LOCATION
<b>I. General Standard Disclosures</b>		
<b>Strategy and Analysis</b>		
G4-1	Statement from the most senior decision-maker about the relevance of sustainability and organization's strategy	Message From The CEO (p. 4)
<b>Organizational Profile</b>		
G4-3	Name of the organization	About The Mandarin Oriental Hotel Group (p. 3)
G4-4	Primary brands, products, and services	About The Mandarin Oriental Hotel Group (p. 3)
G4-5	Location of the organization's headquarters	About The Mandarin Oriental Hotel Group (p. 3)
G4-6	Number of countries where the organization operates	About The Mandarin Oriental Hotel Group (pp. XX)
G4-7	Nature of ownership and legal form	About The Mandarin Oriental Hotel Group (p. 3)
G4-8	Markets served, and types of customers and beneficiaries	About The Mandarin Oriental Hotel Group (p. 3)
G4-9	Scale of the organization	About The Mandarin Oriental Hotel Group (p. 3) Scope of 2015 Operations (p. 6)
G4-10	Total number of employees by employment contract and gender	Appendix: Total Workforce (p. 73)
G4-11	Percentage of total employees covered by collective bargaining agreements.	Data is not consolidated at the Group level for the reporting period.
G4-12	Description of supply chain	Sourcing Responsibly (p. 56)
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There were no significant changes during the reporting period.
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	Goals, Commitments and Practices (p. 6) Safe, Sound and Sustainable Programme (p. 14) Long-Term Outlook (p. 16)
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	None during the reporting period.
G4-16	Memberships in associations and national/international advocacy organizations	Stakeholder Engagement (pp. 20–21)
<b>Identified Material Aspects and Boundaries</b>		
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents	2015 Annual Report ("Principal Subsidiaries, Associates, Joint Ventures and Managed Hotels", p. 85)
G4-18	Process for defining the report content and the Aspect Boundaries	Materiality Assessment (p. 22)
G4-19	All the material aspects identified in the process for defining report content.	Materiality Assessment (p. 22)
G4-20	The aspect boundary for each material aspect within the organization and whether the aspect is material for all entities within the organization	Materiality Assessment (p. 22)
G4-21	Whether the aspect boundary for each material aspect is outside the organization	Materiality Assessment (p. 22)
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	None during the reporting period.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None during the reporting period.
<b>Stakeholder Engagement</b>		
G4-24	List of stakeholder groups engaged by the organization.	Stakeholder Engagement (pp. 20–21)
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement (pp. 20–21)
G4-26	Organization's approach to stakeholder engagement	Stakeholder Engagement (pp. 20–21)
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	Stakeholder Engagement (pp. 20–21) Materiality Assessment (p. 22)

INDICATOR	DESCRIPTION	LOCATION	
<b>Report Profile</b>			
G4-28	Reporting period for information provided.	Our reporting period is calendar year 2015.	
G4-29	Date of most recent previous report	2014 Sustainability Report	
G4-30	Reporting cycle	Annual	
G4-31	Contact point for questions regarding the report or its contents.	sustainability@mohg.com	
G4-32	GRI Index with "in accordance" option chosen and references to External Assurance Reports	We have self-reported in accordance with the G4 framework at the "Core" level.	
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	We did not seek external assurance during the reporting period.	
<b>Governance</b>			
G4-34	Governance structure of the organization, including committees of the highest governance body and those responsible for decision-making on economic, environmental and social impacts.	Management and Governance (pp. 12-13) (Additional information on our Corporate Governance Website ("Committee Composition".))	
<b>Ethics and Integrity</b>			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Guiding Principles and Corporate Responsibility Policy (p. 10) Responsible Operating Practices (p. 15)	
<b>II. SPECIFIC STANDARD DISCLOSURES</b>			
<b>Economic</b>			
Economic Performance	DMA	Disclosure on management approach	2015 Annual Report
	G4-EC1	Direct economic value generated and distributed	2015 Annual Report (Financial Statements, pp. 28)
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Enterprise Risk Management (p. 15) Long-Term Outlook (p. 16)
	G4-EC3	Coverage of the organization's defined benefit plan obligations	2015 Annual Report (Pension Obligations, pp. 41)
<b>Environmental Stewardship</b>			
Energy	DMA	Disclosure on management approach	Reducing Energy and Emissions (p. 42-47)
	G4-EN3	Energy consumption within the organization	Our Performance: Energy Consumption (p. 46) Appendix: Environmental Performance Summary (p. 75)
	G4-EN5	Energy intensity	Our Performance: Energy Consumption (p. 46) Appendix: Environmental Performance Summary (p. 75)
Water	DMA	Disclosure on management approach	Conserving Water (p. 48-51)
	G4-EN8	Total water withdrawal by source	Our Performance: Water Consumption (p. 50) Appendix: Environmental Performance Summary (p. 75)
Biodiversity	DMA	Disclosure on management approach	Respecting Biodiversity (pp. 60-61)
	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Respecting Biodiversity (pp. 60-61)
Emissions	DMA	Disclosure on management approach	Reducing Energy and Emissions (pp. 42-47)
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Appendix: Environmental Performance Summary (pp. 75)
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Appendix: Environmental Performance Summary (pp. 75)
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Our Performance: Greenhouse Gas Emissions (pp. 47) Appendix: Environmental Performance Summary (pp. 75)
Effluents and Waste	DMA	Disclosure on management approach	Managing Waste (pp. 52-55)
	G4-EN23	Total weight of waste by type and disposal method	Our Performance: Waste-To-Landfill Diversion (p. 55) Appendix: Environmental Performance Summary (p. 75)
Supplier Environmental Assessment	DMA	Disclosure on management approach	Sourcing Responsibly (pp. 56-60)
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Environmental and Social Screening (p. 56)

INDICATOR	DESCRIPTION	LOCATION	
<b>III. Labor Practices and Decent Work</b>			
Employment	DMA	Disclosure on management approach	Engaging Our Colleagues (pp. 34–35)
	G4-LA1	Employee turnover	Appendix: Turnover (pp. 74)
Occupational Health and Safety	DMA	Disclosure on management approach	Safe, Sound and Sustainable Programme (p. 14) Committing to Health, Safety and Wellness (pp. 30, 33)
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Our Performance: Occupational Health and Safety (p. 30) Appendix: Health & Safety Incidents: Audit Results (p. 74)
Training and Education	DMA	Disclosure on management approach	Investing In Training And Education (pp. 36–37)
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Investing In Training And Education (pp. 36–37)
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Partnering with Colleagues to Chart Their Careers (p. 36)
Diversity and Equal Opportunity	DMA	Disclosure on management approach	Promoting Diversity and Inclusion (pp. 38–39)
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Appendix: Total Workforce (p. 73)
Supplier Assessment for Labor Practices	DMA	Disclosure on management approach	Sourcing Responsibly (pp. 56–60)
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	Environmental and Social Screening (p. 56)
<b>IV. Human Rights</b>			
Supplier Human Rights Assessment	DMA	Disclosure on management approach	Sourcing Responsibly (pp. 56–60)
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Environmental and Social Screening (p. 56)
<b>V. Society</b>			
Local Communities	DMA	Disclosure on management approach	Championing Community (pp. 64–71)
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	All operations had local community engagement programs during the reporting period.
Anti-Corruption	DMA	Disclosure on management approach	Responsible Operating Practices (pp. 15)
	G4-SO4	Communication and training on anti-corruption policies and procedures	Managing Anti-Corruption Risk (pp. 15)
<b>VI. Product Responsibility</b>			
Customer Health and Safety	DMA	Disclosure on management approach	Safe, Sound and Sustainable Programme (p. 14) Committing to Health, Safety and Wellness (pp. 30–33)
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Safe, Sound and Sustainable Programme (p. 14)
Product and Service Labeling	DMA	Disclosure on management approach	Delighting Our Guests (pp. 26–29)
	G4-PR5	Results of surveys measuring customer satisfaction	Our Performance: Guest Satisfaction (p. 29)
Customer Privacy	DMA	Disclosure on management approach	Responding to Emerging Information Protection Challenges (p. 29)
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Responding to Emerging Information Protection Challenges (p. 29)

## Endnotes

- 1 Economic Impact of Travel & Tourism, 2016 Annual Update: <http://www.wttc.org/research/economic-research/economic-impact-analysis/>
- 2 World Economic Forum “Global Risks 2016” 11th Edition, 2016. [http://www3.weforum.org/docs/GRR/WEF\\_GRR16.pdf](http://www3.weforum.org/docs/GRR/WEF_GRR16.pdf)
- 3 World Resources Institute, <http://www.wri.org/our-work/topics/water>
- 4 UN Sustainable Development Goals: <https://sustainabledevelopment.un.org/sdgs>
- 5 United States Bureau of Labor Statistics “Work-related Fatalities, Injuries, and Illnesses”, 2013. [www.bls.gov/iag/tgs/iag72.htm](http://www.bls.gov/iag/tgs/iag72.htm)
- 6 Diesel will remain the primary fuel source for stand-by generators.
- 7 Reductions—in energy use, greenhouse gas emissions and water use—are calculated as the difference between the absolute performance in the current year and a “baseline” value, which assumes that no measures have been taken to increase efficiency since the reference year 2007. The baseline is corrected for variable factors such as occupancy, weather or number of meals served, to ensure that data is comparable from year to year. The method we developed follows the guidelines established by the International Performance Measurement and Verification Protocol (IPMVP).
- 8 Scope 1 emissions are composed of emissions from direct energy sources, including natural gas, diesel and propane. Scope 2 emissions are the sum of emissions from indirect energy sources, including electricity generation, chilled water and heated water/steam. Due to the nature of our business, indirect emissions (Scope 2) make up the largest component of our emissions. Electricity emission factors for properties outside the US have been obtained from the International Energy Agency. Electricity emission factors for US properties have been based on the eGrid of the US Environmental Protection Agency (EPA). Chilled water purchased from external sources such as district or centralised cooling has been converted to energy and emissions using the simplified approach for electric-driven compressor and a COP of 4.2 as defined by California Climate Change Registry. Steam or heating purchased from external sources such as district or centralised heating has been converted to emissions using Energy Information Administration, Voluntary Reporting of Greenhouse Gases, Appendix N.
- 9 Renewable Energy Certificates (RECs) are included in the emission calculations, Annual average greenhouse gas emissions per passenger vehicle is 5.10 t CO<sub>2</sub>-e per year as in [www.epa.gov/cleanenergy/energy-resources/refs.html](http://www.epa.gov/cleanenergy/energy-resources/refs.html). Emissions from stationary combinations, such as boilers, have been based on the Greenhouse Gas Protocol Cross Section Tools.
- 10 U.S. Environmental Protection Agency: [www.epa.gov/cleanenergy/energy-resources/refs.html](http://www.epa.gov/cleanenergy/energy-resources/refs.html)
- 11 Circle of Blue: <http://www.circleofblue.org/2015/world/price-of-water-2015-up-6-percent-in-30-major-u-s-cities-41-percent-rise-since-2010/>
- 12 WRI Aqueduct: <http://www.wri.org/our-work/project/aqueduct>
- 13 Mandarin Oriental, Sanya and Mandarin Oriental, Bodrum are included in absolute water consumption figures, but not included in water intensity figures due to incompatibility in the data.



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

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



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