

# GLOBAL CITIZENSHIP AT STARWOOD

2013 UPDATE



## OUR CITIZENSHIP JOURNEY

Global Citizenship lies at the heart of who we are as a global community of over 180,000 associates at Starwood. We share a passion for giving back to our local communities and for finding new ways to work sustainably. Our passion is the key to our success and the progress we made in 2013. This update celebrates just a few of the many stories of how we're working to meet our goals and create a better future.

*Frits van Paasschen*  
*Chief Executive Officer and President*  
*Starwood Hotels & Resorts Worldwide, Inc.*



We work tirelessly to integrate Global Citizenship into the fabric of our organization, implementing foundational initiatives across our portfolio of hotels and developing our key programs like Make a Green Choice and Clean the World. While we hold all of our properties to the same environmental and social standards, we do not take a one-size-fits-all approach to Global Citizenship. We embrace the uniqueness of our people, brands, and locations. Just as inventiveness leads to innovation, it can also create challenges. In key growth areas including the Middle East, China, and Southeast Asia, we saw our energy use rise. We respond to new challenges like these by identifying areas where it makes sense to differentiate our strategy as we continue our journey for a better, more sustainable world.

*Kenneth Siegel*  
*Chief Administrative Officer and General Counsel*  
*Starwood Hotels & Resorts Worldwide, Inc.*

# A BETTER WAY TO EXPERIENCE THE WORLD.

# A BETTER WORLD TO EXPERIENCE.

Our Global Citizenship strategy creates value and builds resiliency through sustainability and social responsibility. It is a cornerstone of our business.

In 2013, we embedded Global Citizenship more deeply throughout the company, integrating our Global Citizenship principles within our brands and our supply chain. We moved beyond foundational efficiency initiatives and emphasized innovation and partnerships to make progress toward our sustainability goals. During this time, we have also faced the challenges of having a growing portfolio in key markets, increasingly larger hotels and resorts, and a diverse ownership portfolio. In addressing these issues, we have developed multi-faceted and creative strategies to assist our hotels in dealing with rising energy costs and usage trends, including sharing best practices, providing access to environmental reporting tools and case study playbooks, and leveraging partnerships to reduce or eliminate upfront costs of capital improvements.

As this journey continues, we are confident we have the resources in place to keep pushing forward. We will continue to analyze our historical data to uncover areas where we can make the most progress, pinpointing brands, regions, and properties that can help us make a positive impact on the world.

Additional 2013 highlights include:

- Set a GHG emissions-reduction goal of 30 percent per built hotel room by 2020 from a 2008 baseline
- Formalized global brand standards for Make a Green Choice and Sustainable Meeting Practices
- Launched Starwood Cares for the Community, a program that encourages associates to engage in local volunteer activities and tracks participation
- Developed a Workplace Readiness program, which provides grants to NGOs around the world that focus on workforce development

## About this Update

This Update follows our inaugural 2012 Global Citizenship Report and includes select metrics and stories on our goals and progress in 2013. It was compiled using the Global Reporting Initiatives (GRI) G4 framework as a guide and contains Standard Disclosures from the GRI Sustainability Reporting Guidelines. Please refer to [this index](#) for additional disclosures. We welcome your feedback on this Update. Please send any comments or questions to [global.citizenship@starwoodhotels.com](mailto:global.citizenship@starwoodhotels.com).

# GLOBAL CITIZENSHIP DASHBOARD

Creating a better world to experience requires strong commitments, solid partnerships, and creativity in approach. Our ambitious sustainability goals encourage us to look for new places to make progress toward reducing our impacts. Our social responsibility program drives our business by supporting strong, vibrant communities where we operate. These metrics include our progress since our inaugural 2012 Global Citizenship Report.

## 2013 Starwood Giving

US\$5.3 Million Total



- Corporate Giving**  
Donations to NGOs through campaigns, sponsorships, fundraisers, and promotions
- Starwood Associate Relief Fund**  
Grants to help associates recover from disasters
- Starwood Foundation**  
Programmatic funds to support the Starwood Foundation mission through 18 global and local NGOs
- Property Giving**  
Cash and in-kind donations



## Make a Green Choice

From 2009–2013, we have saved:

- 223 million gallons of water
- 961,000 kilowatt hours of electricity
- 1,264,000 therms of natural gas
- 277,000 gallons of cleaning supplies



## Associate Feedback

In 2013:

- 85% of associates agreed they are extremely satisfied with Starwood as a place to work
- 91% of associates agreed they are proud to work at Starwood



## Clean the World

From 2011–2013:

- More than 200 participating hotels—420,000 pounds of soap recycled
- 380,503 pounds of bottled bathroom products recycled
- More than 2 million bars of soap distributed to children in need
- 285,377 pounds of plastic diverted from the landfill



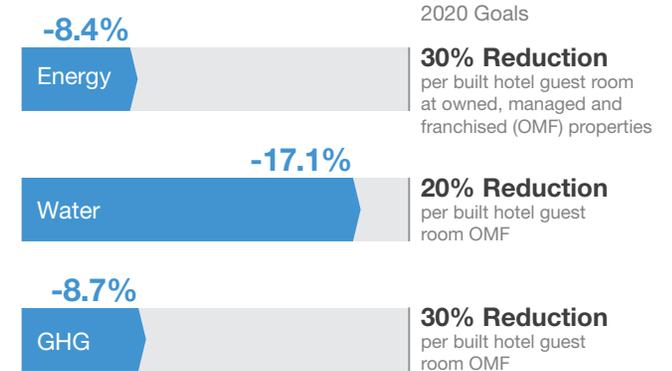
## Associate Engagement

In 2013:

- 54,915 associates spent 47,527 hours volunteering in their communities

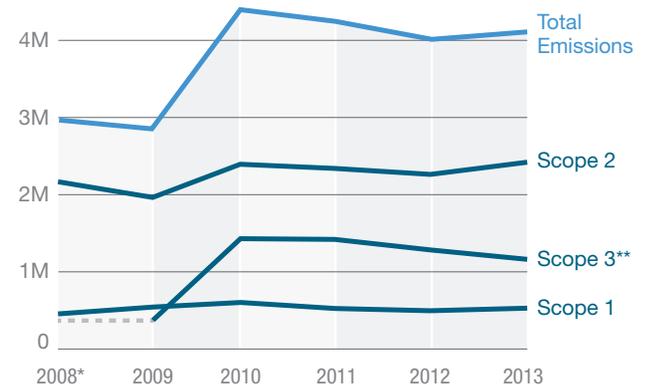
## Progress on 30/20 by 20

As of December 31, 2013



## Absolute GHG Emissions

Metric Tons CO<sub>2</sub>e

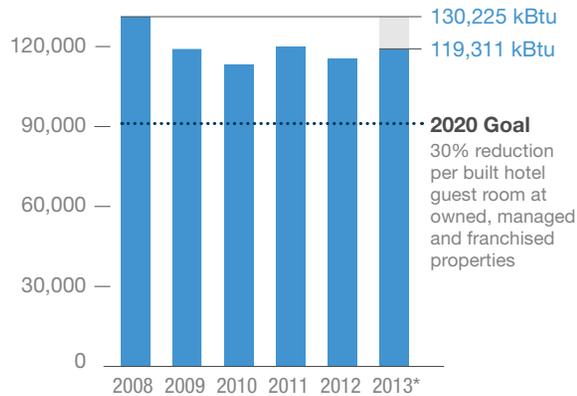


\*Base Year

\*\*This relatively small figure was a result of a low response rate in the first year tracking Scope 3 emissions in 2010.

## Global Energy Use

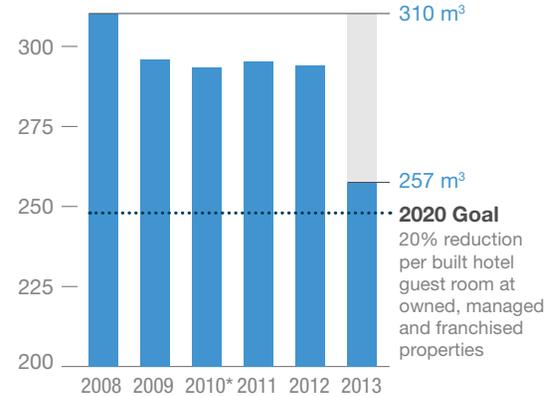
kBtu per built hotel guest room



\*Includes only the 747 properties for which 2013 data have been validated. There were a total of 1,093 eligible hotels in 2013

## Global Water Consumption

Cubic meters per built hotel guest room



\*30/20 by 20 goal published

## Water Risk

In 2013, we began our journey to look beyond water conservation at our properties and toward our water risk. The first step in that strategy was to map our existing and future properties. This was accomplished using the World Resources Institute Aqueduct tool, which showed:



**Water quality:** 47% of our properties are located in areas of extremely high to high risk



**Flooding:** 51% of our properties are located in areas of extremely high to high risk



**Water scarcity:** 49% of our properties are located in areas of extremely high to high risk

The next step is to use this data to inform a more comprehensive strategy.

## 2013 Energy Usage by Region

By Energy Unit Intensity (EUI)

Region	Hotels in validated group	Rooms in validated group	EUI (kBtu per built room)	EUI change since 2008
Asia Pacific	181	61,084	160,298	-8.1%
Europe, Africa, and the Middle East	163	42,456	128,861	-5.1%
Latin America	52	11,766	98,868	-13.2%
North America	351	123,314	97,671	-12.2%
<b>Global</b>	<b>747</b>	<b>238,620</b>	<b>119,311</b>	<b>-8.38%</b>

## 2013 Water Consumption by Region

By Water Unit Intensity (WUI)

Region	Hotels in validated group	Rooms in validated group	WUI (cubic meters per built room)	WUI change since 2008
Asia Pacific	165	52,238	402.46	-17.93%
Europe, Africa, and the Middle East	159	41,562	220.17	-22.42%
Latin America	46	9,920	279.19	-12.25%
North America	301	106,777	192.09	-20.83%
<b>Global</b>	<b>671</b>	<b>210,497</b>	<b>257.39</b>	<b>-17.12%</b>

# STORIES OF PROGRESS

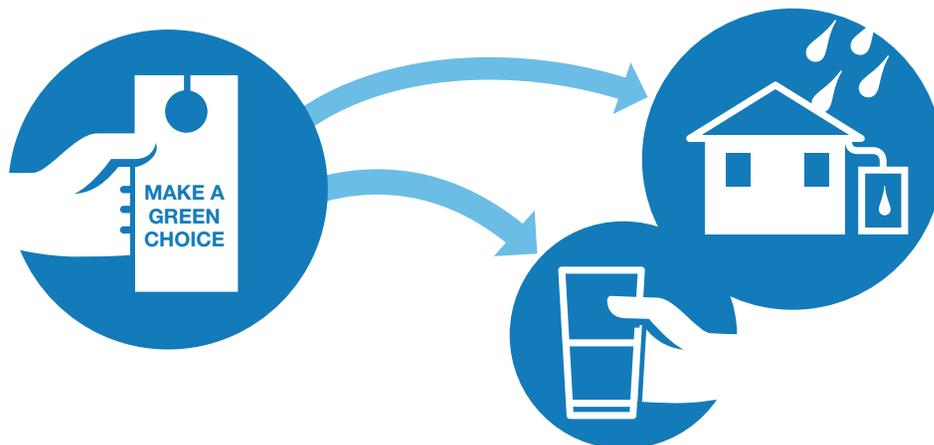
## Guests Can Make a Green Choice across the Globe

It takes on average 500 cups of water to clean a single hotel room. Thanks to our sustainability program Make a Green Choice, now available at Starwood hotels worldwide, our guests can lighten the impact of their stays.

At many of our properties around the world, guests can choose to forgo full housekeeping services. For each night that a guest forgoes full room cleaning, we save precious natural resources: up to 0.19 kWh of electricity, 25,000 Btu of natural gas, 7 oz. of chemicals from cleaning products, and 49.2 gallons of water.

Guests who forgo full housekeeping for up to three nights in a row are recognized for making a green choice, with options such as a \$5 food and beverage voucher or 250–500 Starwood Preferred Guest points. Alternatively, in certain markets, guests can make a donation to support our partner UNICEF's vital work around the world protecting children from the effects of climate change. Making a green choice at a hotel in Paris, for example, could help schools in Mozambique build rainwater-harvesting systems or give Nigerian children safe drinking water.

Since its 2009 launch, approximately 5.1 million guests have made a green choice, and more than 75 percent of guests surveyed say they will participate in the future.



## Sunny Outlook for Solar at Starwood

In partnership with NRG Energy, we established a pilot program that integrates both design and innovation, as well as generates two megawatts of clean, renewable energy.

This industry-leading partnership will upgrade new facilities such as covered event spaces, tennis courts, parking lots, and poolside canopies at The Westin Maui, The Westin St. John, and The Phoenician in Arizona with state-of-the-art solar panels. The solar panels will be integrated with the unique aesthetic of each location, enhancing the guest experience through innovative design while reducing our environmental footprint.

Delivered with no capital cost, the property will use the electricity generated from the NRG-owned panels. This will lower our electricity bills and lock in predictable energy costs at an affordable level for years to come. We are working to scale the program by identifying other properties where solar makes sense—in areas where energy costs and usage are high, the capacity for solar is proven, and a favorable market exists.



## Properties Pitch in on Waste Reduction

### Returning boxes in Italy

In September 2013, we became the first hotel chain in Italy to use returnable boxes for fruit and vegetable deliveries through a local company called CPR System. Every year, 184,000 boxes made of plastic, wood or cardboard will be replaced by new, reusable boxes, lowering waste disposal costs and reducing our impact.

### Recycled uniforms at The Westin Santa Fe

The Westin Santa Fe resort in New Mexico replaced staff uniforms with a new uniform crafted from recycled plastic bottles (rPET). The new uniforms do not require chemical dry cleaning, and because of their use of recycled material, divert plastic from landfills. The uniforms use 30 percent less energy to manufacture than the previous model, which was made of virgin polyester, and use 90 percent less water in the manufacturing and laundry processes combined.

### Recycled coffee grounds make for brighter blooms

For guests at The Sheraton Waikiki, enjoying a morning cup of coffee can provide a boost for plant life around the property. Instead of discarding wet and heavy coffee grounds after use, they are collected in bins and incorporated into the soil as a natural fertilizer, improving drainage, water retention, and aeration. Collecting coffee grounds reduces the volume of wet waste at the property and saves about US\$7,300 a year in garbage fees while enhancing the natural beauty of the landscape.

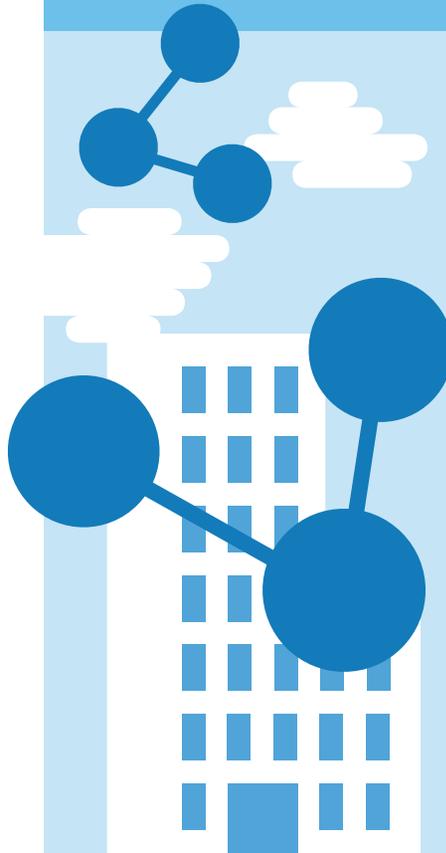
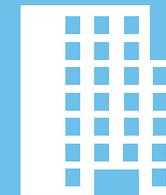
## Two Million Soap Bars Support Health

What happens when guests leave behind partially used soap and shampoo products? At more than 200 of our hotels, we partner with Clean the World, a social enterprise that recycles discarded soap products and other amenities. Once the soap is repurposed, the amenities are then donated to countries with high rates of hygiene-related, life-threatening illnesses and to shelters and transitional housing programs around the world.

Since 2011, our hotels have contributed enough discarded soap to distribute close to 2.25 million bars of soap in partnership with Clean the World, helping more than 100,000 people live healthier lives.



One day's worth of recycled soap from an average sized hotel can supply **122 families** with soap for a week.



## Today's Innovations, Tomorrow's Hotels

Starwood is bringing tomorrow's hotels into the present. Our Hotel of the Future program designs groundbreaking, adaptable properties that improve our guests' experiences while reducing our environmental footprint.

For example, to improve air quality, we extensively research chemicals traditionally used in room interiors, identifying those that can have a negative health impact. Our Health and Wellness Room Initiative selects and specifies interior products and materials designed to maximize our guests' well-being. We will incorporate our findings into our updated Architecture & Construction sustainability standards, which are currently being rolled out.

Through projects like these, we drive sustainable innovation across our properties, setting the standard for our industry, now and into the future.

# OUR COMPANY

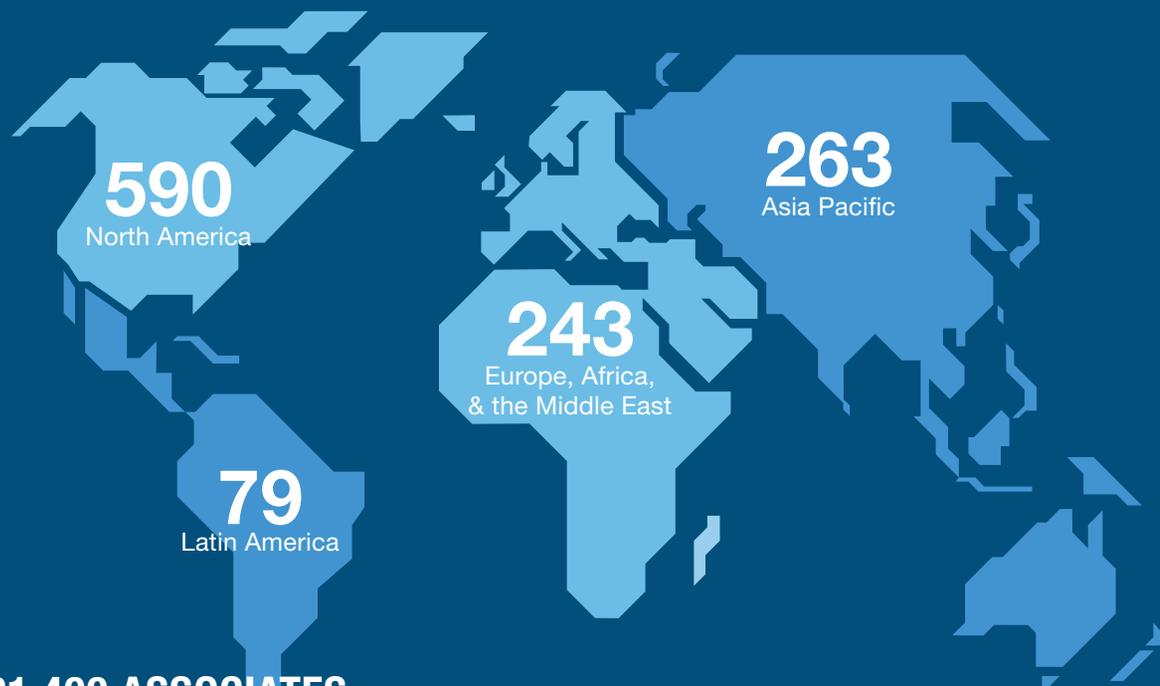
## 2013 Financial Data (USD)

Revenue	\$6,115M
Operating income	\$925M
Income (from continuing operations)	\$565M
Diluted earnings per share from continuing operations	\$2.92
Cash from operating activities	\$1,151M
Cash used for investing activities	(\$158M)
Cash used for financing activities	(\$678M)
Aggregate cash distributions paid	\$256M
Cash distributions and dividends declared per share	\$1.35

## Number of Properties in 2013 (EOY)

Opened in 2013	74
Total	1,175
Owned	47
Franchised	551
Managed	563
Vacation Ownership resorts and stand-alone properties	14

## Number of Properties by Division in 2013 (EOY)



**181,400 ASSOCIATES**  
**1,175 PROPERTIES**  
**NINE WORLD-CLASS BRANDS**  
**ONE GLOBAL COMMITMENT TO CITIZENSHIP**

starwood  
 Hotels and  
 Resorts

Le MERIDIEN

aloft

FOUR POINTS

WESTIN

THE LUXURY COLLECTION

W  
HOTELS

Sheraton

ST REGIS

element