

# RESPONSIBLE SOURCING

## 2023 Goal Progress

With global operations spanning over 126 countries and territories, Hilton and Hilton Supply Management recognize the importance and opportunity to drive positive economic, environmental, and social impact across our supply chain. We partner with suppliers to drive innovative, local and sustainable sourcing options, foster a diverse supply chain, and conduct ESG due diligence to ensure responsible business practices. To further strengthen our impact, we set industry leading 2030 supply chain goals that are prioritized across the sourcing lifecycle.



### Responsible Sourcing Goals for 2030

Hilton has set ambitious sourcing goals and is committed to transparent, public disclosure on our progress. In partnership with Hilton Supply Management, we made significant progress towards the achievement of our goals in 2023.

#### GOALS

*Embed ESG due diligence across our supply chain and partner with suppliers to advance positive impact.*

Conduct ESG assessment for all suppliers with high-spend or high-risk products and address any identified risks (including forced labor or trafficking).

Create a responsible sourcing collaboration program and engage with tier 1, top-spend suppliers to establish, validate and advance progress towards ESG goals.

Incorporate social and environmental criteria into all new supplier registration and RFX processes (RFP, RFI, and RFQ), in addition to all supplier renewals.

#### PROGRESS



Launched the Human Rights Questionnaire (HRQ) within our supplier risk management tool to assess human rights risks associated with high-spend and high-risk suppliers in the United States.

Co-founded the Hospitality Alliance for Responsible Procurement, powered by EcoVadis, to accelerate supplier engagement across the industry and improve supplier performance on key sustainability topics.

Achieved EcoVadis ratings for 30% of high-risk and high-spend suppliers across our Americas and EMEA regions. 19% of rated suppliers are engaged in corrective actions.

Expanded our repository of ESG-related questions to integrate into RFX processes across procurement categories, strengthening our ability to assess supplier capabilities and performance specific to ESG.

## GOALS

*Promote responsible sourcing of beef, poultry, pork, eggs, seafood, and produce from third-party recognized and/or certified suppliers across our managed hotels.*

- Source group-housed pork for our Luxury and Full-Service hotels in the U.S. and Europe by the end of 2025 and transition sourcing to gestation crate-free pork as it becomes readily available at scale.
- Continue to ban the procurement of endangered species across all hotels globally and by 2025: (a) Source at least 50% of our seafood globally (in aggregate, by spend) for managed hotels from certified fisheries and farms, including at least 25% from the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC); and (b) Engage and partner with remaining seafood suppliers on sustainability improvements and certifications.
- Source 100% of our shell, liquid and egg products\* across our global portfolio (owned, managed and franchised hotels) from cage-free sources by the end of 2025.

## PROGRESS



Continued driving incremental progress on sourcing cage-free eggs across our portfolio. Hilton also supported animal welfare learning and development for egg suppliers in sub-regions where cage-free egg supply is limited. Refer to page three for Hilton's 2023 cage-free egg progress and 2025 glidepath.

Continued driving incremental progress on sourcing group-housed/crate-free pork in the U.S. and Europe, including the transition of more than 1.4 million pounds of breakfast sausage product to group-housed pork in the U.S. Refer to page three for Hilton's 2023 group-housed/crate-free pork progress.

Strengthened sustainable seafood tracking and reporting capabilities in the United States, piloting product attribute tracking with three regional seafood suppliers. In our Japan, Korea & Micronesia region, managed hotels achieved 32% Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certified sustainable seafood sourcing, offering guests sustainably-sourced seafood across their hotel F&B operations.

\* This does not include products purchased by Hilton portfolio hotels containing egg, where egg is not the primary ingredient (note, Hilton considers all prepared omelets and egg sandwiches as products with egg as the primary ingredient).

## GOALS

*Leverage our large global footprint and deep integration within our communities to expand local sourcing and business with diverse and small suppliers.*

- Double our annual sourcing spend from diverse and small business suppliers for managed hotels and corporate offices in the US and expand Hilton's supplier diversity program globally.
- Encourage and enable our hotels to source more products locally through the establishment of a local sourcing strategy and framework.

## PROGRESS



Sourced from 2,200+ diverse and small businesses in 2023. For the year, our supplier spend with those valued partners exceeded \$467 million.

Across key markets within our EMEA region, Hilton properties can now procure as much as 70% of their food locally, fostering a commitment to local sourcing.

Continued to grow relationships with certified diverse suppliers, including new partnerships with Partake Foods for an allergy-friendly DoubleTree cookie, and Sobel Westex as Hilton's new primary terry supplier for the United States.

## Advancing Animal Welfare Across the Supply Chain

As outlined in our Animal Welfare Statement, Hilton strives to work toward the legal, ethical and humane treatment of animals across our value chain—operations, supply chain and communities. Our teams made incremental progress in 2023 toward our cage-free egg and group-housed/crate-free pork goals, highlighted below in our progress tables.

### 2023 CAGE-FREE EGG PROGRESS<sup>1</sup>

Region	%
<b>Americas</b>	
United States (managed)	57.9%
United States (franchised)	15.6%
Canada (managed)	3.4%
Caribbean & Latin America (managed)	<1%
<b>EMEA</b>	
United Kingdom & Ireland (managed)	91.2%
United Kingdom & Ireland (franchised)	81.9%
Continental Europe (excluding UK & Ireland) (managed)	92.2%
Continental Europe (excluding UK & Ireland) (franchised)	47.1%
Middle East & Africa (managed)	10.7%
Middle East & Africa (franchised)	22.7%
<b>APAC</b>	
Australasia (managed)	55.5%
Australasia (franchised)	37.5%
Greater China & Mongolia (managed)	<1%
India (managed)	5.4%
Japan, Korea & Micronesia (managed)	12.6%
Japan, Korea & Micronesia (franchised)	4.7%
Southeast Asia (managed)	11.3%

<sup>1</sup> Reporting represents 100% of managed and franchised hotels across all Hilton brands within each sub-region, based on available data. Analysis of data collected for franchised hotels in Canada, Caribbean & Latin America, Greater China & Mongolia, India and Southeast Asia is ongoing.

### 2025 CAGE-FREE EGGS PROJECTED GLIDEPATH

Region	Progress			Targets	
	2021	2022	2023	2024	2025
United States (managed)	59%	53%	57.9%	75%	100%
Canada (managed)	<1%	<1%	<1%	45%	
United Kingdom & Ireland (managed)	72.2%	80.1%	91.2%	96%	
European Union countries (managed)	94.9%	94.6%	92.2%	95%	

### 2023 GROUP-HOUSED / CRATE-FREE PORK PROGRESS<sup>2</sup>

Region	%
United States (managed)	4.2%
United Kingdom & Ireland (managed)	93.8%
Continental Europe (excluding UK & Ireland) (managed)	22.0%

<sup>2</sup> Reporting represents 100% of managed hotels in each sub-region across all Hilton brands, based on available data.

