

# RESPONSIBLE SOURCING POLICY STATEMENT



At Hilton, we are committed to driving positive change through our business. Through Travel with Purpose, Hilton's Environmental, Social and Governance (ESG) commitment, we aim to advance responsible travel and tourism globally and drive positive social and environmental change across our operations, our supply chain and our communities. As part of this commitment, we aim to partner with our Suppliers to protect human rights and the environment, ensure responsible sourcing and drive collective action across our business.

This Responsible Sourcing Policy outlines the minimum ESG standards we require our Suppliers to meet. For the purposes of this Policy, "Supplier" means any company, corporation or other entity (including subsidiaries and affiliates) that sells or seeks to sell goods or services to Hilton, any Hilton corporate entity, and/or any leased or managed Hilton property.

## SUPPLIERS' MANAGEMENT SYSTEMS

Suppliers shall have their own systems and policies in place to comply with this Policy. Suppliers shall establish their own policies, employee education programs, and whistleblowing procedures to receive complaints from their workers, business partners, customers and other relevant parties. We require our Suppliers to hold their suppliers and subcontractors accountable to these standards.

Hilton reserves the right to appoint independent third parties or itself to conduct unannounced assessments, audits and inspections of Suppliers and their facilities to ensure that appropriate efforts are being taken to operate in a manner consistent with the fundamental principles of this Policy.

Violations of this Policy may lead to Hilton taking a range of actions, including terminating the Supplier relationship.

## FUNDAMENTAL PRINCIPLES

- **Legal Compliance, Integrity and Fair Dealing.** Suppliers are expected to act with the highest standard of integrity when conducting business. This includes complying with all applicable local and global anti-corruption laws and regulations. Suppliers should not give, offer, promise or authorize anything of value to any person, including government official or their family members, for the purpose of improperly influencing official action or gaining an improper advantage.

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- **Anti-Money Laundering.** Suppliers should not engage in or facilitate transactions anywhere in the world that involve funds that were derived from illegal activities.
- **Contractual Obligations.** We require Suppliers to honor the terms and conditions of contracts.
- **Protecting and Using Personal and Business Information.** Suppliers are required to respect their employees' privacy rights and to repudiate the inappropriate acquisition, possession or use of proprietary, confidential or trade secret information of competitors or other third parties. Suppliers must comply with data and information privacy laws throughout their operations and safeguard all data and information.
- **Labor Rights, Human Rights, and Prohibition Against Human Trafficking, including Sexual Exploitation.** Suppliers are required to comply with the employment and labor laws in every country and region in which they operate. Suppliers are expected to condemn all forms of human trafficking and commercial exploitation, including the sexual exploitation of men, women or children. We expect our Suppliers to support fundamental human rights for all people as defined in the Universal Declaration of Human Rights. Suppliers also must adhere to the principles detailed in our [Human Rights Principles](#) and set forth below. Our Suppliers shall, and shall ensure that their suppliers and sub-contractors shall:
  - Not employ individuals who are under 15 years of age or the lawful age of employment (whichever is higher) in any country in which we operate.
  - Not use child labor in accordance with the International Labour Organisation (ILO) standards.
  - Comply with all wage and compensation requirements as defined under applicable local laws and regulations, including those relating to minimum wages and at a minimum provide legally mandated benefits.
  - Not exceed maximum hours of work defined by applicable law and shall appropriately compensate overtime.
  - Not use forced labor, including prison, bonded or debt labor.
  - Not allow physical punishment or abuse of any worker.
  - Not charge recruitment fees or costs.
  - Ensure that all workers and third parties have an effective mechanism to report grievances which facilitates constructive resolution of any such grievances.
  - Have appropriate mechanisms for reporting labor and human rights violations, including appropriate whistleblowing reporting mechanisms.

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- **Safe and Healthy Work Environment.** Suppliers shall provide a safe and healthy work environment. This includes complying with all applicable safety and health laws and guidelines.
- **Anti-Harassment & Non-Discrimination.** Suppliers shall ensure that any behavior, communication, or other conduct that creates an intimidating, offensive, abusive or hostile work environment, or that otherwise interferes with any worker's ability to perform his or her job, is prohibited. Suppliers shall maintain a work environment that is free from harassment, discrimination and retaliation based on a legally protected status. Suppliers shall provide equal employment opportunities for qualified employees.
- **Diversity and Inclusion.** Suppliers are encouraged to cultivate a work environment that promotes diversity and inclusiveness.

Suppliers should use good faith efforts to award subcontracts to or utilize Diverse Suppliers to the fullest extent possible without compromise of quality, price, or reliability expectations. A "Diverse Supplier" is a business that provides products or services and qualifies as a disadvantaged-owned small business, minority-owned business, women-owned business, HUBZone business, disabled-owned business, service-disabled veteran-owned business, or certified gay-, lesbian-, bisexual- or transgendered-owned business or veteran owned business. This definition may be modified from time to time by Hilton. Suppliers should establish and operate a program that enables Diverse Suppliers to be considered fairly as subcontractors.

Suppliers shall track and report their use of Diverse Suppliers to Hilton on a quarterly basis. Suppliers shall submit reports via Hilton's online Reporting System and shall include "direct" and "indirect" spend on Diverse Suppliers.

- **Commitment to the Environment.** Suppliers are encouraged to support our environmental objectives, as outlined in our [Environmental Statement](#) and [Energy Stewardship Statement](#). Throughout the term of the relationship, and otherwise at Hilton's request, Suppliers are expected to provide information on their efforts to identify, monitor and minimize the environmental impacts of its operations. Objectives should include:
  - Ensuring compliance with local, state and national environmental legislation.
  - Strategically looking to minimize environmental footprint, and identify program successes in this area, including by engaging with their own suppliers on sustainable procurement guidelines.
  - Minimizing the use of endangered and non-renewable raw materials wherever practicable and feasible.
  - Incorporating the use of recycled materials where practicable and feasible in the manufacturing process.

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- Implementing programs to recycle waste resulting from the manufacturing processes.
  - Seeking operational processes that result in energy and water savings.
  - Implementing the use of sustainable alternatives to fossil and unnatural materials and processes where applicable.
  - Taking steps to support biodiversity conservation and regeneration, where possible.
  - Continuing to educate themselves and Hilton on the concept of sustainability as it relates to their business.
  - Participating in sustainability-related industry standardization programs as they are developed.
- **Sustainable Forestry.** Hilton requires Suppliers of wood and paper products to maintain compliance with all applicable laws, rules and regulations. Hilton will not purchase wood or paper products made with illegally harvested or traded wood. Hilton gives preference to recycled and certified products and those protecting High Conservation Value Forests, avoiding natural forest conversion and ensuring protection of human, civil and labor rights wherever feasible. We understand there are many forest certification options and will give preference to Forest Stewardship Council (FSC) certified products based on regional risk and if all other product attributes are equal.

We consider certifications legitimate if they have independent governance, multi-stakeholder inputs (including board representation), independent certification with independent auditors, complaints and appeal process, transparency, and open participation.

- **Animal Welfare.** Suppliers are encouraged to implement humane procedures to prevent the mistreatment of animals, including when they are raised, cared for, transported and processed, in accordance with Hilton's [Animal Welfare Statement](#).

## REPORTING CONCERNS

We require our Suppliers to raise concerns about any potential breach of our Responsible Sourcing Policy or the law. Suppliers can submit concerns to Hilton at [The\\_Legal\\_Compliance\\_Team@hilton.com](mailto:The_Legal_Compliance_Team@hilton.com).

*Hilton reserves the right to amend or modify this Responsible Sourcing Policy. Last updated August 2021.*

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