

2021 Independent Limited Assurance Verification for Hilton Worldwide Holdings Inc.

Publicly Reported 2021 GHG, Environmental, and Corporate Responsibility Performance

Assurance Summary

Hilton Worldwide Holdings Inc. (Hilton) engaged DEKRA Certification, Inc (DEKRA) to provide an independent review and third- party assurance of information related to Hilton’s Corporate Responsibility programs for the calendar year of 2021. Hilton reports publicly through multiple venues, including but not limited to CDP, Dow Jones Sustainability Index, Hilton’s public financial disclosures, and Hilton’s Travel with Purpose website (<https://cr.hilton.com>.) The Limited Verification followed the requirements of *ISO 14064-3 - Specification with guidance for the validation and verification of greenhouse gas assertions*.

Reporter	Hilton Worldwide Holdings Inc.
Assurance Provider	DEKRA Certification, Inc.
Reporter Contact	Harry Chrispin
Lead Verifier	Zed Bates
Senior Reviewer	Cem Onus
Reporting Year	2021
Reporting Scheme	Various - Carbon Disclosure Project, DJSI
Geographical Scope of Assurance	Worldwide
Assurance Scope	CO2, CH4, N2O emissions; Water Use; Energy Use; Waste Generation and Landfill Diversion; Year on Year Changes;
Operational Boundaries	Corporate facilities and Owned and Managed Hotels for Scope 1 and 2.
Objectives	An evaluation of the following: <ul style="list-style-type: none"> • Accuracy of publicly reported environmental data , including GHG emissions, water and energy use, and waste generated and diverted from landfills; • Accuracy of publicly reported social impact data including youth impacted, volunteering hours, disaster relief and Action Grants funds distributed, number of diverse suppliers and anti-trafficking trainings; and • The organization’s controls over its reported corporate responsibility data.
Criteria	ISO 14064-3:2019 - Specification with guidance for the validation and verification of greenhouse gas assertions.
Level of Assurance	Limited Assurance Materiality
Materiality	5% Assurance Findings
Assurance Findings	Verified.

PERFORMED BY

Zed Bates
Lead Verifier
 CARB Accredited Verifier
 Per Executive Order H-15-171

REVIEWED BY

Dr. Cem Onus
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Limited Assurance Verification Opinion

Based on the process and procedures conducted, there is **no evidence** that Hilton's GHG and other environmental claims in the following Tables a) are not materially correct or a fair representation of GHG data and information; and b) have not been prepared in accordance with related International Standards on GHG quantification, monitoring and reporting, or to relevant national standards or practices.

TABLE 1 GREENHOUSE GAS EMISSIONS

INDICATOR	2021 TOTAL -MTCO2E	INTENSITY MTCO2E/M2	INTENSITY -CHANGE FROM 2020
Scope 1 Direct emissions	415,034	0.0151	14.20%
Scope 2 Indirect emissions (Location-based)	1,778,303	0.0646	13.60%
Scope 2 Indirect emissions (Market-based)	1,762,174	0.0641	15.00%
Scope 1 + 2 emissions (Location-based)	2,193,338	0.0797	13.70%
Scope 1 + 2 emissions (Market-based)	2,177,208	0.0792	14.90%
Scope 3 emissions from Franchises	4,087,530	0.0785	4.80%
Scope 3 emissions from Landfilled Waste	73,000	0.0027	10.30%
Scope 3 emissions from Business Travel	7,616	-	18.10%

TABLE 2 OTHER ENVIRONMENTAL DATA

INDICATOR	2021 TOTAL	INTENSITY	INTENSITY -CHANGE FROM 2020
Energy consumption (MWh)	MWh	MWh/m²	%
Managed	6,164,255	0.2241	12.80%
Franchised	12,900,585	0.248	5.30%
Total	19,064,840	0.239	8.00%
Water consumption	Megaliters	Liters/m²	%
Managed	12,287	447	15.20%
Franchised	22,435	431	9.30%
Total	34,722	436	11.30%
Water withdrawals	Megaliters	Liters/m²	%
Managed	49,147	1,787	15.20%
Franchised	89,740	1,724	9.30%
Total	138,887	1,746	11.30%
Landfilled waste	Metric Tons	MT/m²	%
Managed	77,659	0.0028	10.30%
Franchised	217,948	0.0042	-5.70%
Total	295,607	0.0037	-0.80%
Waste diverted from landfill	Metric Tons	MT/m²	%
Managed	36,566	0.0013	1.10%
Franchised	21,505	0.0004	-24.73%
Total	58,072	0.0007	-12.26%
Waste diversion rate (%)			
Managed	32.00%		-1.90%
Franchised	9.00%		-2.00%
Total	16.42%		-1.76%

TABLE 3 SOCIAL IMPACT DATA

INDICATOR	2021 TOTAL
Disaster relief funds distributed to Hilton Team Members through the Hilton Responds Fund (USD)	\$785,968
Volunteering (number of hours)	197,824
Grants awarded to community partners through the Hilton Effect Foundation	\$1,862,180
Mandatory Anti-Trafficking Training (% of General Managers attesting all hotel Team Members have completed)	54%
Supplier Diversity Program (number of women, minority, veteran and LGBTQ- owned businesses we have supported)	2,508
Refugees Impacted (cumulative since 2015)	26,335

GHG Claim Evaluation

The data included in Tables 1 through 3 above (“Reported Data”) is managed at Hilton’s Corporate Headquarters in McLean, Virginia. For the purposes of this report, data listed in Tables 1-2 is considered environmental data, and the data in Table 3 is considered social impact data.

The environmental data is based on utility data input by over 6,000 managed and franchised properties into LightStay, Hilton’s corporate responsibility platform. Launched in 2009, LightStay was created to track sustainability performance across Hilton’s global portfolio and to help drive adoption of best practices that reduce environmental impacts. Hilton works closely with ei3, its technology partner and system host, to continually improve the LightStay system features for its hotels, owners, and management teams.

As a global brand standard, all managed and franchised hotels must utilize LightStay to provide their environmental and social impact data to Hilton. The current brand standard requires that hotels input the following data into LightStay on a monthly basis:

- Energy consumed from all energy sources (electricity, gas, steam, chilled water, other).
- Water consumed from all sources, including municipal water supply and other sources.
- Waste disposal including landfilled and diverted waste streams (recycled, organic, other).
- All applicable volunteering events and donations including food donations, bath amenities, linens, FF&E, etc.
- As a brand standard, all hotels must also set annual reduction goals and maintain active energy, water and waste improvement projects.

Hilton tracks and supports hotel compliance with the LightStay brand standards globally through the use of LightStay compliance alerts, monthly compliance reports, and direct communications with the Regional Property Operations and Brand Performance teams.

The LightStay system supports the input of accurate data and accommodates the needs of hotels globally through a variety of features:

- **Global conversions:** LightStay enables hotels to enter data in a variety of consumption units, consistent with their utility bill, and provides the flexibility to enter costs in local currency.
- **Property variables:** LightStay automatically populates weather and room occupancy on a monthly basis. Floor area and other key details are included in the Property Profile, which all properties are required to complete as a brand standard.
- **Greenhouse gas calculations:** Hilton utilizes *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)*. Historical emissions factors for electricity, natural gas and other energy sources are stored in LightStay and used to calculate the hotel’s Scope 1, 2, and 3 emissions. Location-based electricity CO₂e emissions factors are updated annually in LightStay for the current calendar, based on the most recent and accurate source data available for the country or subregion.
- **Compliance Alerts:** The LightStay system generates monthly alerts for incomplete or out-of-range consumption values. Hotels have 60 days to enter their utility bills or they will receive an alert message in LightStay. Hotels must address all outstanding alerts within 30 days to remain in compliance with the brand standards.
- **LightStay Training:** All new hotels must complete an online LightStay training course through Hilton University within three months

of opening. Advanced courses are available and LightStay offers extensive user guidance and how-to-guides.

- **LightStay Support:** Hotels are encouraged to contact the LightStay Support team to help understand their alerts and correct any data input errors. LightStay Support attempts to contact hotels directly to resolve major data issues and may also correct obvious decimal or unit errors, with notification sent to the hotel.

Since 2010, hotel utility data in LightStay has been used for Hilton’s external reporting of energy, emissions, water, and waste impacts. Hilton and its consultants have followed a consistent methodology, adapted to meet the company’s Travel with Purpose goals and corporate responsibility reporting requirements.

Consistent with Hilton’s 2030 Travel with Purpose goals, Hilton measures and reports annual sustainability performance using the floor area intensity metric (consumption per square meter of total gross building area).

Reporting Scopes:

Scope 1 includes all onsite GHG emissions from fuel use, almost exclusively natural gas for comfort heating and hot water generation.

Scope 2 includes all grid electricity used by Hilton’s managed hotel properties. The individual hotel CO₂e emissions factors for the reference group were verified based on the emissions source data provided by country or subregion (i.e., US eGRID, DEFRA, IEA).

Scope 3 includes all emissions resulting from both onsite emissions and grid electricity at the Franchised hotels, as well as emissions relating to Managed hotel landfilled waste and Corporate business travel. Again, CO₂ emissions factors were verified for different countries and subregions based on international standard data.

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Risk Evaluation

Sufficiency, Appropriateness, and Material misstatement

The sufficiency of data and the appropriateness of both the automated LightStay and final corporate analysis were evaluated for sufficiency, appropriateness, and risk of material misstatement based on analysis methodology.

Sufficiency Risk. Due to the large percentage of reporting properties and the large property pool (5818 Franchised properties and 878 Managed properties), the Risk of data insufficiency was determined to be **Low**. Annual sustainability results are based on an evaluation of year-over-year results for a reference group of properties with data verified complete and accurate for aggregated reporting purposes. The reference group for 2021 included 92% of total managed properties, and analysis of the reference group’s performance supplied the average values (by region) used to complete and correct the data from the remaining properties. Data gathered using the LightStay system has been verified at the site level by DEKRA site sampling, included in Hilton’s ISO 9001, ISO 14001, and ISO 50001 site visits. Data anomalies are analyzed at the site level and corrective actions are implemented.

Appropriateness Risk. The automated calculations in LightStay (floor area normalization) have been verified for this and all previous reporting cycles and no errors have been found. Hence, the Risk of inappropriate analysis in the LightStay system was determined to be **Low**. Data, once it is reported into LightStay, is also analyzed at the corporate level annually for anomalies and missing data, and properties are excluded from the reference group.

Materiality Risk. Risk of material misstatement was determined to be **Low**. The final analysis by Hilton staff consisted of spreadsheet review and identification of anomalies. There were 38 anomalies at the property level identified (4% anomaly rate), which have been added to the sampling plan for internal and external audit in 2022. Anomalies also include any issues with water use reporting. Materiality of the chosen methodology was verified by taking the final result for all properties not in the anomalous group, using their unmodified (‘raw’) data, and comparing it to the final result for all properties with all normalization factors active. The raw data showed an intensity of 71 kbtu/sf, while the final data showed an intensity of 71.2 kbtu/sf. Variance was a mere 0.3%, well within the 5% variance limit.

Other Environmental Claims

Water and waste data were both reported into LightStay using the same platform as the energy and greenhouse gas data reviewed above. During the data cleansing process, the properties’ water use and waste stream data was evaluated, consistent with the criteria regarding missing and anomalous data above, to determine the reference group and to estimate impacts by excluded and new hotels. Water anomalies were added to the audited group (see ‘Materiality Risk’ above).

Social Impact Data. Properties report volunteer events and participation through LightStay. The summary report of the volunteer hours was reviewed. Numeric outliers were identified and the specific entries within LightStay were reviewed. No discrepancies were noted.

Hilton provides Hilton Effect Grants through the Hilton Effect Foundation to properties requesting funds for social or environmental projects. The amount transferred from Hilton in 2021 was confirmed by a representative from the Hilton corporate accounting department.

Hilton has assigned Anti-Trafficking Training Courses to all properties through Hilton University. Records from Hilton University were reviewed.

Hilton’s Supplier Diversity Program currently includes **2,508** diverse suppliers. Supplier information is reviewed by two separate third party processes.

ATTESTED BY

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ABOUT DEKRA

DEKRA Certification Inc. is a Management System certification company that has provided ISO 9001, 14001 and 50001 certification services to Hilton since 2010.

Beginning in 2008, DEKRA (then operating as KEMA Registered Quality, Inc.) has provided independent validation services to Hilton for their LightStay Program. DEKRA did not assist or consult with Hilton at any time in generating the Reported Data within the scope of the verification. DEKRA has procedures in place to ensure its work is free from bias and is not unduly influenced by outside parties. DEKRA employees and contractors who participated in assurance activities were free from personal, financial, or other relationships that would potentially compromise their impartiality.

Likewise, the personnel who performed assurance activities were all experienced environmental, sustainability and social responsibility auditors. The competence of these individuals is continually monitored and recorded. All assurance activities were subject to DEKRA’s peer review and quality assurance processes.