

RESPONSIBLE SOURCING

2022 Goal Progress

With global operations spanning over 123 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. Throughout the pandemic and into 2022, Hilton and the broader hospitality industry experienced extreme supply chain disruptions, which impacted our ability to source certain products and make progress against our goals. We conducted a strategic review in 2022 to update our Travel with Purpose 2030 Goals, including our responsible sourcing goals, to ensure it aligns with environmental, social and governance (ESG) best practices and the latest supply chain landscape.

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



Continued to advance the roll-out of EcoVadis Sustainability Assessment. Invited 110 new suppliers to EcoVadis in 2022, with 26% of invited suppliers completing assessment.

Developed standardized ESG supplier questions and began embedding questions into high-risk product RFPs.

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.¹
- 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.²
- 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.

* 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).

PROGRESS



Continued identification of opportunities with our suppliers to increase product availability of group housed and gestation crate-free pork.

Continued making incremental progress on sourcing from MSC and ASC certified fisheries, with Japan, Korea and Micronesia becoming our first region to achieve 25% sustainable seafood volume in 2022.

Eggs purchased from cage-free sources by volume for Hilton-managed hotels reporting across our regions, as of December 2022:

- Americas: 53%
- EMEA: 46%
- APAC: 7%

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 (2019 baseline) 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 more than 2,400 women-, minority-, veteran-, disabled- and LGBTQ-owned businesses in 2022. To date, our supplier spend with these valued partners has exceeded \$334 million.

Achieved over \$3.6M of spend moved from imported to local sourcing in five of our EMEA markets.

¹ We were unable to meet our 2022 commitment to source gestation crate-free pork for our Luxury and Full Service hotels in 19 countries (the U.S. and Europe), due to limited availability in our supply chain and impacts of the COVID-19 pandemic. Hilton has extended its deadline to 2025 due to these challenges.

² We were unable to meet our 2022 sustainable seafood goals due to limited availability in our supply chain and impacts of the COVID-19 pandemic. Hilton has extended its deadline to 2025 and expanded our sustainable seafood goals.