

Hilton Responsible Sourcing Policy

Hilton Commitment to Travel with Purpose

Travel with Purpose is Hilton's corporate responsibility commitment to providing shared value to its business and communities in four areas - creating opportunities for individuals to reach their full potential; strengthening communities where Hilton operates; celebrating cultures and the power of travel; and living sustainably through the measurement, analysis and improvement of the company's use of natural resources.

Hilton team members are expected to act with the highest standard of integrity when conducting Hilton business. Integrity means doing what's right, all the time, and encouraging those around us to do the same. This culture of integrity that governs our team members, and the way we interact with our guests, our business partners, and the communities where we operate is the key to our Mission to be the preeminent hospitality company. As part of our commitment to Travel with Purpose we seek to do business with partners that share our high standards when it comes to integrity.

The Hilton Code of Conduct holds the company to the highest ethical standards, particularly during challenging situations. The Code of Conduct provides guidance about how we all must work together to maintain the highest ethical standards in the hospitality business. We expect our suppliers to adhere to the fundamental principles outlined in our Code of Conduct, which are reflected in this Responsible Sourcing Policy.

The Responsible Sourcing Policy outlines the standards expected of Hilton suppliers. Suppliers are encouraged to have appropriate management systems in place and take steps to comply with this Policy, including transparency concerning policies and practices and related employee education. We encourage our suppliers to hold their suppliers and subcontractors accountable to these standards.

Hilton reserves the right to conduct unannounced assessments, audits and inspections of supplier facilities to ensure that reasonable efforts are being taken by our suppliers to operate in a manner consistent with the fundamental principles of this Responsible Sourcing Policy.

Violations may lead to disciplinary action, including termination of the supplier relationship for repeated violations or noncompliance.

For the purposes of this document "Supplier" means any company, corporation or other entity that sells, or seeks to sell goods or services to Hilton.

Fundamental Principles

Legal Compliance Hilton abides by our high standards of business ethics everywhere we operate. Our Code of Conduct is clear - we comply with all applicable laws. Sometimes our standards exceed those requirements, but they never fall below them. We expect our business partners in their interactions with Hilton and their activities on Hilton's behalf to work together with us to support this commitment to integrity. If suppliers witness or suspect conduct that is



Hilton Responsible Sourcing Policy

inconsistent with this Policy or the law, we want to know about it. Suppliers can raise concerns about business ethics to their Hilton Supply Management main point of contact. The Hilton Hotline website – www.hiltonhotline.com -- is also available as a confidential mechanism to report concerns.

Purchasing Practices We strive to be fair and impartial in our dealings with suppliers and outside contractors. Purchasing decisions must be based on legitimate, defined criteria, including quality, service levels and price. We honor the terms and conditions of contracts, pay in a timely manner, and protect the confidentiality of the proprietary information of suppliers and outside contractors.

Fair Dealing Hilton strictly prohibits team members from giving, paying, offering or promising anything of value to any person for the purpose of influencing official action or gaining an improper advantage. This prohibition applies both to activities undertaken directly by team members and to activities that may be undertaken by third parties on behalf of Hilton.

Protecting & Using Information Hilton is committed to safeguarding and handling third party information in accordance with applicable laws, our policies, contractual obligations, and in a manner that protects privacy, preserves customer and team member trust, and meets our shareholders' expectations. Hilton does not tolerate the inappropriate acquisition, possession or use of proprietary, confidential or trade secret information of Hilton's competitors or other third parties, such as vendors, suppliers, owners and former employers.

Bribery & Other Corrupt Practices Hilton is committed to conducting its business in compliance with all laws prohibiting bribery and other corrupt practices. As a U.S. based company, Hilton's business operations around the world must comply not only with local anti-corruption laws, but also with laws that globally apply to Hilton's business activities, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. These anti-corruption laws prohibit Hilton from offering or giving "anything of value" to a government official or their family members to influence that person in his or her official duties or to encourage improper or unlawful conduct.

Human Rights Hilton complies with the employment and labor laws in every country and region in which we operate. We support fundamental human rights for all people and expect our suppliers to uphold the same standards. This means, among other things, that:

- We will 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.
- We 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.
- We will not exceed maximum hours of work defined by applicable law and will appropriately compensate overtime.
- We will not use forced labor, including prison, bonded or debt labor.
- We will not allow physical punishment or abuse of any team member.



Hilton Responsible Sourcing Policy

- We respect the ability of team members to exercise their lawful right of free association.
- We respect the lawful rights of our team members to choose (or not choose) bargaining representation.

Harassment & Non-Discrimination Hilton does not tolerate any form of harassment or discrimination based on any characteristic protected by applicable law. Any behavior, communication, or other conduct that creates an intimidating, offensive, abusive or hostile work environment, or that otherwise interferes with any team member's ability to perform his or her job is unacceptable.

It is the policy of Hilton to employ qualified persons without regard to the individual's sex, color, race, religion, national origin, age, disability, sexual orientation, gender identity or any other protected group status as defined by and subject to applicable local laws. This policy describes the Company's commitment to equal employment opportunity, which supports the attraction and retention of a diverse workforce that will enhance the Company's competitiveness in attracting customers, corporate partners, and owners.

Diversity We seek to understand our unique global communities, while developing culture, talent and marketplace strategies that cultivate a work environment of inclusiveness. We will maintain our competitive position by valuing and leveraging the diversity of our team members, guests, suppliers, partners and owners. It is the policy of Hilton to actively encourage diverse suppliers who provide quality products at competitive pricing to participate in our contracting and subcontracting activities.

Safe & Healthy Work Environment Hilton is committed to the health and safety of our guests, team members and business colleagues. Each team member and supplier is responsible for understanding and complying with all applicable safety and health laws and guidelines. In addition, we are each responsible for identifying and responding to health and safety hazards and security concerns.

Prohibition Against Human Trafficking Hilton condemns all forms of human trafficking and commercial exploitation, including the sexual exploitation of men, women or children. As signatories of the ECPAT Tourism Child-Protection Code of Conduct, we are fully committed, in each and every one of the markets in which we operate, to protecting individuals from all forms of abuse and exploitation. We expect our team members as well as our business partners to help us meet this commitment. Sex trafficking and sexual tourism is a large and growing problem worldwide, and Hilton must never allow any Hilton properties, products, or services to be used in any manner that supports or enables any form of abuse and exploitation.

Hilton Responsible Sourcing Policy

Commitment to our Communities As a world leader in travel and tourism, Hilton recognizes our responsibility to create shared value wherever we do business. We actively support a wide variety of issues and organizations material to our business and encourage all of our team members and business partners to volunteer or participate in the economic and social development of their local communities as they deem appropriate.

Anti-Money Laundering Team members are prohibited from engaging in or facilitating transactions anywhere in the world that involve funds that were derived from illegal activities and expect the same from our suppliers. Hilton must comply with all applicable anti-money laundering laws, rules and regulations of the U.S. and all other countries where we do business. Therefore, we must carefully scrutinize all payments and transactions with customers, vendors, business partners, agents and affiliates. We will not accept any funds or make any payments that appear to be derived from illegal activities.

Animal Welfare Hilton is committed to the humane treatment of animals. Hilton encourages its suppliers to implement humane procedures to prevent the mistreatment of animals at all times, including when they are raised, cared for, transported, and processed.

Commitment to the Environment Hilton continually strives to minimize the amount of waste we generate and energy we consume. Our goal is to continually move towards the use of renewable materials and biodegradable substances wherever practicable and financially feasible. As Hilton provides information to its stakeholders on how we effectively manage our environmental performance, we further rely upon our suppliers to provide similar information and work collectively toward this goal.

Throughout the term of the relationship, and otherwise at Hilton's request, Supplier shall provide information on its efforts to identify, monitor and minimize the environmental impacts of its operations. Objectives should include:

- At a minimum, ensure compliance with local, state and national environmental legislation.
- Strategically look to minimize its environmental footprint, and identify program successes in this area.
- Minimize the use of endangered and non-renewable raw materials wherever practicable and feasible.
- Incorporate the use of recycled materials where practicable and feasible in the manufacturing process.
- Implement programs to recycle waste resulting from the manufacturing process
- Seek operational processes that result in energy savings.
- Implement the use of sustainable alternatives to fossil and unnatural materials and processes where applicable.
- Continue to educate themselves and Hilton on the concept of sustainability as it relates to their business.
- Participate in industry standardization programs as they are developed related to sustainability.

Hilton Responsible Sourcing Policy

Sustainable Forestry Hilton expects its vendors and their suppliers of wood and paper products to maintain compliance with laws and regulations pertaining to their operations and the products they manufacture. Hilton will not purchase wood or paper products made with illegally harvested or traded wood.

Transparency and responsible sourcing in our supply base is important and therefore 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.

Hilton reserves the right to amend or modify this Responsible Sourcing Policy.

Last Updated March 2017