OUR APPROACH TO ESG RISK & SUPPLIER MANAGEMENT

Sourcing for properties in 125 countries and territories, we recognize the importance and opportunity to create positive economic, environmental and social impact across our supply chain.

SUPPLY CHAIN ESG PROGRAM

Hilton Supply Management (HSM) supports the Hilton enterprise ESG strategy, Travel with Purpose, through our Responsible Sourcing & Sustainability Program. Oversight of the company’s supply chain ESG program is managed by the Responsible Sourcing & Sustainability team, with direct oversight by Hilton’s Senior Vice President and Chief Procurement Officer and additional guidance provided by Hilton’s Head of ESG and the Assistant General Legal Counsel. Strategic focuses of the program include:

1. Conducting ESG due diligence to ensure responsible business practices and mitigate risk;
2. Engaging Team Members to drive actions that foster a responsible, diverse and sustainable supply chain;
3. Partnering with suppliers to advance shared ESG goals; and
4. Making progress against our industry-leading 2030 supply chain goals.
LEVERAGING ADVANCED TOOLS TO ASSESS ESG RISK & PERFORMANCE

**Coupa Risk Assess (CRA)**
CRA is a third-party risk management tool that enables Hilton to collect supplier information to evaluate the company’s risk. Through CRA, Hilton’s procurement team creates supplier relationship records and completes an initial screening questionnaire. Screening questions focus on the supplier’s provided commodities, geographic location, spend, and business practices to calculate the supplier’s potential risk (including social and environmental impact) and determine further actions. The questionnaire is also used to identify Hilton’s significant suppliers. The initial questionnaire could trigger subsequent questionnaires and supplier risk assessments dependent on their response. Risk assessments cover various functions, including Security, Privacy, Legal Due Diligence, ESG and Finance.

**Exiger**
Exiger Diligence is a third-party risk and compliance assessment service provider. Hilton uses Exiger Diligence’s Exiger Express platform powered by DDIQ, an automated risk analytics product. DDIQ scans thousands of international sources to flag potential risk and compliance issues of the supplier. The platform can scan across 48+ languages and validate the identified flags. A researcher manually reviews all findings before sharing the report back to Hilton. Suppliers identified by CRA that meet a certain spend threshold, provide certain commodities, or operate in certain high-risk countries must undergo review by Exiger Diligence.

**Human Rights Questionnaire**
The Human Rights Questionnaire was developed internally by Hilton to assess human rights risks associated with significant suppliers. The questionnaire is comprised of key questions that evaluate a supplier’s approach to protecting human rights and mitigating potential human rights risks across its operations and supply chain.

**Hilton levers the EcoVadis platform to assess suppliers’ ESG performance. EcoVadis is the world’s largest provider of business sustainability ratings, with more than 100,000 businesses assessed. EcoVadis is a collaborative platform where buyers and suppliers engage to assess, track, and improve sustainability performance. Through their trusted methodology, EcoVadis assesses business practices related to the environment, labor & human rights, ethics, and procurement activities. Suppliers also receive access to the EcoVadis Academy, an e-learning platform that provides training and guidance on improvement areas. All of HSM’s corporate buyers are trained in the Hilton EcoVadis program.**