



# SUPPLIER DIVERSITY 2020 annual report

**Hilton**

SUPPLY  
MANAGEMENT





# commitment

## TO DIVERSITY & INCLUSION

Amidst the noise of 2020, one message rang out loud and clear – that the need for increased diversity and inclusion is as relevant and crucial as ever. At Hilton, we realize that a corporate commitment to diversity is essential in today's marketplace. This is especially true in the hospitality industry, where our businesses directly affect the communities and cultures in which we all live, work and travel.

At Hilton, we envision a hospitality industry that reflects the diversity of these communities we serve. To help achieve this, we engage, support and create business opportunities through strategic partnerships with nonprofit organizations and marketing campaigns targeted toward diverse customers. We also provide property ownership opportunities to women and people of color. Hotels are local businesses that operate on a global platform, therefore touching everyone. At Hilton, we believe that we have a responsibility to visibly and authentically promote inclusion, support and respect in a world that is becoming more diverse by the day.

**We've developed an industry-leading Supplier Diversity Program that plays a large role in our commitment to this priority. The program began nearly a decade ago, and since then, we have cultivated relationships with more than 4,900 women-, minority-, veteran-, LGBTQ-, disabled- and disadvantaged small businesses. Our supplier spend with these types of businesses has reached over \$327 million.**

People are beginning to travel again because it is a vital aspect of the human experience. We travel to see a world that is bigger than ourselves and to understand cultures that are different from our own. Increasing our commitment to diverse suppliers not only helps us be more representative of our community, it's also helping Hilton as a global brand be more representative of the world at large.

This is our responsibility, to help create space at the table for everyone who is touched by travel. It is our fundamental belief that we all, especially Hilton Supply Management, can make a difference.

# SUPPLIER DIVERSITY PROGRAM<sup>1</sup>

## 2020 year in review



**11,000+**

PROPERTIES TOUCHED  
BY HSM'S PROGRAMS



BY 2030, WE WILL

**DOUBLE OUR  
SOURCING**

FROM DIVERSE SUPPLIERS



**4,925**

TOTAL DIVERSE  
AND WOMEN-  
OWNED SUPPLIERS



**54 NEW**

DIVERSE SUPPLIERS  
**ADDED IN 2020**



**RANKED #1**

SUPPLIER DIVERSITY  
PROGRAMS BY DIVERSITYINC

**\$327 MILLION**

TOTAL DIVERSE SUPPLIER  
SPEND FOR HILTON SUPPLY  
MANAGEMENT



## 2020 AWARDS



**DiversityInc**



<sup>1</sup>Includes all diverse supplier classifications and small business concerns for HSM programs including Corporate, Managed, Franchised and GPO properties.





## what is **HILTON SUPPLY MANAGEMENT?**

**Hilton Supply Management (HSM)** is a unique value proposition to hospitality procurement.

HSM offers traditional sourcing for Hilton's corporate and managed properties. HSM is directly responsible for sourcing and contracting for portions of Hilton's franchise ownership, as well as non-Hilton hotels that contract with HSM for their procurement needs.

We have an expanded network of 11,000+ properties that purchase through HSM's programs, and these properties benefit from our network of diverse suppliers in our best-in-class Supplier Diversity Program.

# SUPPLIER DIVERSITY

## virtual summit

This year, Hilton Supply Management hosted its second annual Supplier Diversity Summit to bring together Hilton leadership, industry experts and our diverse supplier community. Due to COVID-19 travel restrictions, the summit was held virtually yet still provided a meaningful opportunity for connections, insights and networking. Participants were inspired by strategic presentations and breakout sessions on topics that included marketing your diverse business certification, perfecting your elevator pitch and fostering corporate sustainability. This event allowed HSM to showcase our commitment to increasing diversity in our global supply chain and fostering connections between diverse suppliers and Hilton business leaders. Together, we can drive positive change by building strong networks of suppliers who reflect the local and global communities we serve.



## ATTENDEE QUOTES



*"It was a pleasure attending the Hilton Supplier Diversity Summit. As a minority-owned business, we find these summits important to understand our clients' initiatives, goals and how we can align our offerings to meet their needs. It was clear that Hilton is committed to bettering the world through diversity and inclusion."*

**Sean Hobday, Zones**



*Being a panelist allowed me to represent Hilton in a way that was very honest. Speaking on how COVID and the social climate has impacted our business as well as myself, personally, felt very freeing in that moment. This allowed suppliers to feel more comfortable during our one-on-ones. My goal in supplier diversity is always to be authentic so that when representing Hilton and engaging with suppliers I make the right connections that lead to long-term relationships.*

**Simone Ray, Hilton Supply Management**





# DIVERSITY training

## DISABILITY:IN

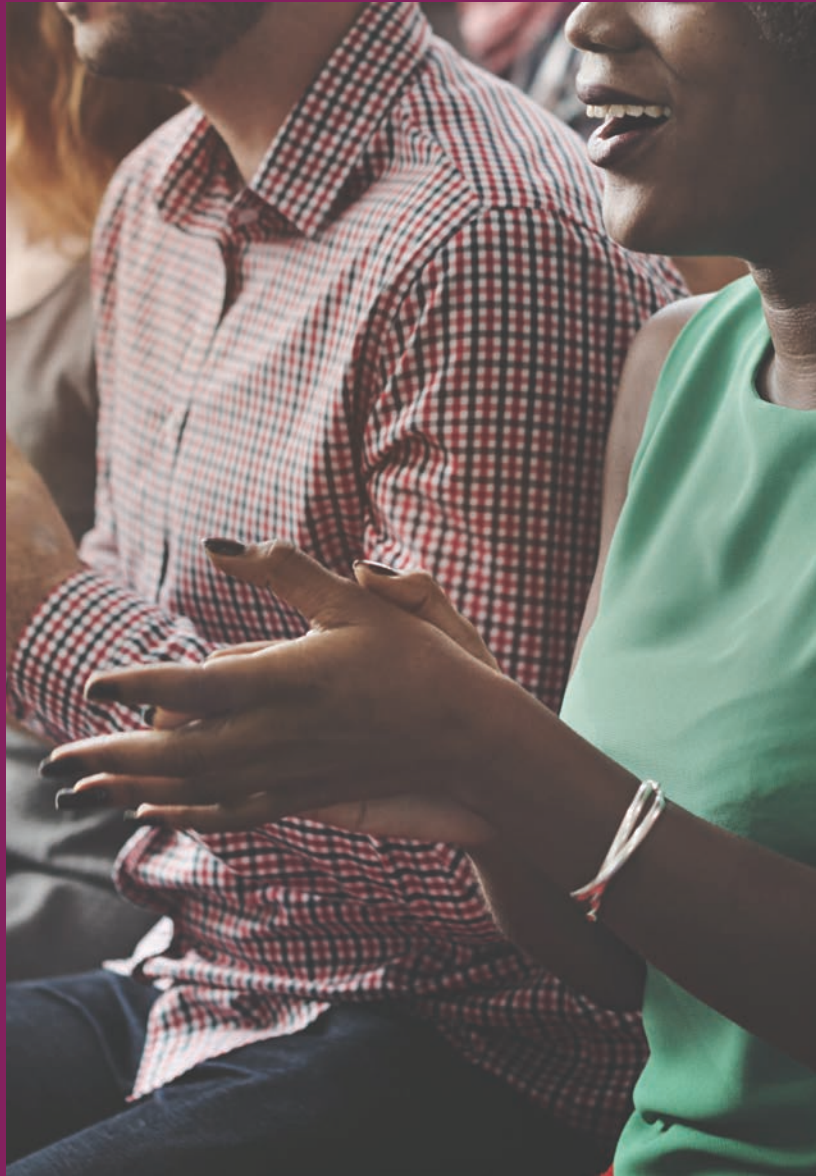
Disability:IN hosted a virtual training in August titled “How Supplier Diversity Can Help Lead an Economic Recovery” and invited HSM leadership to share our expertise with diverse small business owners. With more than 30 million small businesses in the U.S., small diverse-owned businesses play an important role in economic impact and job creation. Corporate supplier diversity leaders and certified disability suppliers discussed the opportunities that lie ahead by maximizing and leveraging diverse suppliers in an economic recovery that will undoubtedly change the way business is conducted.

## NMSDC

To open up a conversation about how Covid has affected supplier diversity, the National Minority Supplier Development Council (NMSDC) hosted a virtual fireside chat in October that included a panel with leaders from Hilton, Disney and MGM. The overall theme of the conference was “In This Together,” and the goal was to continue to deliver impactful sessions and networking opportunities that prepare, position and propel suppliers to the next level. Workshops featured supplier diversity professionals, thought leaders, CPOs and more to discuss the future of minority business.

## DIVERSITYINC

In October, DiversityInc hosted a virtual event, “Supplier Diversity: New Trends, Innovative Solutions.” HSM participated in an empowering session where panelists discussed tips on how businesses can become more diverse suppliers to Fortune 500 companies. The panel included the Director of Supplier Diversity at AT&T, the Director of Supplier Diversity at Dow and HSM leadership. These experts offered advice to diverse and minority-owned businesses on how to approach and become suppliers to these large corporations, including doing their research first and understanding the company’s needs before pitching services and solutions.





LEO EVENTS

## supplier profile

### BIO

LEO Events is an award-winning, certified woman-owned business based in Memphis, TN. Since its founding in 2002, LEO Events has prided itself on assembling a team that showcases uninhibited creativity, inventive tactics and an extremely collaborative approach. LEO's work is intentionally entrenched in the latest advancements, research and data, ensuring that all events – virtual, live and hybrid – are grounded in reasonable and efficient practices, leading to the company's recognition as an innovative, industry-changing pioneer.

### RELATIONSHIP OVERVIEW

LEO Events has partnered with Hilton for more than five years, most recently producing their All Suites Leadership Conference in Anaheim, California. For this event that included a portfolio of three award-winning brands, Hilton trusted LEO to work their moment-making magic to create an unforgettable conference experiences. Visualizing events that are both fully immersive for attendees and also reflective of Hilton's brands and objectives is a major win, both for Hilton and for LEO.



**Amy Manzanares**  
Senior Vice President,  
LEO Events

“Hilton's commitment to and excitement for creative, dynamic meetings holds us to a great standard. I've had the privilege of working with them for several years and even participated on their Diversity Panel. I'm thrilled to see where our partnership takes us in the future.”

**- LEO Events**





# A1 AMERICAN supplier profile

## BIO

A1 American, certified by the NMSDC as a minority-owned business, was created from the strategic merger between A-1 Textiles & Hospitality Products and American Associated Companies. This partnership innovated a top-tier distribution company as a single product source for the markets they serve, including the commercial laundry, healthcare, hospitality, fitness, education and vacation rental industries. Since 1911, A1 American has been providing a full line of textiles, bed linen, OS&E and FF&E products. Today, this company continues “doing the ordinary extremely well,” while also further advancing opportunities for a diverse and efficient environment.

## RELATIONSHIP OVERVIEW

A1 American is an official Hilton Supply Management-endorsed PPE Supplier and has proudly serviced close to 3,000 Hilton and HSM hotels with current and ongoing efforts since June of 2020. This supplier continues to support HSM hotels in providing essential safety products, such as masks, sanitizers, dispensers, gloves and other critical Hilton CleanStay items.

**The A1 American/  
Hilton partnership  
demonstrates how  
two well-established,  
industry-leading  
companies can come  
together to meet  
the ever-changing  
demands of the  
hospitality market.**



**Marc Soblick**

Vice President, Hospitality  
A1 American

“

*We encourage diversity, diverse thinking and inclusion at every level of our organization and throughout our supply chain, and we continue to hold it as an integral part of our company culture.*

”



# ALPHA STUDIOS

## mentor profile

### BIO

As Founder and Visual Effect Supervisor at Alpha Studios, Kaitlyn Yang knows that life's big challenges also bring big opportunities. At just nine years old, three life-changing events unfolded – she emigrated from China to the United States, was diagnosed with spinal muscular atrophy and first discovered the joy of digital art by learning Photoshop. That's where her love of visual effects artistry began. Now, with more than a decade of visual effects industry experience, Yang is a champion of creativity and pushing the limits of technology to support storytelling. She founded her own post-production company, Alpha Studios, in 2013, to provide studio, network, streaming and advertising clients with high-quality visual effects services. Yang and her team are on a mission to maximize visual creativity no matter the challenge, while instilling trust every step of the way.

### RELATIONSHIP OVERVIEW

Through our wonderful partnership and corporate membership with Disability:IN, HSM is pleased to feature our newest mentorship opportunity with a certified DOBE, Alpha Studios.

As part of this program, recipients receive expertise on best practices as it relates to sourcing, the RFP process and overall corporate engagement. In return, we at HSM get to hear firsthand commentary on the struggles, challenges and triumphs encountered on a daily basis, and how HSM can enhance our programs to better anticipate the needs of our recipients. We are honored to continue our commitment to supplier diversity mentorship.



“

*My mentor at HSM provided comfort by sharing her stories of fighting for inclusion on this constant uphill. I saw myself reflected in her journey. It's comforting knowing that we are both working simultaneously to build a new future for people like us.*

”

**Kaitlyn Yang**

Founder, Visual Effects Supervisor  
Alpha Studios

A photograph of Rick Famuyiwa, a Black man with short, curly hair and a beard, wearing a blue and white checkered button-down shirt. He is holding a professional video camera with a large lens and a microphone. The background is a bright, hazy outdoor setting. The text "RICK FAMUYIWA" is in bold purple, and "Diverse Supplier Profile" is in orange script.

## RICK FAMUYIWA

### Diverse Supplier Profile

As the travel and tourism industry managed through the global pandemic, Hilton saw that people shared a collective, yet deeply personal craving to reconnect to the things they loved. A study conducted by Hilton found that Americans say travel is their most frequently recalled happy memory, more than special occasions or personal achievements, and the majority cite creating lasting memories as a primary motive for trips. These consumer insights gave Hilton the confidence to launch their new campaign “To New Memories” which encourages people to consider making new memories with Hilton.

Hilton enlisted the talents of Rick Famuyiwa to shoot the television and social media spots for the campaign. We believe it’s important to tell everyone’s story in the communities we serve, and our commercials provide an opportunity to offer a more diverse narrative and approach. Rick contributed a unique voice to the project, bringing to life the beauty and personal significance of travel and what it means to reconnect to what we’ve been missing.

Hilton also wanted to ensure that the campaign resonates with travelers representing the global communities surrounding our hotels where people live and work. A collaborative partnership between Marketing and Diversity & Inclusion set the tone in order to align with and capture these diverse perspectives. With the vision and direction of Rick Famuyiwa, Hilton is inspiring travelers to make new memories.



# OUR collaborators



Hilton Supply Management works closely with our collaborators to identify new suppliers for RFP and sourcing events, to continue to grow our base of certified diverse suppliers, and to increase our influence and engagement with other organizations working to advance diversity within the supply chain. This year in particular, we relied heavily on these relationships to collect supplier information in an effort to source, innovate and distribute much-needed PPE.

# SUPPLIER DIVERSITY Partnerships



## HILTON TEAM MEMBER RESOURCE GROUPS

Through information sessions and open dialogues with Hilton Team Member Resource Groups, Hilton and HSM have been able to navigate fostering more inclusive workplace environments and to understand more profoundly the needs of diverse travelers. This engagement allows us to connect, build on relationships and be sure everyone is heard, leading us down new paths of development and services for all travelers.

### SUPPLIER DIVERSITY program

PROMOTING  
PARTNERSHIP WITH  
WOMEN-OWNED  
BUSINESSES

#### COMMITTED TO CREATING SPACE AT THE TABLE

Hilton is committed to being a global brand that is more representative of the world at large and to partnerships that reflect the communities in which we all live, work and travel. To that end, Hilton Supply Management encourages the growth and development of a diverse range of suppliers, including woman-owned businesses. Through thoughtfully designed events, programs, grants, mentor relationships and networking opportunities, HSM is helping to make sure that women not only have a seat at the economic table, but a strong voice in driving the conversation.

To learn more about our industry-leading Supplier Diversity Program, visit [mysupplymanagement.com](https://mysupplymanagement.com)

## DIVERSITYCOMM

DiversityComm is the proud publisher of six nationally recognized, diversity-focused magazines. HSM advertises in several of these publications including Black EOE Journal, Professional Women's Magazine, U.S. Veterans Magazine, Diversity in STEAM Magazine and Hispanic Network to grow our exposure among diverse audiences and to support partner organizations who continue to promote this important work.



# EMPOWERING DIVERSE SUPPLIERS by investing in them



## HSM DIVERSITY ADVANCEMENT FUND

The Supplier Diversity team at HSM has made it a priority to support diverse suppliers and empower them to reach their goals. As a result, we developed the HSM Diversity Advancement Fund. Each year, \$10,000 is awarded to a minority- or woman-owned business that has had the greatest impact on economic development strategies designed to accelerate innovation and entrepreneurship.

## WINNER PROFILE

### 7TH ECHELON

Last year's grant was awarded to 7th Echelon. This dynamic veteran/minority-owned professional services firm out of Houston, Texas, offers tailored solutions for critical initiatives and project management, including FF&E. 7th Echelon prides itself on working in partnership to help clients maintain process control, reduce execution risk, manage change, increase speed of delivery and enhance readiness. They achieve this by leveraging their network of professionals and proven processes to deliver consistent results.



“ **The Hilton Supply Management capital infusion helped us with much-needed training, technology purchases, and website development. We could not have asked for a better group of people to serve than the Hilton Americas Houston owners and operators. 7th Echelon was selected because of our shared commitment to diversity. Because of this commitment, we have gone on to win awards leading to other opportunities.** ”

- Edgarrt Melton, CEO, 7th Echelon

## ACCEPTING SUBMISSIONS

HSM is currently accepting submissions for this year's Diversity Advancement Fund. Minority- and woman-owned small businesses should submit their pitch by March 19, 2021, to be considered for the \$10,000 award.

# ECONOMIC impact

**988**

**Total jobs of diverse  
suppliers supported by  
Hilton spend**



**\$52,038,252\***  
**Wages paid on those jobs**



**\$92,247,841\*\***  
**Economic impact from taxes  
paid on those wages**

**\$455,363,028\*\*\***  
**Total economic output**

\*Wages are determined based on NAICS code of the supplier.

\*\*Impact based on government-issued factors per NAICS and State.

\*\*\*Total output based on national economic multiplier.



**741**

**women-owned  
businesses**



**118**

**veteran-owned  
businesses**



**1,106**

**minority-owned  
businesses**

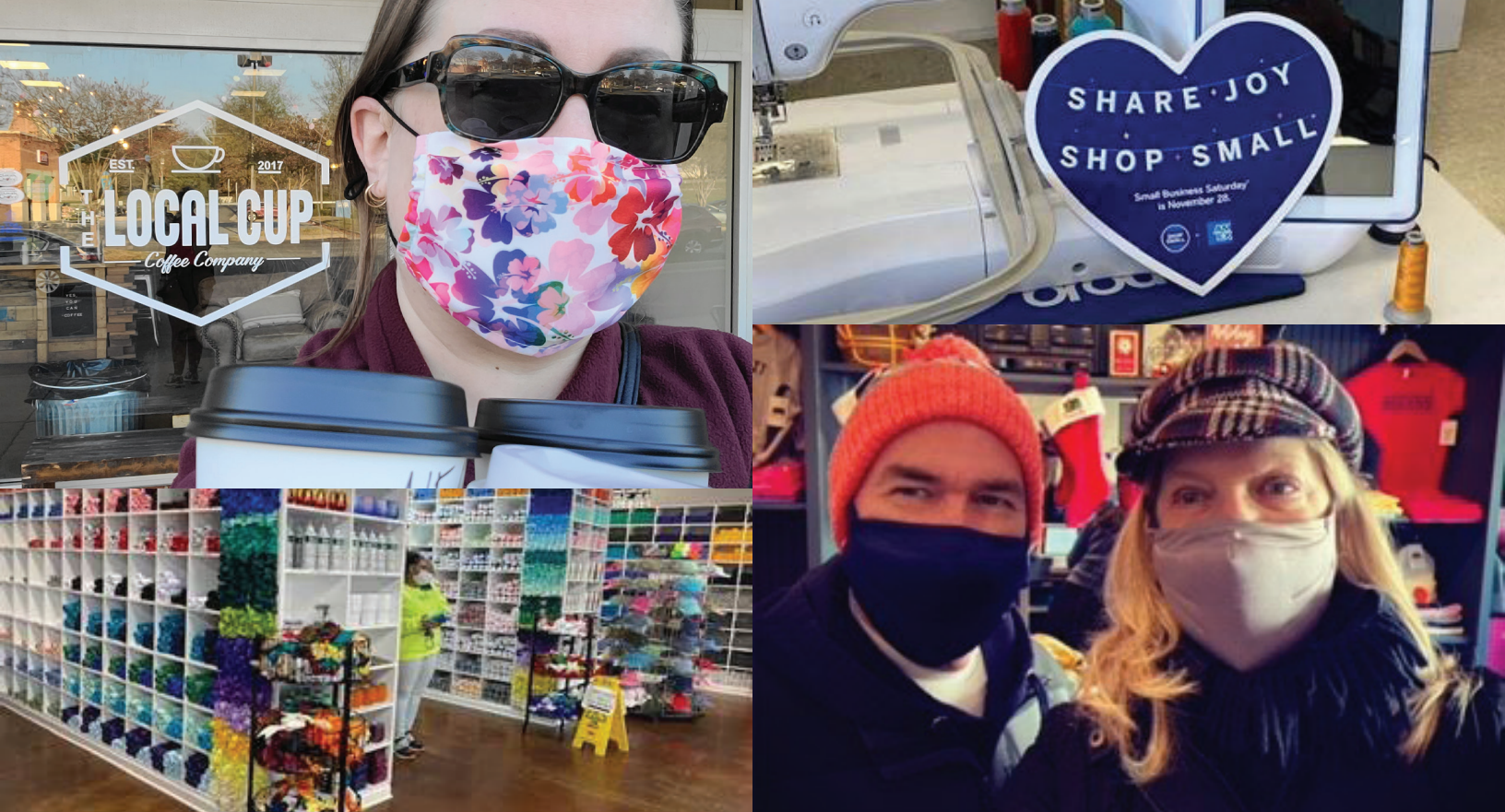


**3,257**

**Small Disadvantaged  
businesses**

Note: Businesses may hold multiple certifications.





## SHOP SMALL win big

Small businesses are a large part of HSM's Supplier Diversity Program, as they enhance the economic vitality of the communities surrounding the hotels we serve. For the second year in a row, we took time to acknowledge how important these businesses are and encouraged our team members to shop local with a friendly contest.



**Tasha Patel** won a complimentary stay at one of our hotels.

Tasha supported a small business by visiting a local coffee shop. She appreciated the dog-friendly atmosphere, dietary restriction-friendly menu and creative artwork from local artists. The coffee shop also gives back to the community through supporting local charities, which helps patrons feel good about spending their time and money there. Thanks, Tasha!

“

**In a time of unimaginable stress on the business, we realize more than ever that a stronger Hilton is a more diverse Hilton. Continuing to diversify our supplier network is one tangible way to advance the fight for economic empowerment.”**



**Linda Theisen**

**VP of Corporate Procurement & Supplier Diversity,  
Hilton Supply Management**





To learn more about our industry-leading Supplier Diversity Program, visit  
[mysupplymanagement.com](https://mysupplymanagement.com)

