

HILTON SLAVERY AND HUMAN TRAFFICKING Statement

FINANCIAL YEAR 2018



This statement is published by Hilton in compliance with the UK Modern Slavery Act 2015. It details the steps taken by Hilton to aid in the prevention of modern slavery and human trafficking in any part of its business and supply chains across its global operations during the Financial Year 2018. Hilton manages, leases and franchises hotels, provides hospitality services, and carries on business in the United Kingdom largely through Hilton Worldwide Manage Limited and Hilton Worldwide Limited, as well as Adda Hotels, HLT Stakis Operator Limited, Hilton Worldwide Holding LLP, Hilton International IP Holding Limited and Hilton International Hotels (UK) Limited. For the purposes of this statement, the companies carrying on business within the United Kingdom, including the entities mentioned above, are collectively referred to as “Hilton”.

OUR COMMITMENT TO HUMAN RIGHTS

At Hilton, we have a shared purpose to be the most hospitable company in the world by positively impacting our guests, Team Members*, hotel owners and communities. As a business of people serving people, respecting human rights is a core part of our mission.

OUR BUSINESS STRUCTURE AND SUPPLY CHAIN

Hilton is a leading global hospitality company, with a portfolio of 17 world-class brands comprising more than 5,600 properties with over 913,000 rooms in 113 countries and territories, supported by over 405,000 Team Members*.

Under management agreements, we use our marks and systems to operate hotels. The 169,000 people employed at our managed properties, leased hotels, and our corporate offices (including Hilton Supply Management – “HSM”) are referred to as “Hilton Employees”.

Through franchise agreements, we license our marks and systems, which help the franchisee succeed in its business. Franchised properties make independent decisions regarding their hotel operations, including procurement, employment and training practices. The people who are employed by the owners (or its designees) of franchised properties are referred to as “Franchise

Employees”. There are approximately 236,000 Franchise Employees who work on-property at independently owned and operated franchise properties in the Hilton portfolio.

HSM is the global procurement and supply chain arm of Hilton. HSM supports over 7,000 hotels across the world, approximately 10% of which are Hilton-leased or managed properties, 62% are franchises and 28% are independent businesses unaffiliated with Hilton. HSM develops and negotiates product and service supply programs with over 2,000 suppliers that make available goods and services at the best combination of price, quality, and service. While we strongly encourage our hotel owners across our global portfolio to use HSM services, not all hotel owners choose to participate. In addition, hotel owners are responsible for establishing their own supply chain during the development stage of hotels, including construction.

A more detailed description of our business model can be found in our [public filings](#).

Number and percentage of Hilton hotels as of (12/31/2018):

	Leased	Managed	Franchised	Total
Operating Hotels	71	689	4,874	5,634
Share of Total Operating Hotels	1.3%	12.2%	86.5%	100%



OUR POLICIES AND GOVERNANCE

Our commitment to respecting human rights is enshrined in our [Code of Conduct](#), [Human Rights Principles](#), and [Responsible Sourcing Policy](#), including the prohibition of forced labour, bonded labour, child labour, slave labour, human trafficking and recruitment fees, and the prohibition for any Hilton property, product, or service from being used in any manner that supports or enables any form of abuse and exploitation. Those three documents apply only to Hilton Employees at our leased and managed hotels, and our corporate offices. However, we make them available to our franchisees and our business partners to educate them on Hilton's business principles and to encourage them to develop similar policies and procedures for their own operations, and share those policies and procedures with their respective business partners.

Human Rights is managed by Hilton's Corporate Responsibility team, in collaboration with the Legal Compliance Department. Hilton's Human Rights strategy is reviewed by an internal working group, which brings together representatives of key support functions, and is approved by the Executive Committee representatives for Corporate Affairs and Legal.

In May 2018, we launched our [2030 Travel with Purpose Goals](#) to cut our environmental footprint in half and double our investment in social impact, in support of the United Nations (UN) Sustainable Development Goals (SDGs). The Goals include commitments to implement human rights due diligence across our global operations, to work with suppliers to eradicate any form of forced labor and human trafficking, and to create and partner with cross-industry networks to advance international human rights.

OUR DUE DILIGENCE PROCESSES

In our operations, all Team Members are empowered to identify signs of human trafficking through training and risk-identification guidance (see relevant sections below). We encourage Hilton Employees to raise concerns about potential violations of our Code of Conduct, including risks of human trafficking or modern slavery, via the Hilton Hotline, an anonymous reporting mechanism for anyone to report concerns regarding our corporate

offices, leased and managed properties.

In our supply chain, our [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. Based upon amount of spend and regional risk, we require our top suppliers to acknowledge our Responsible Sourcing Policy.

In 2018, we enhanced our human rights due diligence activities by embedding human rights in our new country due diligence process. The process includes a holistic review of human rights risks relevant to our industry and appropriate risk mitigation plans which apply to Hilton hotels in that country regardless of brand or ownership structure. The new country due diligence process is overseen by our Legal Compliance Department and includes review by the Executive Compliance Committee, made of representatives from the Executive Committee. At the individual project level, we carry out due diligence review on our hotel owners, including a human rights reputation review and the transmission of our Code of Conduct and Human Rights Principles to all potential owners. We continue to develop tools to increase hotel owners' awareness of the modern slavery risks associated with hotel development, operations and supply chains.

OUR RISK IDENTIFICATION AND MANAGEMENT

In 2015, we completed a global human rights impact assessment across our business activities. This assessment focused on the risk that our business operations may pose to individuals' rights in terms of severity and likelihood, based on external research and experience. Our assessment identified labour rights, trafficking and modern slavery, privacy rights and land rights as areas of focus.

That same year, we also conducted a mapping exercise of our global supply chain across a range of economic, environmental and social risks, including human rights, based on external indicators and spend. This exercise highlighted categories such as services, produce, seafood, and apparel for additional attention.

In order to keep our risk identification up-to-date, we map all of our operating hotels and pipeline countries against eleven external human rights risk indices in both operations and supply chain, each updated annually. For example, the Modern Slavery Index assesses the risk to business in any industry of the possible association with or exposure to practices of slavery, servitude, trafficking in persons and forced labour by state and non-state actors within its supply chain, as defined by Verisk-Maplecroft. Based on this analysis, we believe that fewer than 9% of hotels are located in countries with higher risks of modern slavery in the supply chain. The Global Intelligence team utilizes a social media-monitoring platform that identifies possible human trafficking based on keyword scraping. Any suspicious content is escalated to the relevant regional Safety and Security director.

We supplement these mapping exercises based on indices with internal data collected via our internal Global Enterprise Risk Survey, which is distributed internally to over 250 Hilton leaders, and includes human rights and modern slavery issues. As part of our new country development due diligence process, we developed human rights risk briefs and mitigation plans. Each mitigation plan will be integrated in individual future hotel projects as appropriate.

This dynamic risk identification and continuous monitoring process helps inform our human rights strategy, and the prioritization of countries and issues for more detailed risk assessment, due diligence and training across operations, supply chain, and the development phase of our hotels.

Based on our risk assessment, we prioritized analysing our leased and managed hotels in Europe, Middle East and Africa (EMEA) with respect to human rights risks in labour outsourcing. We updated our standard form of contracts with vendors to require compliance with our Responsible Sourcing Policy and the undertaking of an ethical trading audit through a third-party certified auditor, following the SMETA protocol. We also created training and resources for our hotels and labour providers on the risk of modern slavery in labour sourcing. We rolled out the training and started the auditing program in 2018.

At a hotel level, a list of signs to identify risks of human trafficking for sexual exploitation and forced labour is posted in employee areas at all our

managed hotels globally. In the U.S., we also rolled out posters to raise awareness of the U.S. National Anti-Trafficking Hotline in guest-facing areas in our managed hotels in line with a number of state laws, and shared available resources with franchise hotels.

TRAINING AND AWARENESS

As signatory of the [ECPAT Code of Conduct](#) to combat child sexual exploitation in the travel industry since 2011, we have been providing training on risks of human trafficking for sexual exploitation to all our hotels. In 2018, we rolled out our new mandatory training requirement for all hotels globally as part of our required Brand Training. Our updated annual Code of Conduct training, now including a section on human rights, has been rolled out as a mandatory training to all Hilton Employees. Across both trainings, we trained 1,803 General Managers (68%) by the end of 2018. Another 53,700 Team Members across 5,070 hotels have taken the online training. Our Safety and Security teams and outside partners routinely train hotel Team Members on identifying and combatting human trafficking.

In 2018, we rolled out our e-Learning training on the key risks of modern slavery in labour sourcing. The training module is available to all Team Members and mandatory for all Hilton Employees in EMEA who are key decision-makers in recruitment and outsourcing decisions (General Managers, Human Resources, Procurement, Finance). By the end of 2018, 84% of the assigned Team Members had taken the training. We developed guidance documents that provide additional help to hotels and agencies conducting due diligence in labour sourcing. Those documents are available to all hotels, including franchises.

On International Human Rights Day on December 10, 2018, Hilton announced it would share its internal training on the risks of modern slavery in labour sourcing with the International Tourism Partnership (ITP) to accelerate the industry's ability to identify and mitigate those risks, in line with the [ITP Forced Labour Principles](#) (see section below).

All of our Hilton HSM Employees have taken our e-Learning course on Responsible Sourcing, which includes a section on risks of modern slavery in the supply chain.



PERFORMANCE INDICATORS

2030 Travel with Purpose Goals	KPI	Progress to Date
<p>Embed human rights due diligence across our global operations</p>	<p>Embed human rights in Hilton policies and governance</p>	<p>Human Right Principles define Hilton’s approach and commitment to human rights</p> <p>Code of Conduct includes commitment to respect human rights and to no recruitment fee</p> <p>Responsible Sourcing Policy includes human rights</p>
	<p>100% hotels trained in anti-human trafficking by 2020, including all Hilton Employees</p>	<p>Signs of Human Trafficking</p> <ul style="list-style-type: none"> • 90% hotels have at least one Team Member trained • 68% General Managers • 53,700 Team Members at 5,070 hotels <p>Modern Slavery in Labour Sourcing</p> <ul style="list-style-type: none"> • 2,800 Team Members • 84% assigned leaders in EMEA (General Managers, HR Directors, Procurement Leads, Directors of Finance) <p>Responsible Sourcing</p> <ul style="list-style-type: none"> • 100% HSM Team Members (2017)
	<p>100% operating hotels and pipeline countries mapped against human rights risks and information embedded in operations and development processes</p>	<p>Mapped 100% operating hotels and pipeline countries against 11 human rights risk indices</p> <p>Integrated Human Rights criteria in our annual internal Global Enterprise Risk Survey</p> <p>Embedded human rights in the new country development due diligence process</p>
<p>Embed human rights due diligence in our supply chain and partner with suppliers to eradicate any form of forced labour or trafficking</p>	<p>100% suppliers have received the Responsible Sourcing Policy</p>	<p>Policy embedded in any new contract with 1st Tier suppliers</p>
	<p>100% Hilton Supply Management (HSM) Team Members trained in risks of modern slavery in the supply chain by 2018</p>	<p>100% Hilton HSM Team Members have been trained in responsible sourcing, including human rights risks in the supply chain</p> <p>100% Procurement leads in EMEA have taken the training in risks of modern slavery in labour sourcing</p>
	<p>100% labour outsourcing agencies audited in Europe, Middle East and Africa by 2020</p>	<p>8 audits completed in UK and South Africa; 29 audits planned in Europe</p> <p>Mapping audits in Middle East and Africa</p>
<p>Create and partner with cross-industry networks to advance international human rights</p>	<p>Support International Tourism Partnership (ITP) Human Rights Goals</p>	<p>Aligned internal Key Performance Indicators to ITP human rights goals</p> <p>Supported draft and launch of ITP Forced Labour Principles</p> <p>Announced sharing of our internal training on risks of modern slavery in labour sourcing with ITP, which refers to ITP Forced Labour Principles</p>
	<p>Other partners</p>	<p>Supported draft and launch of the UK Stop Slavery Network Framework to Engage with Suppliers</p> <p>Trained 16 women anti-trafficking advocates to foster grassroots solutions to prevent trafficking and rehabilitate survivors through the Vital Voices Global Freedom Exchange programme</p>

PARTNERSHIPS AND ENGAGEMENT

Human rights risks in the travel and tourism industry are complex and we recognise that we cannot solve them on our own. Accordingly, we are proactively engaging with industry and expert organisations to better identify challenges, develop solutions and accelerate impact.

We have been signatories of the [ECPAT Code of Conduct](#) since 2011 to fight the sexual exploitation of children in travel and tourism, and have been providing their training on identifying signs of trafficking to all our hotels.

Our President and CEO, Chris Nassetta, is the Chair of the World Travel and Tourism Council (WTTC). In 2018, we supported the launch of the [ECPAT/WTTC Call for Action for the Protection of Children in Travel and Tourism](#).

We are co-founders of the [International Tourism Partnership \(ITP\)](#) and an active member of their Human Rights working group. Building on the launch of the ITP [Human Rights Policy Statement](#) and [Human Rights Goals](#) in 2017, we supported the development and launch of the [ITP Forced Labour Principles](#), which were modelled off the [Consumer Goods Forum Priority Industry Principles](#) to ensure consistency and scale of impact with the hotel industry's key business partners. To accelerate the industry's ability to identify risks of modern slavery and implement the Forced Labour Principles in practice, we announced on International Human Rights Day on December 10, 2018 that we would

share our internal training on risks of modern slavery in labour sourcing with the ITP. It will be available online in 2019.

In November 2016, we were co-founders of the [UK Stop Slavery Hotel Industry Network](#) led by Shiva Foundation, which brings together hotel brands, operators and owners. We supported the draft and launch of the [Framework to Engage with Suppliers](#), which provides tools to help procurement teams engage with suppliers to address risks of forced labour and modern slavery in the supply chain. We also supported the Network's new [Resource Hub](#). Both resources are a first for the hotel industry.

We are members and sit on the Steering Committee of the [Global Business Initiative on Human Rights](#), a coalition that works to advance human rights in a business context through cross-industry peer learning, outreach and capacity building, and by informing policy.

In order to better combat risks of trafficking for sexual exploitation, we have partnered with [Vital Voices](#) since 2012. In 2013, we co-founded the [Global Freedom Exchange](#) (GFE) programme to support women leaders at the forefront of global efforts to prevent and respond to human trafficking. Since its launch, we have helped empower 127 anti-trafficking women advocates from 50 countries. Some of the GFE Fellows went on to be recognized as Trafficking in Persons Heroes by the U.S. State Department, like [Boom Mosby](#) in 2017 and [Francisca Awah Mbuli](#) in 2018.

OUR ONGOING COMMITMENT

Our commitment to human rights issues, including addressing slavery and human trafficking, is central to who we are as a business of people serving people around the world for 100 years. As we celebrate our 100th anniversary in 2019, we are proud of our mission to strengthen the communities in which we operate and look forward to continuing to innovate, implement and build on our human rights strategy, continuing to strengthen the awareness of our Team Members, and advancing industry collaboration to drive positive impact at scale across our value chain.



Simon Vincent

Executive Vice President & President, Europe, Middle East & Africa

RELEVANT POLICIES AND RESOURCES:

Statement for the UK Modern Slavery Act – FY 2016: <https://cr.hilton.com/wp-content/uploads/2018/05/Hilton-MSA-statement-May-2017.pdf>

Statement for the UK Modern Slavery Act – FY 2017: <http://ir.hilton.com/~media/Files/H/Hilton-Worldwide-IR-V3/committee-composition/2018-msa-statement-010518.pdf>

Code of Conduct: <http://ir.hilton.com/~media/Files/H/Hilton-Worldwide-IR-V3/committee-composition/hlt-codeofconduct.pdf>

Human Rights Principles: <https://ir.hilton.com/~media/Files/H/Hilton-Worldwide-IR-V3/committee-composition/hilton-human-rights-principles-2019.pdf>

Responsible Sourcing Policy: <http://ir.hilton.com/~media/Files/H/Hilton-Worldwide-IR-V3/committee-composition/responsible-sourcing-policy-march-2017.pdf>

Annual corporate responsibility report: cr.hilton.com

*Team Members include employees at Hilton corporate offices and its owned and managed properties, and employees of franchisees who work on-property at independently owned and operated franchise properties in the Hilton portfolio.

Hilton

W
WALDORF ASTORIA

LXR

CONRAD

canopy

Signia
Hilton

Hilton

CURIO
COLLECTION

DOUBLETREE

TAPESTRY
COLLECTION

EMBASSY
SUITES

MOTTO

Hilton
Garden Inn

Hampton

tru

HOMEWOOD
SUITES

HOME
SUITES

Hilton
Grand Vacations

Hilton
HONORS