C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Hilton is one of the largest and fastest growing hospitality companies in the world, with 5,685 properties comprising 912,960 rooms in 113 countries and territories as of December 31, 2018. Managed and franchised hotels included in this disclosure include: our luxury and lifestyle hotel brands, Waldorf Astoria Hotels & Resorts, Conrad Hotels & Resorts and Canopy by Hilton; our full service hotel brands, Hilton Hotels & Resorts, Curio - A Collection by Hilton, DoubleTree by Hilton, Tapestry Collection by Hilton and Embassy Suites by Hilton; our focused service hotel brands, Hilton Garden Inn, Hampton by Hilton, Tru by Hilton, Homewood Suites by Hilton and Home2 Suites by Hilton. In addition to our current hotel portfolio, we are focused on the growth of our business through expanding our share of the global lodging industry through our development pipeline. During the year ending December 31, 2018, nearly 110,000 new rooms were approved for development, and we opened 450 hotels consisting of over 66,000 rooms.

We depend on our long-term hotel management and franchise contracts with third-party owners and franchisees for the majority of our fee revenues. The management and franchise segment includes all of the hotels we manage for third-party owners, as well as all franchised hotels owned and managed by others. As of December 31, 2018, there was a total of 760 hotels managed by Hilton and under its operational control (“CDP reporting boundary”). Out of these managed hotels, Hilton has an ownership interest in 71 hotels (less than 10% owned, joint venture or leased) and a 100% controlling interest in only four hotels. Franchised properties, which are controlled by Hilton’s development and operating standards for the respective Brands, account for approximately 87% of our global portfolio by hotel count and 74% by total room count. Given their significance to Hilton’s business model, responses that are relevant to franchised hotels are reported as Other Value Chain.

Our CDP Reporting Boundary is Operational Control, defined as companies, entities or groups over which operational control is exercised. However, please note that Hilton’s corporate responsibility and water stewardship strategies, along with LightStay requirements for measurement and improvement in water efficiency, extend to all managed and franchised hotels globally.

Hilton has integrated energy and climate-related issues into our business objectives for years through our continual focus on improving the environmental performance of our hotels and driving responsible travel and tourism across our industry. We are serious about our role in helping the international community reach the UN Sustainable Development Goals (SDGs) through our global hotel operations and supply chain footprint. Our corporate responsibility strategy, Travel with Purpose, drives us to think and act in ways that will maximize our contributions to help meet these important global goals. In this spirit, we have united our 380,000 Team Members along with our owners, partners and communities in more than 100 countries around our corporate responsibility strategy and shared goals.

In 2018, we released our new Travel with Purpose long-term commitment to double our social impact and cut our environmental footprint in half by 2030. One of the key targets underpinning these goals is our new science-based targets (SBTs), demonstrating our commitment to reducing our carbon emissions in line with the stipulations of the Paris Agreement. We believe that climate change is one of the biggest threats to business today, and we are proud to be the first major hotel company to have our SBTs approved by the Science Based Targets initiative (SBTi).

C0.2
(C0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Row</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
<th>Select the number of past reporting years you will be providing emissions data for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January 1 2018</td>
<td>December 31 2018</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Albania
Angola
Argentina
Aruba
Australia
Austria
Azerbaijan
Bahamas
Barbados
Belarus
Belgium
Brazil
Bulgaria
Cabo Verde
Cameroon
Canada
China
China, Hong Kong Special Administrative Region
Colombia
Costa Rica
Croatia
Cyprus
Czechia
Dominican Republic
Egypt
Equatorial Guinea
Estonia
Ethiopia
Fiji
France
Georgia
Germany
Greece
Hungary
India
Indonesia
Ireland
Israel
Italy
Japan
Jordan
Kazakhstan
Kenya
Kuwait
Lebanon
Malaysia
Maldives
Malta
Mauritius
Mexico
(C0.4) Select the currency used for all financial information disclosed throughout your response.
USD

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.
Operational control
C1.1 Are there board-level oversight of climate-related issues within your organization?

Yes

C1.1a Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Our President and CEO is the member of Hilton's Board of Directors with responsibility for climate-related issues and decisions. Hilton's Executive Vice President, Corporate Affairs oversees the Corporate Responsibility department, which is responsible for the company's sustainability strategy, including Hilton's strategy for addressing climate change. The EVP of Corporate Affairs reports directly to Hilton's President and CEO, who is the only company executive on Hilton's Board of Directors. Our Board receives periodic updates from our CEO and our EVP, Corporate Affairs on the Company's corporate responsibility strategy and initiatives. These reports outline Hilton's progress towards our Travel with Purpose 2030 Goals (including our science-based targets).</td>
</tr>
</tbody>
</table>

C1.1b Provide further details on the board's oversight of climate-related issues.

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled – some meetings</td>
<td>Reviewing and guiding major plans of action</td>
<td>The Board of Directors has overall responsibility for risk oversight, which includes understanding (1) material risks, (2) management steps to address these risks and (3) appropriate levels of risk of our company. As part of regular Board and committee meetings, the Board of Directors is responsible for general oversight of executives’ management of risks relevant to the Company. Hilton’s Global Risk Management team regularly assesses our sensitivity to changes in risk profiles across a series of prioritized financial and non-financial risks. This analysis helps us to inform our Board of Directors as they assess management’s risk tolerance levels and determine what constitutes an appropriate level of risk for the company. Additionally, our Board receives periodic updates from our CEO and EVP, Corporate Affairs on the Company’s corporate responsibility strategy and initiatives. Quarterly reports are also provided to the Executive Committee, including our CEO, highlighting progress against Hilton’s 2030 Goals (including science-based targets), other key sustainability programs and partnerships, and the direct results of these investments.</td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding annual budgets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding business plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</td>
<td></td>
</tr>
</tbody>
</table>
C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on climate-related issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other C-Suite Officer, please specify (EVP, Corporate Affairs)</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Annually</td>
</tr>
</tbody>
</table>

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Organizational structure: Hilton's Corporate Responsibility department reports to the Executive Vice President of Corporate Affairs, who is the Hilton leader below Board-level with the highest level of management responsibility for climate change. The EVP of Corporate Affairs reports to the President and CEO. The Corporate Responsibility department is led by the Chief Sustainability Officer (VP, Corporate Responsibility).

Responsibilities: The Corporate Responsibility department is responsible for managing Travel with Purpose, our corporate responsibility strategy, which focuses on the environmental, social and governance issues that directly affect the business.

How climate-related issues are monitored: Using our LightStay platform, Hilton's Corporate Responsibility team support our company's evaluation of climate change risks on an annual basis. In 2017, we completed a portfolio-wide analysis on our climate impact against future growth projections leading to 2050. This analysis was used to develop Hilton's new science-based targets and inform our long-term climate change strategy, published in May 2018 as part of Hilton's 2030 Travel with Purpose goals. Hilton also monitors climate-related issues on a global and regional basis through our annual water risk assessment, using the WWF Water Risk Filter tool. Updates on Hilton's Corporate Responsibility activities, including climate-related issues, are provided regularly to the Board. Quarterly reports are also provided to the Executive Committee, highlighting progress against Hilton's 2030 Goals (including science-based targets), other key sustainability programs and partnerships, and the direct results of these investments.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?
Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?
Chief Sustainability Officer (CSO)

Types of incentives
Monetary reward

Activity incentivized
Emissions reduction target
**Comment**

Bonus potential for the VP of Corporate Responsibility is tied to the overall management of climate changes issues including validation, certification and reporting of annual efforts and progress towards Hilton’s 2030 goals for carbon, energy, water and waste, setting company’s sustainability strategy and goals (annual and long term, including utility efficiencies), hotels’ performance metrics and measurement as well as tools and resources, employee awareness and engagement, and partnership implementation and results.

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**Who is entitled to benefit from these incentives?**

Other, please specify (Vice President, Engineering)

**Types of incentives**

Monetary reward

**Activity incentivized**

Energy reduction target

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**Comment**

Bonus potential for the VP of Corporate Responsibility is tied to the overall management of climate changes issues including validation, certification and reporting of annual efforts and progress towards Hilton’s 2030 goals for carbon, energy, water and waste, setting company’s sustainability strategy and goals (annual and long term, including utility efficiencies), hotels’ performance metrics and measurement as well as tools and resources, employee awareness and engagement, and partnership implementation and results.

---

**Who is entitled to benefit from these incentives?**

Environment/Sustainability manager

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Efficiency project

---

**Comment**

Bonus potential for the regional Vice Presidents of Engineering (Property Operations) is tied to the attainment of sustainability goals, including reduction in energy consumption for hotel operations in their respective regions. Performance indicators are defined based on previous year consumption for each region. Measures used are hotels’ energy total spend and use (total kBTus). Additionally, Property Operations in certain regions are also incentivized based on reduction of carbon emissions. Employees reporting into these positions whose responsibilities include climate changes issues (e.g. Regional Directors of Property Operations, Managers of Sustainability, Manager of Energy) are also financially incentivized based on some or all of the goals mentioned above. The energy reduction goals that the VPs of Property Operations are held accountable for are aligned with the energy reductions require for Hilton to achieve its science-based targets.

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**Who is entitled to benefit from these incentives?**

Facilities manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Energy reduction target

---

**Comment**

Bonus potential for the VP of Corporate Responsibility is tied to the overall management of climate changes issues including validation, certification and reporting of annual efforts and progress towards Hilton’s 2030 goals for carbon, energy, water and waste, setting company’s sustainability strategy and goals (annual and long term, including utility efficiencies), hotels’ performance metrics and measurement as well as tools and resources, employee awareness and engagement, and partnership implementation and results.

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**Who is entitled to benefit from these incentives?**

All employees

**Types of incentives**
Monetary reward

Activity incentivized
Behavior change related indicator

Comment
Hotels, their General Managers and staff are recognized throughout the calendar year for sustainability-related best practices, as follows: (1) Hotel teams are eligible for Travel with Purpose Action Grants, a program designed to invest in our hotels' ideas to address local issues impacting their communities. In 2018, a total of 76 Action Grants totalling $220,000 were awarded to support innovative, local approaches that address social and environmental challenges; (2) Global Week of Service is our annual, global celebration in which all hotels and offices around the world are encouraged to coordinate or participate in hands-on volunteer projects. In 2018, team members from 93 countries volunteered 236,930 hours, with a selection of winning projects receiving a monetary reward; (3) Our managed hotels in Europe, Middle East and Africa are eligible to participate in the annual Driving Value competition where hotels compete to demonstrate the highest reductions in energy and water savings. All employees from the winning hotels receive an award for their achievements.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

<table>
<thead>
<tr>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term 0</td>
<td>3</td>
<td>We consider the short-term to include the present day through the next three years.</td>
</tr>
<tr>
<td>Medium-term 3</td>
<td>10</td>
<td>We consider medium-term to consist of 3-10 years in the future.</td>
</tr>
<tr>
<td>Long-term 10</td>
<td>30</td>
<td>We consider a 10-30 year time period to be our long-term horizon.</td>
</tr>
</tbody>
</table>

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

<table>
<thead>
<tr>
<th>Frequency of monitoring</th>
<th>How far into the future are risks considered?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>&gt;6 years</td>
<td>Climate-related risks are assessed at the aggregate portfolio level on at least an annual basis, and climate risks are assessed at the individual asset level on a continuous basis by leveraging our LightStay sustainability data reporting and management platform.</td>
</tr>
<tr>
<td>Six-monthly or more frequently</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C2.2b
Our definition of substantive financial impacts when identifying or assessing climate-related risks is as follows: (1) Economic high risk: based on current or future negative financial impacts and potential for negative impact on regional operations or guest experience. (2) Environmental high risk: based on potential for legal non-compliance or negative cost impacts through remediation or recovery efforts. (3) Social high risk: based on potential negative impact on brand, reputation and stakeholder relationships as well as potential for legal non-compliance.

Process for identifying and assessing climate-related risks at the company level: Since 2008, Hilton has conducted an annual assessment of potential climate change risks and opportunities deemed to have the potential for a substantive financial impact on the company. This risk assessment includes an assessment of the physical risk to our portfolio of properties, which is conducted by mapping our hotels against independently verified third-party data around climate change related factors such as risk of flooding, natural disasters, and drought. The assessment that is conducted at the company-level also includes planning for potential climate change regulations or mandatory energy efficiency standards that may impact the Company’s financial performance, along with other issues that align with our broader corporate responsibility strategy. We are also integrating the results of our water risk assessments using the WWF Water Risk Filter to analyze climate-related risks on a regional basis and our results are closely aligned with water stress, in coastal areas and other high risk areas. Hilton works closely with its consultants, partners and stakeholders to stay apprised of emerging trends and potential risks on an ongoing basis and sets annual sustainability business plans and priorities accordingly. Additionally, the Global Utility Risk Committee meets annually to evaluate and plan the company’s energy procurement strategy.

Process for identifying and assessing climate-related risks at the asset level: Risks and opportunities with respect to climate change are assessed at the hotel level on a continual basis. LightStay’s sustainability surveys capture data on more than 200 sustainability-related property and operations activities, opportunities and best practices in the areas of energy efficiency, renewable energy, water efficiency, waste reduction, procurement, food and beverage, and more. As a Brand Standard, every Hilton property is required to complete the LightStay surveys within the first three months of opening, and then update annually. Specific details are also captured on hotel refrigerant and equipment usage, renewable energy and other potential carbon reduction measures. More rigorous assessments are conducted for owned and managed properties under our direct operational control for specific energy efficiency and carbon reduction projects, including on-site audits conducted regularly by regional directors and/or third party auditors. Additionally, utility cost risks and opportunities are evaluated by the Global Utility Risk Committee on an individual hotel basis, especially for the larger hotels and resorts owned by Hilton.
(C2.2c) Which of the following risk types are considered in your organization’s climate-related risk assessments?

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Relevance &amp; Inclusion</th>
<th>Please Explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current regulation</td>
<td>Relevant, always included</td>
<td>Current carbon taxes pose financial risk by increasing utility costs and decreasing net operating income to Hilton. In particular, the UK and various countries across the EU have already implemented carbon taxes or carbon-implicated taxes. Currently, we are experiencing impact from the CRC Energy Efficiency Scheme (CRC Scheme) which requires qualifying companies to report their energy use annually and purchase and surrender allowances to offset their emissions. In the UK, Hilton has seen average energy utility costs increase by 15% as a result of CRC and other environmental taxes. Similar situations can be seen elsewhere in the Western world.</td>
</tr>
<tr>
<td>Emerging regulation</td>
<td>Relevant, always included</td>
<td>New or revised laws and regulations or new interpretations of existing laws and regulations, such as those related to climate change, could affect the operation of our properties or result in significant additional expense and operating restrictions.</td>
</tr>
<tr>
<td>Technology</td>
<td>Relevant, always included</td>
<td>Hilton considers the impact of technology in our climate-related risk and opportunity assessments. We work to promote the adoption of products and innovative technologies that reduce energy, water and waste through various channels and vendor partnerships. New technologies are typically piloted at our owned and managed hotels, with wider adoption either mandated or encouraged across additional hotels in the portfolio as relevant.</td>
</tr>
<tr>
<td>Legal</td>
<td>Relevant, always included</td>
<td>Foreign or U.S. environmental laws and regulations may cause us to incur substantial costs or subject us to potential liabilities. We are subject to certain compliance costs and potential liabilities under various foreign and U.S. federal, state and local environmental, health and safety laws and regulations. These laws and regulations govern actions including air emissions, the use, storage and disposal of hazardous and toxic substances, and wastewater disposal. Our failure to comply with such laws, including any required permits or licenses, could result in substantial fines or possible revocation of our authority to conduct some of our operations.</td>
</tr>
<tr>
<td>Market</td>
<td>Relevant, always included</td>
<td>We face risks around the loss of conference business and revenues if we do not respond adequately to the shift in consumer behavior and sustainability needs of our corporate and group clients. In our industry, we face competition for individual guests, group reservations and conference business. We compete for these customers based primarily on brand name recognition and reputation, as well as location, room rates, property size and availability of rooms and conference space, quality of the accommodations, customer satisfaction, amenities and the ability to earn and redeem loyalty program points. Changing consumer behavior could directly affect travel behavior, especially corporate bookings for meetings and conferences. We continue to see increasing preference and demand by our corporate clients for products and services that minimize environmental impacts. We also see an increasing need by our corporate clients to track and minimize the environmental impact of their events in order to meet their overall corporate responsibility goals and reporting obligations.</td>
</tr>
<tr>
<td>Reputation</td>
<td>Relevant, always included</td>
<td>Because of the global nature of our brands and the broad expanse of our business and hotel locations, events occurring in one location could negatively affect the reputation and operations of otherwise successful individual locations. In addition, the expansion of social media has compounded the potential scope of negative publicity. We also could face legal claims related to negative events, along with resulting adverse publicity. A perceived decline in the quality of our brands or damage to our reputation could adversely affect our business, financial condition or results of operations.</td>
</tr>
<tr>
<td>Acute physical</td>
<td>Relevant, always included</td>
<td>Unpredictability in the frequency and severity of extreme weather events, such as hurricanes and droughts, is our most significant physical risk related to climate change. Many of our hotels are located in areas where they are vulnerable to the extreme variability in weather patterns that results from global climate change.</td>
</tr>
<tr>
<td>Chronic physical</td>
<td>Relevant, always included</td>
<td>Many of our hotels are located in coastal areas where they face chronic physical risks related to rising sea levels. In addition to creating a risk of increased damage to facilities and operating costs, increased flood risk in coastal areas as a result of climate change creates a risk of increased insurance premiums and reduced availability of insurance on our properties located in coastal regions.</td>
</tr>
<tr>
<td>Upstream</td>
<td>Relevant, always included</td>
<td>Upstream risks in our global supply chain represent a risk to our business, with the greatest risk being disruptions in global supply due to natural disasters, drought, flooding, or other climate-related impacts. We are one of the world’s largest restauranteurs and we are at particularly high risk of business disruptions due to supply of continuity in our food and produce supply chain.</td>
</tr>
<tr>
<td>Downstream</td>
<td>Relevant, always included</td>
<td>We include downstream Scope 3 emissions from hotel waste disposal in our risk and opportunity assessments. In particular, we assess and manage the carbon impact of food waste resulting from our hotels’ operations.</td>
</tr>
</tbody>
</table>
(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

We continually prioritize and manage climate-related risks and opportunities based on our ability to influence and the relative importance to our business operations and stakeholder groups. Our risk and opportunity management is integrated into our operations, and on a company-wide basis, we prioritize activities that can be scaled up (to include franchised properties) and those that will create the greatest value for our hotels and customers.

Process for managing transitional risks and opportunities: To manage the transitional risks and opportunities related to complying with carbon-related legislation around the world, our regional Government Relations teams track existing and upcoming legislation and its applicability to our hotels. Our Property Operations and Corporate Responsibility teams then work together to reduce any risk of non-compliance with existing or forthcoming legislation. For example, to comply with the United Kingdom’s CRC Energy Efficiency Scheme, we completed comprehensive upgrades to our LightStay system to improve reporting functionality. We also use ISO as a global standard to help us manage our transitional compliance risks, and our entire portfolio of owned, managed and franchised hotels is certified to three ISO Standards: ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 50001 (Energy Management). Our careful and continuous management of our transitional risks has also resulted in significant opportunity for our company, as by continually engaging and educating our hotel staff on relevant regulatory requirements, our carbon reduction goals, and our Travel with Purpose strategy, we have been able to drive significant engagement with our Team Members around the world.

Process for managing physical risks and opportunities: We also actively manage our physical climate-change related risks and opportunities on a continual basis. Our Property Operations teams around the world are constantly evaluating the risk of natural disasters and working with our teams to prepare our hotels for any upcoming events. These teams are also continually seeking opportunities to improve our energy, carbon, water and waster efficiency at our hotels, by investing in efficiency upgrades. The Capital Expenditure process is formalized with various authority and specialization levels within the company, and Asset Management and Regional Engineering teams typically work together to evaluate and obtain budget approval for major building upgrade projects. These improvement projects, such as installation of on-site power generation, often have the dual benefit of helping our hotels mitigate risk associated with climate change, as well as helping us to reduce our energy costs.

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Risk 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where in the value chain does the risk driver occur?</td>
<td>Direct operations</td>
</tr>
<tr>
<td>Risk type</td>
<td>Physical risk</td>
</tr>
<tr>
<td>Primary climate-related risk driver</td>
<td>Chronic: Changes in precipitation patterns and extreme variability in weather patterns</td>
</tr>
<tr>
<td>Type of financial impact</td>
<td>Increased capital costs (e.g., damage to facilities)</td>
</tr>
</tbody>
</table>
Unpredictability in the frequency and severity of extreme weather events, such as hurricanes and droughts, is our most significant physical risk related to climate change. Many of our hotels are located in areas where they are vulnerable to the extreme variability in weather patterns that results from global climate change. For example, several of our hotels in Texas and Puerto Rico were significantly damaged during the 2017 hurricane season, resulting in increased capital costs.

**Time horizon**
Current

**Likelihood**
Very likely

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
At this time we are not able to publish an estimate for the potential financial impact of this risk. Potentially avoided risks are unknown given the uncertainty of physical risks from climate change that may result in catastrophic loss. We note that the bulk of the financial impact of an extreme weather event would be borne by insurance rather than by Hilton. However, any loss of this nature, whether insured or not, could potentially adversely affect our operational results and prospects for growth.

**Management method**
To mitigate the physical risk resulting from extreme weather events in the short term we invest significantly in disaster preparedness for our properties located in high risk areas, including investing in on-site power generation systems to ensure that our properties can maintain their power in the event of an emergency. In the long term, we believe that our science based targets will help us contribute to halting the harmful impacts of global climate change.

**Cost of management**
500000

**Comment**
Hilton has incorporated the management of the physical risks of climate change into our overall enterprise risk management framework. The estimated cost of management provided here includes the annual corporate contribution to the Hilton Responds Fund, which was developed to act as a vehicle to support short-term relief and long-term rebuilding efforts for Hilton Team Members and their families following a disaster.
around the world, and we seek to mitigate this risk by assisting our properties with flood preparedness.

**Time horizon**
Medium-term

**Likelihood**
Very likely

**Magnitude of impact**
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
At this time we are not able to publish an estimate for the potential financial impact of this risk. Potentially avoided risks are unknown given the uncertainty of physical risks from climate change that may result in catastrophic loss. We note that the bulk of the financial impact of an extreme flooding event would be borne by insurance rather than by Hilton. However, any loss of this nature, whether insured or not, could potentially adversely affect our operational results and prospects for growth.

**Management method**
To mitigate the physical risk resulting from rising sea levels we invest in flood preparedness at our hotels. In the long term, we believe that our science based targets will help us contribute to halting the harmful impacts of global climate change.

**Cost of management**
500000

**Comment**
Hilton has incorporated the management of the physical risks of climate change into our overall enterprise risk management framework. The estimated cost of management provided here includes the annual corporate contribution to the Hilton Responds Fund, which was developed to act as a vehicle to support short-term relief and long-term rebuilding efforts for Hilton Team Members and their families following a disaster.

**Identifier**
Risk 3

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Transition risk

**Primary climate-related risk driver**
Policy and legal: Increased pricing of GHG emissions

**Type of financial impact**
Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

**Company-specific description**
Current and future carbon taxes pose financial risk by increasing utility costs and decreasing net operating income to Hilton as well as our management and franchise clients. In particular, the UK and various countries across the EU have already implemented carbon taxes or carbon-implicated taxes. Currently, we are experiencing impact from the CRC Energy Efficiency Scheme (CRC Scheme) which requires qualifying companies to report their energy use annually and purchase and surrender allowances to offset their emissions. In the UK, Hilton has seen average energy utility costs increase by 15% as a result of CRC and other environmental taxes. Similar situations can be seen elsewhere in the western world.

**Time horizon**
Short-term

**Likelihood**
Very likely
Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
2500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Cost of carbon taxes are estimated to add 15% to total energy utility costs in the UK.

Management method
We use LightStay, our proprietary sustainability measurement system, as the primary management method to mitigate risk and drive energy efficiency and savings across our global portfolio of over 5,300 hotels. At a regional and local hotel level, we provides team members with information about the direct impact of carbon taxes on the hotel’s utility costs and bottom line. Additionally, Hilton will also include potential CO2 and CRC savings in energy efficiency improvement projects. By increasing awareness of these impacts, we see greater opportunity to drive energy efficiency and renewable energy projects in order to offset these additional costs. (1) Global performance tracking for ALL hotels, with reporting at the individual hotel, global region, Brand and Corporate level; (2) Environmental impact tracking of energy, water, waste, building and property operations, and improvement projects; (3) Calculates carbon footprint of any meeting or conference (4) Measures sustainability indicators across 200+ operational, design and construction practices; (5) Benchmarks peer performance between similar Hilton properties; (6) Utilizes data-driven modeling to predict and analyze utility consumption and costs; and (7) Environmental data verified annually by an independent third party.

Cost of management
100000

Comment
The cost of management of Hilton's emissions reporting obligations in the UK, including staff hours and consultant costs, is estimated to be $100,000.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Supply chain

Risk type
Transition risk

Primary climate-related risk driver
Technology: Substitution of existing products and services with lower emissions options

Type of financial impact
Costs to adopt/deploy new practices and processes

Company-specific description
In order to meet our long term Travel with Purpose targets to cut our environmental footprint in half and double our social impact investment by 2030 (including our science based greenhouse gas targets), we will need to continue to identify products that will help us reduce our carbon emissions and overall environmental footprint. Given the size and scale of our company, we note that available supply of reasonable substitutes can be a challenge. For example, in May 2018 we committed to remove plastic straws from all of our managed hotels, and we are already finding it a challenge to source enough paper straws from our suppliers to meet our demand. We expect that new technologies and suppliers will continue to join the marketplace as the transition to a low carbon economy continues, but we recognize that sourcing substitute lower emissions products can represent a challenge and a risk for an organization of our size.

Time horizon
Long-term

Likelihood
About as likely as not
**Magnitude of impact**
Low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
At this time we are not able to publish an estimate for the potential financial impact of this risk.

**Management method**
We continually challenge our suppliers to find more innovative solutions to our environmental challenges. As part of our new Travel with Purpose 2030 targets, we have committed to work closely with our suppliers to ensure that we are sustainably sourcing. We have also committed to encouraging our suppliers to set their own environmental and social goals, which we plan to validate through an auditing and incentive program. For example, we have committed to encouraging our suppliers to set their own greenhouse gas reduction targets. We believe that this supplier engagement will help us to mitigate the risks in our supply chain.

**Cost of management**
0

**Comment**
Hilton has incorporated the management of supply chain continuity risks into our overall enterprise risk management framework.

**Identifier**
Risk 5

**Where in the value chain does the risk driver occur?**
Direct operations

**Risk type**
Transition risk

**Primary climate-related risk driver**
Policy and legal: Mandates on and regulation of existing products and services

**Type of financial impact**
Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

**Company-specific description**
Hilton is subject to certain compliance costs and potential liabilities under various foreign and U.S. federal, state and local environmental, health and safety laws and regulations. These laws and regulations govern actions including air emissions, the use, storage and disposal of hazardous and toxic substances, and wastewater disposal. Our failure to comply with such laws, including any required permits or licenses, could result in substantial fines or possible revocation of our authority to conduct some of our operations. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those related to climate change, could affect the operation of our properties or result in significant additional expense and operating restrictions on us. This applies specifically to Hilton’s financial exposure for owned and managed properties, where Hilton is responsible for compliance as manager, but any required capital upgrades would be an owner expense. For franchised properties, Hilton is subject to reputation risk because of the global nature of our brands and the broad expanse of our business and hotel locations. Events occurring in one location could negatively affect the reputation and operations of otherwise successful individual locations.

**Time horizon**
Long-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The exact figure is unknown given the high level of uncertainty, but we estimate new regulations could increase total energy utility costs by 15%-20% based on our experience in the UK.

Management method
Hilton reduces non-compliance risk and ensures consistent quality in our through our Brand Standards and enterprise-wide ISO certifications: 1) Brand Standards: At Hilton, sustainability measurement and continuous improvement is a Brand Standard for all of our hotels (including owned, managed and franchised). We conduct periodic inspections to ensure that Brand Standards are maintained; typically, these quality assurance audits are conducted twice annually at all hotels. Using our LightStay platform, all hotels are required to report monthly utilities including energy, water and waste; set annual reduction targets; maintain active energy, water and waste improvement projects; and complete benchmarking surveys across all operating departments, consisting of over 200 sustainability best practices and performance indicators. Brand Standards require that all hotels comply with applicable environmental laws and regulatory requirements. (2) ISO Management Systems Standard: In 2017, we achieved ISO 50001 recertification for energy management for the entire Hilton portfolio, with initial certification achieved in 2014 as one of the largest-ever volume certifications of commercial buildings. We continue to partner with the US DOE to bring the Superior Energy Performance (SEP) certification program to the hotel industry. SEP provides us with performance metrics to drive continuous energy improvement aligned with our SBTs. Six Hilton-managed properties have now achieved SEP.

Cost of management
400000

Comment
The cost of management of this risk, including our global ISO certification program, is estimated to be approximately $400,000.

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Reputation: Increased stakeholder concern or negative stakeholder feedback

Type of financial impact
Please select

Company- specific description
Climate change will likely increase humanitarian demands in third-world countries as well as localities impacted by severe weather events and natural disasters. Food and water shortages, competition for resources and political instability will likely impact the supply chain as well as the ability of local communities to meet basic human needs. Changes in ownership or management practices, the occurrence of accidents or injuries, natural disasters, crime, individual guest notoriety or similar events at our hotels and resorts can harm our reputation, create adverse publicity and cause a loss of consumer confidence in our business. Because of the global nature of our brands and the broad expanse of our business and hotel locations, events occurring in one location could negatively affect the reputation and operations of otherwise successful individual locations. We have a rich history of community investment, and our founder’s legacy of generosity permeates throughout our organization; it is our responsibility to support our Team Members and the communities where we live, work and travel in times of crisis. Hilton sees increased future opportunity to make a difference globally with our Travel with Purpose commitment to responsible tourism and our 2030 Value Chain Targets.

Time horizon
Medium-term

Likelihood
About as likely as not
Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
At this time we are not able to publish an estimate for the potential financial impact of this risk.

Management method
Managed through Travel with Purpose and our commitment to community service. Current initiatives include:
(1) Global Week of Service is our annual celebration where our hotels around the world participate in volunteer projects. In 2018, hotels from 93 countries held nearly 5,300 community projects resulting in over 236,930 volunteer hours. (2) In 2018, Hilton invested $220,000 in Travel with Purpose Action Grants to support 76 Team Member-led local innovative social and environmental projects. For example, the Hilton Chengdu, China partnered with other hotels in the area to educate young girls at the Liangshan Yi Minority Girls School on career pathways in hospitality. To date, we have invested over $1 million in Action Grants. (3) The Hilton Responds Fund enables Hilton Team Members and franchise employees to donate funds to support communities following a disaster and provide for long-term rebuilding efforts. The Fund provides assistance to those who are impacted by disaster and acts as a vehicle for Hilton to match the generosity of our employees’ voluntary contributions. Since launching the Fund in 2013, we have matched donations for 35 disaster relief campaigns, raising more than $3 million dollars. (4) In 2018, we worked our global soap recycling partners to recycle soap from our hotels. To date we have recycled soap into 9.6 million bars of new soap, distributed to people in need in 127 countries, contributing to a 35% reduction in hygiene-related disease.

Cost of management
500000

Comment
Hilton has incorporated the management of this risk into our overall enterprise risk management framework. The estimated cost of management provided here includes the annual corporate contribution to the Hilton Responds Fund, which was developed to act as a vehicle to support short-term relief and long-term rebuilding efforts for Hilton Team Members and their families following a disaster.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Move to more efficient buildings

**Type of financial impact**
Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company-specific description**
One of the largest opportunities that we have realized through our sustainability efforts has been significant reductions in operating costs as our hotels continually seek to improve their efficiency in energy, carbon, waste and water. Since 2008, Hilton has reduced carbon emissions intensity by 33.6%, waste intensity by 35.8%, energy use intensity by 22.3% and water use intensity by 18.5% across our global owned and managed portfolio. We estimate that these reductions have saved a cumulative $1 billion in utility costs. These savings are significant to our bottom line and demonstrate that a continual focus on sustainability and resource efficiency can result in huge value to a business.

**Time horizon**
Current

**Likelihood**
Virtually certain

**Magnitude of impact**
Medium-high

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
1000000000

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
To date we have achieved over $1 billion in cumulative savings across our global portfolio from operating sustainably (2008 baseline).

**Strategy to realize opportunity**
We have achieved significant reductions through our focus on operating our hotels as efficiently as possible. However, we know that we still have work to do. We plan to continue to manage this opportunity through our new science-based targets, which will enable us to track our carbon emissions and ensure that we are remaining aligned with our carbon budget as defined by the Sectoral Decarbonization Approach. Significantly, we will also increase our engagement with our suppliers, as defined in our new Travel with Purpose targets around supplier engagement. We will encourage our suppliers to set their own environmental goals, including carbon emissions goals, in order to continue to decrease our Scope 3 emissions.

**Cost to realize opportunity**
0

**Comment**
The cost to manage this opportunity is negligible and is built into the job responsibilities of the Hilton Operations and Engineering teams across the global regions.

**Identifier**
Opp2

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Shift in consumer preferences

**Type of financial impact**
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

**Company-specific description**
We face competition for individual guests, group reservations and conference business. We compete for these customers based primarily on brand name recognition and reputation, as well as location, room rates, property size and availability of rooms and conference space, quality of the accommodations, customer satisfaction, amenities and the ability to earn and redeem loyalty program points. According to a survey of 72,000 Hilton guests, social, environmental and ethical considerations are central to their buying preferences, especially those younger than 25 years old. The survey found that 33% of guests actively seek environmental and social information before booking. We also see an increasing need by our corporate clients to track and minimize the environmental impact of their events in connection with their overall corporate responsibility goals and reporting obligations. To ensure our competitive position and to realize the opportunity to meet the needs of this important customer segment, we created “Meet with Purpose” in 2015. Through our Meet with Purpose sustainable meeting offering, we partner with our guests and corporate clients to reduce greenhouse gas emissions from guest nights, meetings and events. Using our LightStay system, Meet with Purpose provides meeting planners with a quantified report of the projected carbon emissions from their meeting, as well as with options to reduce emissions, waste and other environmental impacts customized to the group's specific conference needs. In our Asia Pacific region, we also offer carbon offsets to reduce the impact of meetings and events through our Clean Air Program (http://www.hiltonworldwidemeetingsapac.com/cleanair). Through these programs we are able to differentiate ourselves from our competitors and adapt to shifting consumer preferences. We expect consumers to continue to demand more transparent sustainability initiatives from their hotel companies, and we will continue to adapt to these changing preferences.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We estimate that at this time, our Meet with Purpose program may account for approximately 10% of meeting and event sales.

Strategy to realize opportunity
Hilton’s Meet with Purpose program is designed to make it easier for meeting professionals to reduce waste and incorporate health and wellness into their meetings and events. Meet with Purpose provides meeting professionals with sustainable choices to incorporate into events that not only enhance the experiences of attendees, but also align with many customers’ corporate responsibility goals. Inspired by Hilton’s corporate responsibility strategy, Travel with Purpose, Hilton gathered feedback from customers and sales Team Members to identify the most pressing sustainability issues for meetings and events. Through LightStay, we help our group clients meet their corporate responsibility goals and minimize the environmental impact of their events. LightStay’s Meeting Impact Calculator enables all Hilton Worldwide Sales and Marketing teams to calculate the carbon footprint of any event at one of our hotels. The tool also provides our customers and hotels with specific recommendations and actions to minimize our customers’ footprint during their stay. In Asia Pacific, we use the Meeting Calculator to calculate the carbon emissions generated by meetings and events to purchase carbon credits to offset the impact. Hilton’s Clean Air Program is an effort to offset carbon from meetings and events in more than 50 participating Asia Pacific hotels.

Cost to realize opportunity
0

Comment
The cost of low carbon products and services, such as our Meet with Purpose and our carbon offset programs, are not borne by Hilton, so the cost to realize this opportunity is $0.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations
Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of recycling

Type of financial impact
Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company-specific description
Changes in physical climate parameters (such as sea level rise or changes in natural resources) may create stresses on human carrying capacity in certain areas by removing valuable land from its most productive use. Landfills not only take up valuable land, they also discharge significant CO2 emissions (methane) and cause soil and water pollution. The World Bank estimates that global urban populations create 1.6 billion tons of solid waste per year, and more than half of that ends up in landfills. In the United States, the hospitality industry alone produces 1.9 billion pounds of waste annually. We see this area as an opportunity to leverage relevant partner organizations and unlock our Team Members’ creative minds to rethink our approach to materials and provide innovative solutions to recycle and redefine waste. Moreover, we know that food waste comprises approximately 40% of the landfill waste at a hotel, and globally 30% of food gets wasted - enough to feed more than three times the total number of malnourished in the world. We see reducing food waste as a huge opportunity for us to make a positive environmental and social impact while also benefiting our bottom line.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
14000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Based on our analysis, we estimate that reducing food waste at our owned and managed properties by just 2% would save us $14,000,000 in annual food costs.

Strategy to realize opportunity
We leverage LightStay, our proprietary corporate responsibility performance measurement platform, to understand how our hotels are managing waste and driving improvements over time. Since launching LightStay, we’ve gathered over ten years of data across our hotel portfolio and have used this information to drive greater efficiencies and to create best practices and training for our hotels worldwide. As a Brand Standard, managed and franchised hotels are required to set annual diversion goals and complete improvements to their waste management practices. In addition, we create resources and innovative partnerships that help our hotels improve their waste reduction and diversion from landfill. For food waste in particular, we have partnered with WWF to launch food waste reduction pilots to understand how we can reduce food waste in our hotels. We have also partnered with innovative food technology companies, such as food reduction scale and software providers, food digester companies, and food supply chain optimization organizations to reduce food waste across our business. We have set the goal to reduce our food waste to landfill by 50%, and we will use this goal to continue to drive better drive the adoption of food waste diversion and donation programs across our portfolio.

Cost to realize opportunity
0

Comment
We have found that our food waste initiatives either create cost savings or to be cost neutral, further demonstrating the value of such a program to our business.
### (C2.5) Describe where and how the identified risks and opportunities have impacted your business.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products and services</strong></td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td><strong>Supply chain and/or value chain</strong></td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td><strong>Adaptation and mitigation activities</strong></td>
<td>Impacted</td>
</tr>
<tr>
<td><strong>Investment in R&amp;D</strong></td>
<td>Impacted</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td>Impacted</td>
</tr>
<tr>
<td><strong>Other, please specify</strong></td>
<td>Please select</td>
</tr>
</tbody>
</table>

---

C2.6
(C.2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td></td>
<td>Opportunity: We face competition for revenue from individual guests, group reservations and conference business. We compete for these customers based primarily on brand name recognition and reputation, as well as location, room rates, property size and availability of rooms and conference space, quality of the accommodations, customer satisfaction, amenities and the ability to earn and redeem loyalty program points. According to a survey of 72,000 Hilton guests, social, environmental and ethical considerations are central to their buying preferences, especially those younger than 25 years old. The survey found that 33% of guests actively seek environmental and social information before booking. We also see an increasing need by our corporate clients to track and minimize the environmental impact of their events in connection with their overall corporate responsibility goals and reporting obligations. We are beginning to incorporate this opportunity into our revenue planning processes by offering green meeting options, such as our Meet with Purpose program and our APAC carbon offset offering. Through these programs we are able to differentiate ourselves from our competitors and adapt to shifting consumer preferences. Magnitude of impact: We estimate that at this time, our Meet with Purpose program may account for approximately 10% of meeting and event sales.</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Impacted</td>
</tr>
<tr>
<td></td>
<td>Opportunity: As noted above, we have achieved significant reductions in operating costs through our efforts to address climate change risks through improved hotel energy efficiency and resource utilization, as well as our integration of sustainability best practices across all operating departments. Magnitude of impact: Our portfolio of hotels have achieved an estimated cumulative savings of $1 billion since 2008.</td>
</tr>
<tr>
<td>Capital expenditures / Capital allocation</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td></td>
<td>Risk: As noted above, several of our managed hotels in Texas and Puerto Rico were significantly damaged during in the 2017 hurricane season, resulting in increased capital costs which were borne by insurance and our owners. To mitigate this risk in the short term, we invest significantly in disaster preparedness for our properties located in high risk areas, including owner-approved investments in on-site power generation systems to ensure that our properties can maintain their power in the event of an emergency. Magnitude of impact: We contribute approximately $500,000 per year to the Hilton Responds Fund, which was developed to act as a vehicle to support short-term relief and long-term rebuilding efforts for Hilton Team Members and their families following a disaster.</td>
</tr>
<tr>
<td>Acquisitions and divestments</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td></td>
<td>Risk: Physical risk from climate-related impacts has factored into Hilton's financial planning and divestiture of a majority of its owned real estate assets. The potential for changes in the frequency, duration and severity of extreme weather events that may be a result of climate change could lead to significant property damage at our hotels and other assets, affect our ability to obtain insurance coverage in areas that are most vulnerable to such events, such as the coastal resort areas where we operate, and have a negative effect on revenues. Additionally, certain of our properties may qualify as legally-permissible nonconforming uses and improvements, including certain of our iconic and most profitable properties. If a substantial portion of any such properties were to be destroyed by fire or other casualty, we might not be permitted to rebuild that property as it now exists, regardless of the availability of insurance proceeds. Any loss of this nature, whether insured or not, could materially adversely affect our operational results and prospects for growth. To mitigate this and other risks, effective as of January 3, 2017, we completed the spin-offs of our timeshare business and the majority of our real estate assets into Hilton Grand Vacations and Park Hotels &amp; Resorts, respectively. The Park properties will continue to be a part of the Hilton system as managed and franchised properties, reporting their utility data and other activities through LightStay. Magnitude: The spin-off included a total of 67 hotels with 35,406 rooms that were previously owned or leased by Hilton or unconsolidated affiliates of Hilton. Many of these are iconic hotels in major gateway cities with significant underlying real estate value, including the Hilton New York, Hilton Hawaiian Village and the London Hilton on Park Lane. Through these actions, we significantly simplified our company and the new Hilton is a fee-driven, capital-efficient company with a more resilient earnings profile.</td>
</tr>
<tr>
<td>Access to capital</td>
<td>Not impacted</td>
</tr>
<tr>
<td></td>
<td>At this time, we have not seen any impacts to our access to capital resulting from climate change risks or opportunities.</td>
</tr>
<tr>
<td>Assets</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td></td>
<td>Risk: As noted above, several of our managed hotels in Texas and Puerto Rico were significantly damaged during in the 2017 hurricane season, resulting in increased capital costs which were borne by insurance and our owners. While we do not own these assets, we still take action to mitigate the risks associated with operating these assets. To do so, we invest significantly in disaster preparedness for our properties located in high risk areas, including owner-approved investments in on-site power generation systems to ensure that our properties can maintain their power in the event of an emergency. Magnitude of impact: We contribute approximately $500,000 per year to the Hilton Responds Fund, which was developed to act as a vehicle to support short-term relief and long-term rebuilding efforts for Hilton Team Members and their families following a disaster.</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td></td>
<td>At this time we do not consider any existing Hilton liabilities to be negatively impacted by climate change-related risks and opportunities. Potential liabilities from climate-related impacts has factored into Hilton's financial planning process as explained in acquisitions and divestments above. Through completion of the spin-off of 67 hotels that were previously owned or leased by Hilton, we have reduced our direct financial liabilities with respect to major property damage or destruction from climate-related events not covered by insurance.</td>
</tr>
<tr>
<td>Other</td>
<td>Please select</td>
</tr>
</tbody>
</table>

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?
Yes
C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?
Yes, qualitative and quantitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Hilton has integrated climate-related issues such as energy and water management into our business objectives for years through our continual focus on improving the environmental performance of our hotels and driving responsible travel and tourism across our industry.

In 2018, after significant input from leadership across our entire business, we released our new Travel with Purpose long-term commitment to cut our environmental footprint in half and double our social impact investment by 2030. As part of our new corporate responsibility strategy, we have committed to 23 value chain sub-targets, including our science-based targets to reduce our carbon emissions intensity by 61% (Scope 1 and 2 Owned and Managed hotels) and 52% (Scope 3 Franchised hotels) by 2030. Driven by our need to mitigate climate-related risks to our business as well as our desire to publicly demonstrate our commitment to fighting climate change, our SBTs, which have been approved by the SBTi, are the most substantial example of a business decision that we have made to date that thoroughly integrates climate-related decision-making and the 2 degree scenario into our company's strategy. The integration of our SBTs into our business model will drive significant amounts of new investment in energy efficiency and renewable energy across our global hotel portfolio.

Along with our science-based carbon targets, our new Travel with Purpose goals also include our commitment to reduce our water use intensity and waste intensity by 50% by 2030, and to engage with our supply chain to reduce our suppliers' environmental impact. Our goal to reduce the amount of food waste being sent to landfill from our owned and managed hotels by 50% by 2030 is another example of a significant climate-related business decision from this past year, and one that is a new focus for the business. By reducing food waste in our supply chain as well as in our hotels, we will be able to significantly contribute to a reduction in our Scope 3 GHG emissions, and we will also be able to increase our positive impact in the communities in which we operate.

Our 2030 Travel with Purpose value chain targets, including our science-based targets, fully support our corporate mission and objectives and ultimately will contribute significantly to Hilton's brand value, growth and financial success.

C3.1d
(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

<table>
<thead>
<tr>
<th>Climate-related scenarios</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please select</td>
<td>Scenario used: Our science-based targets were developed using the sectoral decarbonization approach, which is based on the 2 degree scenario (2DS). Inputs, assumptions, and analytical methods used: We used the Service Buildings decarbonization pathway from the SDA, combined with the allocated Electric Power Grid decarbonization pathway from the SDA since most of our GHG emissions result from purchased electricity. Using a similar methodology used by the International Tourism Partnership to estimate the variance in hotel industry growth projections compared to overall commercial buildings, we adjusted the level of intensity and absolute reductions needed to stay within the allocated carbon budget from Service Buildings but representative of our portfolio's growth. The calculations are based on estimated annual growth in room count, normalized by the average gross floor area of guestrooms in various segments of our portfolio to arrive at the growth projections of floor area to match the SDA intensity metric of Service Buildings. We set our base year of 2008, back-forecasted from the 2010 base of the SDA's carbon budget. We set our primary target for 2030 within a 15-year horizon to align with the SBTi. We separated out the carbon budget, pathway, and reduction target into two sets, one for our Scope 1 &amp; 2 emissions for which we have operational control, and our Scope 3 emissions from franchised properties. As a result, 100% of our current and projected portfolio is covered within the boundary for our target and carbon budget. Time horizon and organizational areas considered: Through our SBT setting process, we undertook quantitative and qualitative analysis of how the 2DS will impact all areas of our business over the next three decades, through 2050. We then aligned the target with the long-term decarbonization pathway of Service Buildings, setting interim milestones of 2030 and 2040. This time-frame was selected to align with the modelling of the 2DS and to align with our company's long-term business strategy. Results of analysis: Our carbon budget and decarbonization pathway in 2030 equals a 61% reduction in GHG emissions per square meter from 2008 for our owned and managed properties, and a 52% reduction in GHG emissions per square meter from 2008 for our franchised properties. These figures are based on a projected decarbonization pathway of annual performance, similar to a peak-and-decline scenario. The intensity targets for 2030 reflect the reductions achieved when aligned with the pathway annually, and will be adjusted accordingly should our performance vary from the annual projections in order to stay within the allocated carbon budget for the portfolio within Service Buildings as an SDA sector. How analysis has informed business strategy: The results of the 2DS analysis directly informed our SBTs and our Travel with Purpose 2030 goals, which in turn have significantly influenced our objectives and strategy across nearly every aspect of our business. For example, our 2DS modelling has enabled us to truly integrate climate change into our business objectives, and to drive further engagement and focus across our business with respect to renewables procurement and climate change resilience.</td>
</tr>
</tbody>
</table>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

- **Target reference number**
  
  Int 1

- **Scope**
  
  Scope 1 + 2 (market-based)

- **% emissions in Scope**
  
  100

- **Targeted % reduction from base year**
  
  61

- **Metric**
  
  Metric tons CO2e per square meter*

- **Base year**
  
  2008

- **Start year**
  
  2018

- **Normalized base year emissions covered by target (metric tons CO2e)**
**Target year**
2030

**Is this a science-based target?**
Yes, this target has been approved as science-based by the Science Based Targets initiative

**% of target achieved**
55

**Target status**
New

**Please explain**
In May 2018 Hilton became the first major hotel brand to have its science-based targets approved by the Science Based Targets initiative (SBTi). We have committed to reduce our Scope 1 and 2 carbon emissions by 61% by 2030, using a 2008 baseline. Our 2018 target is based on progress against time elapsed between our 2008 base year and our 2030 target year to reduce Scope 1 and 2 emissions by 61% per square meter. In 2018, our market-based greenhouse gas emissions intensity was 0.104 metric tonnes per square meter, representing 33.6% decrease in our Scope 1 and 2 emissions intensity over our 2008 Baseline.

**% change anticipated in absolute Scope 1+2 emissions**
7

**% change anticipated in absolute Scope 3 emissions**
0

**Target reference number**
Int 2

**Scope**
Scope 3: Franchises

**% emissions in Scope**
100

**Targeted % reduction from base year**
52

**Metric**
Metric tons CO2e per square meter

**Base year**
2008

**Start year**
2018

**Normalized base year emissions covered by target (metric tons CO2e)**
0.136

**Target year**
2030

**Is this a science-based target?**
Yes, this target has been approved as science-based by the Science Based Targets initiative

**% of target achieved**
52

**Target status**
New

**Please explain**
In May 2018 Hilton became the first major hotel brand to have its science-based targets approved by the Science Based Targets initiative (SBTi). In addition to reducing our Scope 1 and 2 carbon emissions by at least 61% from our 2008 base year, Hilton has also committed to reduce its Scope 3 emissions from energy use by our independently-owned franchises. To do so, Hilton will seek to reduce emissions from franchises by 52% per square meter by 2030 from a 2008 base year, and will encourage our suppliers to set emissions reduction targets. In 2018, our Scope 3 emissions from franchise hotel operations was .100 metric tonnes per square meter, representing 26.9% decrease over our 2008 Baseline.
% change anticipated in absolute Scope 1+2 emissions
0

% change anticipated in absolute Scope 3 emissions
22

---

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1a/b.

<table>
<thead>
<tr>
<th>Target</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI – Metric numerator</td>
<td>Metric tons of waste to landfill</td>
</tr>
<tr>
<td>KPI – Metric denominator (intensity targets only)</td>
<td>m2</td>
</tr>
<tr>
<td>Base year</td>
<td>2008</td>
</tr>
<tr>
<td>Start year</td>
<td>2018</td>
</tr>
<tr>
<td>Target year</td>
<td>2030</td>
</tr>
<tr>
<td>KPI in baseline year</td>
<td>0.0094</td>
</tr>
<tr>
<td>KPI in target year</td>
<td>0.0047</td>
</tr>
<tr>
<td>% achieved in reporting year</td>
<td>81</td>
</tr>
<tr>
<td>Target Status</td>
<td>New</td>
</tr>
</tbody>
</table>

Please explain
In May 2018, Hilton announced its new Travel with Purpose target to cut its environmental impact by 50% by 2030. As one of 23 sub-targets, Hilton has set the goal to reduce landfilled waste by 50% for owned and managed properties under Hilton's operational control. Hilton has also set an underlying waste target to reduce food waste to landfill by 50% and to reduce single use plastics across the business. These goals directly contribute to reducing carbon emissions and support our company's climate strategy. In 2018, our landfill waste intensity was .0056 metric tonnes per square meter, representing a 40.5% decrease over our 2008 Baseline.

Part of emissions target

Is this target part of an overarching initiative?
Other, please specify (Hilton 2030 Travel with Purpose Targets)

---

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes
(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

<table>
<thead>
<tr>
<th>Number of initiatives</th>
<th>Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under investigation</td>
<td>26</td>
</tr>
<tr>
<td>To be implemented*</td>
<td>45</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>276</td>
</tr>
<tr>
<td>Implemented*</td>
<td>360</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>1048</td>
</tr>
<tr>
<td></td>
<td>25004</td>
</tr>
<tr>
<td></td>
<td>34687</td>
</tr>
</tbody>
</table>

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

**Initiative type**

Energy efficiency: Building services

**Description of initiative**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

32368

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

7314840

**Investment required (unit currency – as specified in C0.4)**

11805900

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

Data is included for 350 lighting upgrade projects, which were reported in LightStay as in-process or completed in 2018 by Hilton's owned and managed hotels. The vast majority of projects are new LED installations and retrofit lighting throughout the hotel including lobbies and public areas, guest rooms, ballrooms and meeting space, restaurants, back of house, exterior and parking lighting. Overall, the lighting projects analyzed reflect a 62% ROI and an average payback of 1.6 years. The average project cost was $33,700, with a minimum cost of $1,000 and a maximum cost of $1.4 million. CO2e savings are based on estimated electricity savings, using location-based emissions factors.

**Initiative type**

Energy efficiency: Building services

**Description of initiative**

HVAC

**Estimated annual CO2e savings (metric tonnes CO2e)**

20302

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary
Annual monetary savings (unit currency – as specified in C0.4)
5,350,830

Investment required (unit currency – as specified in C0.4)
21,146,480

Payback period
4 - 10 years

Estimated lifetime of the initiative
11-15 years

Comment
Data is included for 204 HVAC and building systems upgrade projects which were reported in LightStay as in-process or completed in 2018 by Hilton's owned and managed hotels. Projects includes energy efficient upgrades and replacements to chiller plants, HVAC equipment and ventilation systems, boiler and domestic hot water systems, energy management systems and controls upgrades for building and guest rooms, installation of VFDs/VSDs on fans and pumps and other upgrades beyond normal maintenance activities. Projects analyzed reflect an average ROI of 25% and an average payback of 4 years. The average project cost was $103,700, with a minimum cost of $1,000 and a maximum cost of $1.2 million. CO2e savings include both Scope 1 and 2, based on estimated electricity and natural gas savings, using location-based emissions factors.

Initiative type
Energy efficiency: Building fabric

Description of initiative
Insulation

Estimated annual CO2e savings (metric tonnes CO2e)
692

Scope
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
19,177.0

Investment required (unit currency – as specified in C0.4)
12,138,10

Payback period
4 - 10 years

Estimated lifetime of the initiative
11-15 years

Comment
Data is included for 19 projects, which were reported in LightStay as in-process or completed in 2018 by Hilton's owned and managed hotels. Reported projects include upgrades for energy efficient roofing, windows, sliding glass doors, window film and insulation. Overall, projects analyzed reflect an average ROI of 16% and an average payback of 6.3 years. The average project cost was $64,000, with a minimum cost of $1,000 and a maximum cost of $500,000. CO2e savings include both Scope 1 and 2, based on estimated electricity and gas savings, using location-based emissions factors.

Initiative type
Energy efficiency: Processes

Description of initiative
Other, please specify (Energy efficient hotel equipment)

Estimated annual CO2e savings (metric tonnes CO2e)
2,745

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary
Annual monetary savings (unit currency – as specified in C0.4)  
677410

Investment required (unit currency – as specified in C0.4)  
2058220

Payback period  
1-3 years

Estimated lifetime of the initiative  
11-15 years

Comment  
Data is included for 48 projects, which were reported in LightStay as in-process or completed in 2018 by Hilton's owned and managed hotels. Energy-efficient equipment upgrades were reported for guest room televisions, laundry equipment; kitchen refrigeration, dish washing equipment, and kitchen hood exhaust control systems. Overall, projects analyzed reflect a 33% ROI with average payback of 3 years. The average project cost was $43,000, with a minimum cost of $1,000 and a maximum cost of $400,000.

Initiative type  
Low-carbon energy installation

Description of initiative  
Other, please specify (Renewable energy and distributed generation)

Estimated annual CO2e savings (metric tonnes CO2e)  
3583

Scope  
Scope 2 (location-based)

Voluntary/Mandatory  
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)  
678425

Investment required (unit currency – as specified in C0.4)  
3596510

Payback period  
4 - 10 years

Estimated lifetime of the initiative  
11-15 years

Comment  
Data is included for 15 projects that were reported in LightStay as in-process or completed in 2018 by Hilton's owned and managed hotels. Projects include new installation of electricity cogeneration plant, waste heat recovery systems, wind turbines, solar photovoltaic and solar hot water heating systems. Overall, projects analyzed reflect a 19% ROI with average payback of 5.3 years. The average project cost was $240,000, with a minimum cost of $3,000 and a maximum cost of $1.4 million.
### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with regulatory requirements/standards</td>
<td>Hilton uses energy and emissions reporting requirements to drive emissions reduction improvements based on requirements in the individual global regions. For example, the CRC Energy Efficiency Scheme in the UK requires hotels to report their energy use annually and purchase and surrender allowances to offset their emissions. Considering a shorter payback period with combined energy and carbon tax cost savings, the Hilton manager is more likely to obtain owner's approval for recommended energy efficiency upgrades.</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>Through LightStay, we educate and actively engage employees in implementing best practices that reduce energy, water and waste impacts across all hotel operations. All departments (property operations/engineering, housekeeping, sales, food and beverage, management and front desk operations) participate annually in LightStay's Operations Survey, which consists of over 200 best practices and improvement opportunities in the areas of energy efficiency, renewable energy, water efficiency, waste reduction, procurement, food and beverage, and more. Additionally, we have recruited over 1,000 employees to serve as sustainability champions and/or serve on sustainability committees.</td>
</tr>
<tr>
<td>Financial optimization calculations</td>
<td>Financial calculators are built into LightStay to help drive investment in energy efficiency and other emissions reduction activities. LightStay upgrades launched in 2017 utilize data-driven modeling to predict and analyze utility consumption and costs. LightStay's Project module calculates energy, emissions and utility cost savings based on estimated project costs and anticipated payback, which helps inform and drive project implementation.</td>
</tr>
<tr>
<td>Internal incentives/recognition programs</td>
<td>Bonus potential for Directors of Property Operations for Hilton managed properties is tied to the attainment of sustainability goals, including reduction in energy consumption and carbon emissions (for certain regions) for their hotel's respective operation. Performance indicators are defined based on previous year consumption for each region. Measures used are hotels' energy intensity (kBTU per square foot) and CO2e in pounds per square foot. In addition, regional programs are in place that reward engineering teams with the best overall sustainability results, including energy year-over-year consumption reductions, waste efforts, sustainability related training, etc.</td>
</tr>
<tr>
<td>Dedicated budget for other emissions reduction activities</td>
<td>Hilton has a dedicated corporate responsibility budget, which is used for ongoing management and expansion of LightStay, research and development, stakeholder engagement and other activities that we utilize to help drive emissions reductions across Hilton's global portfolio. Individual regions have dedicated budgets for emissions reduction activities to support their managed hotels in compliance, financial evaluation of capital improvements, stakeholder engagement, innovation projects and other initiatives.</td>
</tr>
</tbody>
</table>

### C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

### C4.5a
C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

**Level of aggregation**
Company-wide

**Description of product/Group of products**
The reductions in GHG emissions that we achieve through our own emissions reductions, including those that will be achieved through our SBTs, help our owners using the financial control boundary to reduce their own Scope 1 and 2 emissions. Additionally, the emissions reductions that we achieve enable our corporate customers to reduce their Scope 3 emissions.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**
Other, please specify (GHG Protocol)

**% revenue from low carbon product(s) in the reporting year**
100

**Comment**
Our efforts to reduce our carbon emissions result in avoided emissions for our owners and our corporate clients across all of our hotels, representing 100% in revenue from owned and managed properties.

---

**Level of aggregation**
Product

**Description of product/Group of products**
Through our Meet with Purpose sustainable meeting offering, we partner with our guests and corporate clients to reduce greenhouse gas emissions from guest nights, meetings and events. Using our LightStay system, Meet with Purpose provides meeting planners with a quantified report of the projected carbon emissions from their meeting, as well as with options to reduce emissions, waste and other environmental impacts customized to the group's specific conference needs. In 2018 over 985 of our hotels globally offered our Meet with Purpose program. Through Meet with Purpose, we also offer carbon offsets to reduce the impact of meetings and events, with one example being our Asia Pacific region's Clean Air Program (http://www.hiltonworldwidemeetingsapac.com/cleanair).

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**
Other, please specify (GHG Protocol)

**% revenue from low carbon product(s) in the reporting year**
10

**Comment**
At this time we estimate that approximately 10% of meetings and events are Meet with Purpose events and/or are offset through our carbon offset emissions offering. However, we are working closely with our Sales team to increase uptake of these products and services.

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C5. Emissions methodology

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C5.1
(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

**Scope 1**

**Base year start**

January 1 2008

**Base year end**

December 31 2008

**Base year emissions (metric tons CO2e)**

437087

**Comment**

**Scope 2 (location-based)**

**Base year start**

January 1 2008

**Base year end**

December 31 2008

**Base year emissions (metric tons CO2e)**

1562544

**Comment**

**Scope 2 (market-based)**

**Base year start**

January 1 2008

**Base year end**

December 31 2008

**Base year emissions (metric tons CO2e)**

1562544

**Comment**

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.


C6. Emissions data

C6.1
(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
533382

Start date
January 1 2018

End date
December 31 2018

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
We report both location-based and market-based Scope 2 emissions.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
1873715

Scope 2, market-based (if applicable)
1845111

Start date
January 1 2018

End date
December 31 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.
Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1000000

Emissions calculation methodology
As part of our science-based target setting process, we used the WRI Scope 3 Evaluator tool to estimate our emissions from our most material categories of purchased goods and services.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
25

Explanation
We note that we face significant complexity in calculating the environmental impact of our supply chain, which extend beyond 100 countries and span multiple industries, legal contexts and infrastructure challenges. We are addressing emissions reduction in our supply chain through our Responsible Sourcing Policy and initiatives that encourage the use of products and services that minimize greenhouse gas emissions and other environmental impacts.

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
45000

Emissions calculation methodology
As part of our science-based target setting process, we used the WRI Scope 3 Evaluator tool to estimate our emissions from capital goods.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
50

Explanation
As noted above, we face significant complexity in calculating the environmental impact of our supply chain. We are addressing emissions reduction in our supply chain through our Responsible Sourcing Policy and initiatives that encourage the use of products and services that minimize greenhouse gas emissions and other environmental impacts.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
96048

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
95

Explanation
As outlined in the "Reference Materials and Data Sources" of CDP’s Accounting of Scope 2 Emissions and as described in the GHG Protocol Corporate Standard, end users should report electricity transmission and distribution losses under Scope 3 and should report electricity physically delivered to their facilities under Scope 2. Following the updated Standard, electricity emission factors and grid loss data obtained from global emissions data sources (i.e., eGRID, IEA, DEFRA and individual countries) were used to calculate transmission and distribution losses. Consistent with our approach for the Scope 2 emissions, Scope 3 emissions from grid loss were grossed up to 100% of the owned and managed portfolio. Our results reflect an average grid loss of 5.7% for the owned and managed properties (operational control).
Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions from upstream transportation and distribution of purchased goods and services are included in our supply chain assessment per “Purchased Goods and Services” above.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
120372

Emissions calculation methodology
We have calculated our emissions from waste generated in operations using the U.S. Environmental Protection Agency Climate Change Emissions Index. Per the EPA, each pound of trash thrown away will emit approximately 0.94 pounds of CO2e in the form of methane.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
70

Explanation
Emissions are based on primary reported waste data for approximately 70% of owned and managed hotels under Hilton's operational control as of December 2018. From this reference group, landfill waste totals are extrapolated to include 100% of the Hilton owned and managed portfolio. Estimates for excluded or new hotels are based on the brand average landfill waste intensity, with totals then converted to GHG emissions.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
31016

Emissions calculation methodology
Hilton calculates its Scope 3 Air Travel emissions using the Greenhouse Gas Protocol methodology. Flight distance is used to calculate total air mileage, which is multiplied by emission factors for short, medium or long haul flights according to definitions and factors provided by GHG Protocol. Scope 3 Rental Car emissions are calculated by using the average combined MPG for each car class to calculate gallons of fuel consumed by dividing the total miles driven for each vehicle in the class by the average combined MPG for that car class. The gallons of fuel consumed for each vehicle is then multiplied by the US EPA CO2 emissions factor of 19.357 lbs of CO2 per gallon to obtain CO2 emissions for each vehicle. CO2 emissions for each vehicle are then summed together to obtain total CO2 emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
90

Explanation
Hilton's employees generate Scope 3 emissions when traveling by air and road. Corporate Policy requires that all business travel must be booked through Hilton Global Travel Services or its approved travel partners who track mileage and GHG emissions. Hilton works to decrease business travel emissions through encouraging use of video-conferencing and selecting more carbon-efficient travel options as available. In addition, Hilton partners with Lyft to encourage use of Lyft’s carbon neutral ride sharing.
Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
500000

Emissions calculation methodology
As part of our science-based target setting process, we used the WRI Scope 3 Evaluator tool to estimate our emissions from employee commuting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
Emissions from employee commuting were estimated based on the number of Hilton employees working at our corporate offices and our owned and managed properties worldwide. We note that we also collect and analyze information on average alternative transportation use and employee transit incentives in place at all managed and franchised hotels worldwide through LightStay, which provides valuable insights and helps us encourage emissions reductions from employee commuting.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Emissions for Hilton's leased hotel assets are already included in our reported Scope 1 and Scope 2 emissions inventory. Leased office space is estimated at approximately 90,000 m2 worldwide, including leased Corporate and Brand offices, development, sales and reservation centers. These upstream leased assets not included in our reported emissions represent less than 0.4% of real estate under Hilton's operational control and are deemed not relevant.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Not applicable. Hilton provides guest accommodations and services at the hotel and does not transport or distribute products for sale or use outside of the hotel.
Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Not applicable. Hilton provides guest accommodations and services at the hotel and does not sell products for processing by others.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Not applicable. Hilton does not manufacture or sell products that would generate emissions in the actual use of the product, such as gas-powered equipment.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Not applicable. Hilton provides guest accommodations and services at the hotel and does not sell products for use outside of the hotel as its core business. Any end of life treatment for guest amenities and furniture, fixtures and equipment is handled through the hotel's solid waste management program.
Downstream leased assets

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Explanation**
As a hotel operator and franchisor, Hilton does not own any real estate property that is leased and operated by others. However, many of the full-service hotels have space within the hotel that may be leased and operated by others (retail gift shop, spa, restaurant, etc.). At least 95% of this space is not separately metered and related energy use is already included in our reported Scope 1 and 2 Emissions. Emissions from any excluded leased space within the hotel is deemed insignificant.

Franchises

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
3685459

**Emissions calculation methodology**
Methodology used is The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). Reported emissions are based on primary data for approximately 77% of franchised hotel floor area for hotels with complete LightStay energy data deemed accurate for reporting purposes. Total emissions have been extrapolated to include 100% of the total franchised building area enrolled in LightStay during the reporting year. Estimates for hotels with incomplete data are based on the brand average emissions intensity (MT/m2), with prorated estimates for new hotels based on the date of opening or conversion to Hilton.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
77

**Explanation**
Franchised hotels are an integral part of our business model and environmental footprint. In 2018, about 4,600 of our 5,600 properties were franchised (87% by hotel count and 62% by floor area). Since 2012, all Hilton hotels globally have been required to report utility data on a monthly basis through Hilton’s LightStay sustainability management system. Hilton uses the data reported in LightStay to calculate, manage and report CO2e emissions from franchised hotel operations.

Investments

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Explanation**
Hilton’s investments are primarily in the form of hotel ownership, whether wholly-owned or in joint venture/partnership with others. These emissions have already been included in our reported Scope 1 and Scope 2 emissions.
Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
No other relevant Scope 3 upstream emissions identified.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
No other relevant Scope 3 downstream emissions identified.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00027

Metric numerator (Gross global combined Scope 1 and 2 emissions)
2407097

Metric denominator
unit total revenue

Metric denominator: Unit total
8906000000

Scope 2 figure used
Location-based

% change from previous year
5.1

Direction of change
Decreased
Reason for change
Due to emissions reduction activity, gross global emissions per USD ($) total revenue decreased by approximately 5.1%. In 2018, Hilton reported restated total revenues of $8.9 billion, a 9.5% increase over 2017 restated revenues of $8.1 billion. For comparison purposes, the change from prior year has been calculated using the restated revenues.

Intensity figure
14.24

Metric numerator (Gross global combined Scope 1 and 2 emissions)
2407097

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
169000

Scope 2 figure used
Location-based

% change from previous year
0

Direction of change
No change

Reason for change
Gross global emissions per full-time equivalent employee remain consistent with 2017 results, with a change in the intensity metric of less than 0.2%.

Intensity figure
0.1052

Metric numerator (Gross global combined Scope 1 and 2 emissions)
2407097

Metric denominator
square meter

Metric denominator: Unit total
22874408

Scope 2 figure used
Location-based

% change from previous year
2.8

Direction of change
Decreased

Reason for change
Gross global emissions per square foot decreased by 2.8% per square foot in 2018 due to emissions reduction activities. The floor area denominator includes 100% of the total floor area of Hilton owned and managed hotel properties enrolled in LightStay as of December 31, 2018, including prorated estimates for new hotels.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes
**C7.1a**

**C7.1a)** Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

<table>
<thead>
<tr>
<th>Greenhouse gas</th>
<th>Scope 1 emissions (metric tons of CO2e)</th>
<th>GWP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>532529</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>CH4</td>
<td>373</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>N2O</td>
<td>480</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
</tbody>
</table>

**C7.2**

**C7.2)** Break down your total gross global Scope 1 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>245773</td>
</tr>
<tr>
<td>Asia Pacific (or JAPA)</td>
<td>143744</td>
</tr>
<tr>
<td>Europe, Middle East and Africa (EMEA)</td>
<td>143866</td>
</tr>
</tbody>
</table>

**C7.3**

**C7.3)** Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

**C7.3a**

**C7.3a)** Break down your total gross global Scope 1 emissions by business division.

<table>
<thead>
<tr>
<th>Business division</th>
<th>Scope 1 emissions (metric ton CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hilton Hotels &amp; Resorts</td>
<td>362681</td>
</tr>
<tr>
<td>DoubleTree by Hilton</td>
<td>65286</td>
</tr>
<tr>
<td>Embassy Suites by Hilton</td>
<td>21780</td>
</tr>
<tr>
<td>Hampton by Hilton</td>
<td>8131</td>
</tr>
<tr>
<td>Hilton Garden Inn</td>
<td>9007</td>
</tr>
<tr>
<td>Homewood Suites</td>
<td>3380</td>
</tr>
<tr>
<td>Conrad Hotels &amp; Resorts</td>
<td>26923</td>
</tr>
<tr>
<td>Curio Collection by Hilton</td>
<td>2213</td>
</tr>
<tr>
<td>Waldorf Astoria Hotels &amp; Resorts</td>
<td>33981</td>
</tr>
</tbody>
</table>

**C7.5**
(C7.5) Break down your total gross global Scope 2 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
<th>Purchased and consumed electricity, heat, steam or cooling (MWh)</th>
<th>Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>644566</td>
<td>644566</td>
<td>1629099</td>
<td>0</td>
</tr>
<tr>
<td>Asia Pacific (or JAPA)</td>
<td>686414</td>
<td>669270</td>
<td>1297747</td>
<td>25848</td>
</tr>
<tr>
<td>Europe, Middle East and Africa (EMEA)</td>
<td>542735</td>
<td>531275</td>
<td>1261039</td>
<td>35021</td>
</tr>
</tbody>
</table>

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

<table>
<thead>
<tr>
<th>Business division</th>
<th>Scope 2, location-based emissions (metric tons CO2e)</th>
<th>Scope 2, market-based emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hilton Hotels &amp; Resorts</td>
<td>1210468</td>
<td>1181864</td>
</tr>
<tr>
<td>DoubleTree by Hilton</td>
<td>232357</td>
<td>232357</td>
</tr>
<tr>
<td>Embassy Suites by Hilton</td>
<td>92608</td>
<td>92608</td>
</tr>
<tr>
<td>Hampton by Hilton</td>
<td>31789</td>
<td>31789</td>
</tr>
<tr>
<td>Hilton Garden Inn</td>
<td>41036</td>
<td>41036</td>
</tr>
<tr>
<td>Homewood Suites by Hilton</td>
<td>11003</td>
<td>11003</td>
</tr>
<tr>
<td>Conrad Hotels &amp; Resorts</td>
<td>123693</td>
<td>123693</td>
</tr>
<tr>
<td>Curio Collection by Hilton</td>
<td>19360</td>
<td>19360</td>
</tr>
<tr>
<td>Waldorf Astoria Hotels &amp; Resorts</td>
<td>111401</td>
<td>111401</td>
</tr>
</tbody>
</table>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a
(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

<table>
<thead>
<tr>
<th>Change in emissions (metric tons CO2e)</th>
<th>Direction of change</th>
<th>Emissions value (percentage)</th>
<th>Please explain calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>0</td>
<td>No change</td>
<td>0</td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>44017</td>
<td>Decreased</td>
<td>1.9</td>
</tr>
<tr>
<td>Divestment</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mergers</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in output</td>
<td>155219</td>
<td>Increased</td>
<td>6.7</td>
</tr>
<tr>
<td>Change in methodology</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in boundary</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in physical operating conditions</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unidentified</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1
(C8.1) What percentage of your total operational spend in the reporting year was on energy? 
More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Indicate whether your organization undertakes this energy-related activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>Yes</td>
</tr>
<tr>
<td>Generation of electricity, heat, steam, or cooling</td>
<td>Yes</td>
</tr>
</tbody>
</table>

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstock)</td>
<td>Unable to confirm heating value</td>
<td>2575</td>
<td>2533868</td>
<td>2536443</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>60869</td>
<td>3567365</td>
<td>3628234</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>125763</td>
<td>125763</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>144634</td>
<td>144634</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>289254</td>
<td>289254</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>4206</td>
<td>&lt;Not Applicable&gt;</td>
<td>4206</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>67650</td>
<td>6660884</td>
<td>6728534</td>
</tr>
</tbody>
</table>

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

<table>
<thead>
<tr>
<th>Application</th>
<th>Indicate whether your organization undertakes this fuel application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel for the generation of electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of heat</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of steam</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of cooling</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for co-generation or tri-generation</td>
<td>Yes</td>
</tr>
</tbody>
</table>

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Natural Gas
Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
2160792

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
2075114

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
85678

Comment

Fuels (excluding feedstocks)
Diesel

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
179802

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
179802

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Comment

Fuels (excluding feedstocks)
Fuel Oil Number 1

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
3027

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
3027

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
0
Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
184472

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
184472

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Comment

Fuels (excluding feedstocks)
Liquefied Natural Gas (LNG)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
5789

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
5789

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Comment

Fuels (excluding feedstocks)
Wood Pellets

Heating value
 Unable to confirm heating value

Total fuel MWh consumed by the organization
2560

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
2560
MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
0

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor
0.255

Unit
metric tons CO2e per MWh

Emission factor source
Environmental Protection Agency's “Emissions Factors for Greenhouse Gas Inventories”

Comment

Fuel Oil Number 1

Emission factor
0.2508

Unit
metric tons CO2e per MWh

Emission factor source
Environmental Protection Agency's “Emissions Factors for Greenhouse Gas Inventories”

Comment

Liquefied Natural Gas (LNG)

Emission factor
0.1812

Unit
metric tons CO2e per MWh

Emission factor source
Environmental Protection Agency's “Emissions Factors for Greenhouse Gas Inventories”

Comment

Liquefied Petroleum Gas (LPG)

Emission factor
0.2153

Unit
metric tons CO2e per MWh

Emission factor source
Environmental Protection Agency's “Emissions Factors for Greenhouse Gas Inventories”

Comment
Natural Gas

Emission factor
0.1812

Unit
metric tons CO2e per MWh

Emission factor source
Environmental Protection Agency's "Emissions Factors for Greenhouse Gas Inventories"

Comment

Wood Pellets

Emission factor
0.324

Unit
metric tons CO2e per MWh

Emission factor source
Environmental Protection Agency's "Emissions Factors for Greenhouse Gas Inventories"

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

<table>
<thead>
<tr>
<th></th>
<th>Total Gross generation (MWh)</th>
<th>Generation that is consumed by the organization (MWh)</th>
<th>Gross generation from renewable sources (MWh)</th>
<th>Generation from renewable sources that is consumed by the organization (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>31443</td>
<td>31443</td>
<td>4206</td>
<td>4206</td>
</tr>
<tr>
<td>Heat</td>
<td>28149</td>
<td>28149</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Steam</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cooling</td>
<td>3195</td>
<td>3195</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Energy attribute certificates, Guarantees of Origin

Low-carbon technology type
Wind

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
35021

Emission factor (in units of metric tons CO2e per MWh)
0

Comment
Managed hotels in Stockholm, Prague and Vienna with Guarantees of Origin that document 100% of electricity delivered to the hotels is produced from renewable resources.
**Basis for applying a low-carbon emission factor**
Contract with suppliers or utilities (e.g. green tariff), not supported by energy attribute certificates

**Low-carbon technology type**
Solar PV
Wind

**Region of consumption of low-carbon electricity, heat, steam or cooling**
Asia Pacific

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**
25848

**Emission factor (in units of metric tons CO2e per MWh)**
0

**Comment**
Hotels in Australia and India reporting green energy procurement.

---

**Basis for applying a low-carbon emission factor**
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

**Low-carbon technology type**
Solar PV

**Region of consumption of low-carbon electricity, heat, steam or cooling**
Asia Pacific

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**
3708

**Emission factor (in units of metric tons CO2e per MWh)**
0

**Comment**
On-site solar PV installations at hotels in Australia and India.

---

**Basis for applying a low-carbon emission factor**
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

**Low-carbon technology type**
Solar PV

**Region of consumption of low-carbon electricity, heat, steam or cooling**
Europe

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**
498

**Emission factor (in units of metric tons CO2e per MWh)**
0

**Comment**
On-site solar PV installations at hotels in Italy and Switzerland.

---

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.
C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Verification/assurance status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 2 (location-based or market-based)</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Third-party verification or assurance process in place</td>
</tr>
</tbody>
</table>

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

- **Scope**
  - **Scope 1**
    - **Verification or assurance cycle in place**
      - Annual process
    - **Status in the current reporting year**
      - Complete
    - **Type of verification or assurance**
      - Limited assurance
    - **Attach the statement**
    - **Page/ section reference**
      - Pages 1-2
    - **Relevant standard**
      - ISO14064-3
    - **Proportion of reported emissions verified (%)**
      - 95
  - **Scope 2 location-based**
    - **Verification or assurance cycle in place**
      - Annual process
    - **Status in the current reporting year**
      - Complete
    - **Type of verification or assurance**
      - Limited assurance
    - **Attach the statement**
    - **Page/ section reference**
      - Pages 1-2
    - **Relevant standard**
      - ISO14064-3
<table>
<thead>
<tr>
<th>Scope</th>
<th>Scope 2 market-based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verification or assurance cycle in place</td>
<td>Annual process</td>
</tr>
<tr>
<td>Status in the current reporting year</td>
<td>Complete</td>
</tr>
<tr>
<td>Type of verification or assurance</td>
<td>Limited assurance</td>
</tr>
</tbody>
</table>

**Attach the statement**

**Page/section reference**
Pages 1-2

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
95

---

**(C10.1b)** Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Scope 3- all relevant categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verification or assurance cycle in place</td>
<td>Annual process</td>
</tr>
<tr>
<td>Status in the current reporting year</td>
<td>Complete</td>
</tr>
</tbody>
</table>

**Attach the statement**

**Page/section reference**
Pages 1-2

**Relevant standard**
ISO14064-3

---

**(C10.2)** Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

- **Yes**

---

**(C10.2a)**
### C7. Emissions breakdown

<table>
<thead>
<tr>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year on year change in emissions (Scope 1)</td>
<td>Corporate GHG verification guidelines from ERT</td>
<td>Per uploaded Assurance Statement, Year on year change in Scope 1 emissions is independently verified as part of our assurance process, Hilton-2018-DEKRA-Assurance-Statement.pdf</td>
</tr>
<tr>
<td>Year on year change in emissions (Scope 2)</td>
<td>Corporate GHG verification guidelines from ERT</td>
<td>Per uploaded Assurance Statement, Year on year change in Scope 2 emissions is independently verified as part of our assurance process, Hilton-2018-DEKRA-Assurance-Statement.pdf</td>
</tr>
<tr>
<td>Year on year change in emissions (Scope 3)</td>
<td>Corporate GHG verification guidelines from ERT</td>
<td>Year on year change in Scope 3 emissions are independently verified for franchise hotel operations, corporate business travel and solid waste disposal from Hilton owned and managed properties, Hilton-2018-DEKRA-Assurance-Statement.pdf</td>
</tr>
<tr>
<td>Emissions reduction activities</td>
<td>Corporate GHG verification guidelines from ERT</td>
<td>Per uploaded Assurance Statement, verification includes total energy consumption and year on year intensity figure. Hilton-2018-DEKRA-Assurance-Statement.pdf</td>
</tr>
<tr>
<td>Emissions reduction activities</td>
<td>Corporate GHG verification guidelines from ERT</td>
<td>Verification of solid waste to landfill and waste diverted through recycling, composting and other methods. Per uploaded Assurance Statement, verification includes annual totals and year on year intensity figure. Hilton-2018-DEKRA-Assurance-Statement.pdf</td>
</tr>
<tr>
<td>Year on year emissions intensity figure</td>
<td>Corporate GHG verification guidelines from ERT</td>
<td>Per uploaded Assurance Statement, year on year change in emissions intensity is independently verified as part of our assurance process, Hilton-2018-DEKRA-Assurance-Statement.pdf</td>
</tr>
</tbody>
</table>


### C8. Energy

Emissions reduction activities

- Corporate GHG verification guidelines from ERT
- Per uploaded Assurance Statement, verification includes total energy consumption and year on year intensity figure. Hilton-2018-DEKRA-Assurance-Statement.pdf

### C9. Additional metrics

Emissions reduction activities

- Corporate GHG verification guidelines from ERT
- Verification of solid waste to landfill and waste diverted through recycling, composting and other methods. Per uploaded Assurance Statement, verification includes annual totals and year on year intensity figure. Hilton-2018-DEKRA-Assurance-Statement.pdf

### C11. Carbon pricing

#### C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes

#### C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
Other carbon tax, please specify (UK CRC Energy Efficiency Scheme)
(C11.1c) Complete the following table for each of the tax systems in which you participate.

Other carbon tax, please specify

<table>
<thead>
<tr>
<th>Period start date</th>
<th>April 1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period end date</td>
<td>March 31 2018</td>
</tr>
<tr>
<td>% of emissions covered by tax</td>
<td>4</td>
</tr>
<tr>
<td>Total cost of tax paid</td>
<td>2500000</td>
</tr>
</tbody>
</table>

Comment
Currently the primary carbon emissions reporting and pricing scheme that impacts Hilton's operations on a regional basis is the United Kingdom's CRC Energy Efficiency Scheme.

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

Currently the primary carbon emissions reporting and pricing scheme that impacts Hilton's operations on a regional basis is the United Kingdom's CRC Energy Efficiency Scheme. Hilton UK is required to participate in this scheme as an organization with aggregate energy use that exceeds the minimum threshold. All Hilton managed and franchised properties in the UK are required to participate and must purchase allowances for every ton of carbon they emit. Our EMEA sustainability and operations team members track this data centrally and manage compliance and reporting. In the United Kingdom, the team works with the hotels to focus on targeted emissions reduction projects and educates hotel staff on further environmental efficiency measures.

We have identified other managed hotels with current or planned ETS or carbon tax systems, that are not tracked by Hilton at the corporate level and we are assessing for inclusion in next year's CDP reporting. Our overall strategy for compliance across our global portfolio includes:

1. Using our proprietary LightStay environmental management systems, we require that our hotels and regional property operations teams: (a) set annual energy reduction goals; (b) monitor progress toward our energy reduction targets at the hotel and regional level; and (c) implement energy improvement projects and best practices that reduce energy use and greenhouse gas emissions.

2. We also use our portfolio-wide ISO 50001 Energy Management System certification to provide a consistent system focused on continuous improvement across our global enterprise.

3. We will continue to coordinate with regional property operations teams to capture accurate ETS/carbon tax reporting and compliance data for their hotels at the country/system level.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

**Project type**
Forests

**Project identification**
Tasmanian Native Forest Protection Project, Australia

**Verified to which standard**
VCS (Verified Carbon Standard)

**Number of credits (metric tonnes CO2e)**
1566.68

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
1566.68

**Credits cancelled**
Yes

**Purpose, e.g. compliance**
Voluntary Offsetting

---

Credit purchase

**Project type**
Wind

**Project identification**
Zhangbei Danjinghe Wind Project, China

**Verified to which standard**
Gold Standard

**Number of credits (metric tonnes CO2e)**
65.49

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
65.49

**Credits cancelled**
Yes

**Purpose, e.g. compliance**
Voluntary Offsetting

---

Credit purchase

**Project type**
Energy efficiency: industry

**Project identification**
Japanese Energy Efficiency Upgrade Projects, Japan

**Verified to which standard**
Not yet verified

**Number of credits (metric tonnes CO2e)**
1853.42

**Number of credits (metric tonnes CO2e): Risk adjusted volume**
1853.42

**Credits cancelled**
Yes

**Purpose, e.g. compliance**
Voluntary Offsetting
<table>
<thead>
<tr>
<th>Credit origination or credit purchase</th>
<th>Credit purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project type</strong></td>
<td></td>
</tr>
<tr>
<td>Forests</td>
<td></td>
</tr>
<tr>
<td><strong>Project identification</strong></td>
<td></td>
</tr>
<tr>
<td>Borneo Rainforest Rehabilitation Project, Malaysia</td>
<td></td>
</tr>
<tr>
<td><strong>Verified to which standard</strong></td>
<td></td>
</tr>
<tr>
<td>VCS (Verified Carbon Standard)</td>
<td></td>
</tr>
<tr>
<td><strong>Number of credits (metric tonnes CO2e)</strong></td>
<td>732.09</td>
</tr>
<tr>
<td><strong>Number of credits (metric tonnes CO2e): Risk adjusted volume</strong></td>
<td>732.09</td>
</tr>
<tr>
<td><strong>Credits cancelled</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Purpose, e.g. compliance</strong></td>
<td>Voluntary Offsetting</td>
</tr>
<tr>
<td>Credit origination or credit purchase</td>
<td>Credit purchase</td>
</tr>
<tr>
<td><strong>Project type</strong></td>
<td></td>
</tr>
<tr>
<td>Biomass energy</td>
<td></td>
</tr>
<tr>
<td><strong>Project identification</strong></td>
<td></td>
</tr>
<tr>
<td>Siam Cement Biomass Project, Thailand</td>
<td></td>
</tr>
<tr>
<td><strong>Verified to which standard</strong></td>
<td></td>
</tr>
<tr>
<td>VCS (Verified Carbon Standard)</td>
<td></td>
</tr>
<tr>
<td><strong>Number of credits (metric tonnes CO2e)</strong></td>
<td>732.09</td>
</tr>
<tr>
<td><strong>Number of credits (metric tonnes CO2e): Risk adjusted volume</strong></td>
<td>732.09</td>
</tr>
<tr>
<td><strong>Credits cancelled</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Purpose, e.g. compliance</strong></td>
<td>Voluntary Offsetting</td>
</tr>
<tr>
<td>Credit origination or credit purchase</td>
<td>Credit purchase</td>
</tr>
<tr>
<td><strong>Project type</strong></td>
<td></td>
</tr>
<tr>
<td>Hydro</td>
<td></td>
</tr>
<tr>
<td><strong>Project identification</strong></td>
<td></td>
</tr>
<tr>
<td>Song Ong Hydro Project, Vietnam</td>
<td></td>
</tr>
<tr>
<td><strong>Verified to which standard</strong></td>
<td></td>
</tr>
<tr>
<td>VCS (Verified Carbon Standard)</td>
<td></td>
</tr>
<tr>
<td><strong>Number of credits (metric tonnes CO2e)</strong></td>
<td>209.17</td>
</tr>
<tr>
<td><strong>Number of credits (metric tonnes CO2e): Risk adjusted volume</strong></td>
<td>209.17</td>
</tr>
<tr>
<td><strong>Credits cancelled</strong></td>
<td>Yes</td>
</tr>
</tbody>
</table>
Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Hydro

Project identification
Musi Hydro Project, Indonesia

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
418.34

Number of credits (metric tonnes CO2e): Risk adjusted volume
418.34

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a
(C11.3a) Provide details of how your organization uses an internal price on carbon.

**Objective for implementing an internal carbon price**
- Navigate GHG regulations
- Stakeholder expectations
- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities

**GHG Scope**
- Scope 1
- Scope 2
- Scope 3

**Application**
We have developed an internal price on carbon as part of our science-based target model. Our pricing was developed by considering pricing in existing carbon markets such as the EU and California, and Work Bank research on the true price of carbon. Our internal price on carbon is applicable to our Scope 1, 2 and 3 emissions.

**Actual price(s) used (Currency /metric ton)**

**Variance of price(s) used**

**Type of internal carbon price**
- Implicit price

**Impact & implication**
We use our internal carbon pricing to help us understand the costs and opportunities associated with our Scope 1, 2 and 3 carbon targets, navigate current and future carbon regulations, meet our stakeholder expectations, and change internal behavior (including driving energy efficiency and low-carbon investments/opportunities). We are also considering how we can better leverage our internal price on carbon to stress test investments and engage with our suppliers.

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**C12. Engagement**

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**C12.1**

**(C12.1) Do you engage with your value chain on climate-related issues?**

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

---

**C12.1a**

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**
- Compliance & onboarding

**Details of engagement**
- Code of conduct featuring climate change KPIs

**% of suppliers by number**
- 100

**% total procurement spend (direct and indirect)**
- 100

**% Scope 3 emissions as reported in C6.5**
Rationale for the coverage of your engagement
Hilton is currently addressing emissions reduction in our supply chain through our Responsible Sourcing Policy and initiatives that encourage the use of products and services that minimize greenhouse gas emissions and other environmental impacts. As part of our 2030 Value Chain Targets, Hilton has committed to (1) create a framework for a collaboration program with top tier suppliers, (2) increase data visibility by incorporating social & environmental criteria in all supplier registration and enquiry process and (3) Encourage suppliers to set goals and validate through an auditing and incentive program. Additionally, we will encourage our suppliers to set science-based targets.

Impact of engagement, including measures of success
Impact of engagement: All Hilton suppliers and service providers are required to comply with Hilton’s Responsible Sourcing Policy, which outlines the standards expected of Hilton Worldwide suppliers that sell or seek to sell goods or services to Hilton. 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. Specific to climate-related impacts, our Commitment to the Environment section of the policy states that: 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, suppliers are to provide information on its efforts to identify, monitor and minimize the environmental impacts of its operations. Additional climate-related supplier objectives can be found in our upload Responsible Sourcing Policy. Measures of success: As part of our new Travel with Purpose 2030 targets, we have committed to measure the success of our supplier engagement programs by encouraging our suppliers to set goals, and then validate those goals through an auditing and incentive program. We are working with our Supply Management team to define the exact processes that will be implemented for this program.

Comment

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number
30

% total procurement spend (direct and indirect)
30

% Scope 3 emissions as reported in C6.5
30

Rationale for the coverage of your engagement
While we do not have an exact figure, we estimate that currently approximately 30% of our procurement spend is on innovative solutions that reduce our environmental footprint. This includes products and equipment designed to reduce consumption of energy, water and waste across our managed hotels, and products that reduce our Scope 1, 2 and 3 emissions.

Impact of engagement, including measures of success
Impact of engagement: We continually seek to work with suppliers that collaborate with us to provide innovative solutions to reducing our environmental impact, including our carbon impact. For example, we recently began working with a company that manufacturers laundry machines that can save up to 80% of the water, 50% of the energy, and 50% of the chemical detergents used by a conventional commercial laundry machine. Partners such as this company receive our business because their products and services align with our company’s goals to reduce our environmental impact. By working with partners whose business priorities align with our own, we are able to help change the market for sustainable products in the hospitality industry. Measures of success: Success of this type of supplier engagement is measured by the environmental savings that we are able to achieve in partnership with our suppliers. Impact, such as reduction in carbon, energy, water and waste, is directly monitored through LightStay.

Comment

C12.1b
(C12.1b) Give details of your climate-related engagement strategy with your customers.

**Type of engagement**
- Education/information sharing

**Details of engagement**
- Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services
- % of customers by number
  - 100
- % Scope 3 emissions as reported in C6.5
  - 0

**Please explain the rationale for selecting this group of customers and scope of engagement**
Please note that emissions from our hotel guests’ energy use during their stay at our managed hotels are already included in our reported Scope 1 and 2 emissions, and are not accounted for in our Scope 3 emissions. Rationale: Our guests can have a measurable impact in reducing our hotels’ Scope 1 and 2 emissions (as well as water, waste and other impacts) by reducing their energy use during their stay. Scope of engagement: As a global company welcoming nearly 250 million guests each year, our goal is to educate and encourage our guests to conserve resources and to support our sustainability efforts. We are continually identifying new ways to engage with our guests around our environmental impacts, including around our science-based targets. We believe that many guests will take this knowledge with them to reduce their carbon footprint at home and at work.

**Impact of engagement, including measures of success**
Hilton engages with guests on climate change and environmental impact in the following ways: (1) In-hotel messaging, including use of our Travel with Purpose 2030 Goals video on in-room TV screens and electronic hotel signage; (2) Each hotel’s environmental and social performance data is displayed publically on the Hilton Honors Wifi login landing page, available to all guests and visitors who sign into hotels’ Wifi; (3) Eliminated plastic bottles in all meetings, events, gyms and spas in our managed hotels in our Europe, Middle East and Africa and Asia Pacific regions in response to guests’ feedback; (4) Continue to engage guests around reducing energy and water a through our Conserve to Preserve program; and (5) 985 hotels offer Meet with Purpose globally, for sustainable conference and event options that reduce their energy, water and waste impacts. Hilton gathered feedback from customers and sales teams to identify the most pressing sustainability issues for meetings and events. Measures of success: Success will be measured based on energy, water and waste saved through our Conserve to Preserve program and Meet with Purpose programs. Also, we will be monitoring guest engagement in supporting responsible travel in destination hot spots, which is a new metric that we will be tracking to support our 2030 Travel with Purpose Value Chain Targets.

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C12.1c
(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Franchised hotels, which are outside of Hilton's direct ownership or operational control, are an integral part of our business model and environmental footprint. Franchised properties comprise about 87% of our global portfolio by hotel count and 74% by total room count. Given their significance to Hilton's business model, we consider franchise properties and ownership groups to be primary value chain partners that require significant engagement.

Engagement strategy: Franchised properties are controlled by Hilton's development and operating standards for the respective hotel brands. We use LightStay and our Brand Standards to engage, educate and help drive sustainability performance across our franchised hotels to make the greatest impact, as follows:

(1) On a company-wide basis, we prioritize activities that can be scaled up to include franchised properties, and those that will create the greatest value for all hotels and their owners.

(2) At Hilton, sustainability measurement and continuous improvement is a Brand Standard for all hotels, managed and franchised. Using our LightStay platform, all hotels are required to report monthly utility consumption, including energy, water and waste. Through LightStay, Hilton then calculates and reports CO2e emissions from franchise operations using the currently available location-based emissions factor for each hotel. Brand standards also require that franchised hotels set annual reduction targets; maintain active energy, water and waste improvement projects; and complete benchmarking surveys across all operating departments, consisting of over 200 sustainability best practices and performance indicators. Franchise owners and operators use LightStay's detailed analysis and performance scoring to manage their energy, carbon, water and waste performance across their hotel or portfolio of hotels.

(3) Hilton has committed to ISO as a global standard and our entire portfolio (including managed and franchised hotels) is certified to three ISO Standards: ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 50001 (Energy Management).

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

(C12.3a) On what issues have you been engaging directly with policy makers?

<table>
<thead>
<tr>
<th>Focus of legislation</th>
<th>Corporate position</th>
<th>Details of engagement</th>
<th>Proposed legislative solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, please specify (WTTC Global Climate Change Accord)</td>
<td>Support</td>
<td>Under our CEO’s leadership as chairman of the World Travel and Tourism Council (WTTC), a common agenda between the WTTC and the UN Framework Convention on Climate Change has been developed in advance of the upcoming COP24 meetings in Poland. Citing the need to transform dialogue into action, our CEO has advocated for the industry to exceed its 30% reduction target by 2020.</td>
<td>The WTTC and the UN Framework Convention on Climate Change will work to achieve carbon neutrality and reduce the contribution of the travel and tourism industry to climate change and support quantitative industry targets and reductions, including science-based targets.</td>
</tr>
</tbody>
</table>

C12.3b
Are you on the board of any trade associations or do you provide funding beyond membership?
Yes

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

<table>
<thead>
<tr>
<th>Trade association</th>
<th>Is your position on climate change consistent with theirs?</th>
<th>Please explain the trade association's position</th>
<th>How have you influenced, or are you attempting to influence their position?</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Travel and Tourism Council (WTTC)</td>
<td>Consistent</td>
<td>The WTTC works to raise awareness of travel and tourism as one of the world's largest industries. The WTTC Climate Change Task Force works to identify industry priority action areas for the future and to evaluate industry progress against climate change commitments.</td>
<td>In 2017, our Chief Executive Officer was elected to serve as the WTTC’s Chairman for the next two years. Under our CEO’s leadership, a common agenda between the WTTC and the UN Framework Convention on Climate Change has been developed in advance of the upcoming COP24 meetings in Poland. Citing the need to transform dialogue into action, our CEO has advocated for the industry to exceed its 30% reduction target by 2020.</td>
</tr>
<tr>
<td>American Hotel and Lodging Association (AHLA)</td>
<td>Consistent</td>
<td>To advocate, communicate and educate on behalf of the lodging industry in order to create business value through sustainability strategies defined as social responsibility and environmental protection. From a public advocacy perspective, this group aims to identify sustainability legislative ideas and develop industry position and work with the U.S. General Services Administration on its federal travel program policies.</td>
<td>Hilton is a member of the American Hotel and Lodging Association (AHLA) and chairs the AHLA’s Sustainability Committee, which focuses on environment, engineering and corporate responsibility for the hotel and lodging industry. Our Executive Vice President, Global Brands, serves on the Board of Directors and the Executive Committee of the AHLA.</td>
</tr>
<tr>
<td>International Tourism Partnership (ITP)</td>
<td>Consistent</td>
<td>The International Tourism Partnership (ITP) brings together the world’s leading international hotel companies to provide a voice for environmental and social responsibility in the industry.</td>
<td>Hilton is a founding member of this travel industry consortium and participates in various working groups, including the Hotel Carbon Measurement Initiative, the Hotel Water Measurement Initiative, and the Youth Career Initiative. In 2017, we co-created and supported the launch of the ITP’s goals on carbon, water, youth and human rights. We also assisted with the creation of the Water Stewardship for Hotel Companies manual, which was published in March 2018.</td>
</tr>
</tbody>
</table>

(C12.3d)
(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

---

(C12.3e) Provide details of the other engagement activities that you undertake.

Since 2012, Hilton has been a signatory to the United Nations (UN) Global Compact, a voluntary initiative based on a CEO-led commitment to implement ten sustainability principles supporting the goals of the UN. Hilton participates in the following UN initiatives that directly relate to our climate change strategy and 2030 Travel with Purpose Value Chain targets: (1) Signatory to the United Nations CEO Water Mandate, demonstrating our commitment to furthering the global dialogue on water stewardship; (2) Official partner for the UN World Tourism Organization (UNWTO)'s International Year of Sustainable Development; (3) Our corporate responsibility strategies and objectives directly align with and support the UN Sustainable Development Goals.

---

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Vice President of Sustainability has oversight responsibility for indirect and indirect activities to ensure consistency with Hilton's sustainability principles and climate change strategy. All direct and indirect activities that influence policy are conducted by Hilton's corporate responsibility staff, along with regional sustainability managers and regional VPs of Property Operations, who are most familiar with Hilton's overall climate change strategy. Regular meetings and ongoing communications between the Corporate Responsibility team and global regions are conducted to track sustainability activities inside and outside of the Hilton organization.

Since 2012, Hilton has been a signatory to the United Nations (UN) Global Compact, a voluntary initiative based on a CEO-led commitment to implement ten sustainability principles supporting the goals of the UN. We have also aligned our corporate responsibility strategies and objectives to support the UN Sustainable Development Goals – a global framework for coordinated action to address critical topics by 2030.

---

(C12.4)
(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

**Publication**
In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

**Status**
Complete

**Attach the document**
2019 Hilton 10K.pdf

**Page/Section reference**

**Content elements**
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

**Comment**

---

**Publication**
In voluntary sustainability report

**Status**
Complete

**Attach the document**

**Page/Section reference**

**Content elements**
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

**Comment**

---

C14. Signoff

---

C-FI

*(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization’s response. Please note that this field is optional and is not scored.*

---

C14.1
(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Director, Corporate Responsibility</td>
<td>Chief Sustainability Officer (CSO)</td>
</tr>
</tbody>
</table>

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Travel with Purpose is Hilton’s corporate responsibility strategy to redefine and advance sustainable travel globally. By 2030, we plan to double our social impact investment and cut our environmental footprint by half. We track, analyze and report our environmental and social impact at each of Hilton’s nearly 5,900 hotels through LightStay, our award-winning performance measurement system. Travel with Purpose capitalizes on Hilton’s global scale to catalyze local economic growth; promote human rights; invest in people and local communities; and preserve our planet by reducing our impact on natural resources. Our strategy aligns with the United Nations Sustainable Development Goals. Visit cr.hilton.com to learn more.

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

<table>
<thead>
<tr>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.9</td>
</tr>
</tbody>
</table>

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

- **Requesting member**
  - AT&T Inc.

- **Scope of emissions**
  - Scope 3

- **Allocation level**
  - Company wide

- **Allocation level detail**
  - <Not Applicable>

- **Emissions in metric tonnes of CO2e**
  - 6523.18

- **Uncertainty (±%)**
Major sources of emissions
Emissions from 2018 room nights booked by AT&T Inc. as captured in Hilton Sales platforms.

Verified
Yes

Allocation method
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton’s Sales system captures data on hotel stays booked through AT&T’s corporate account. Each of our hotels is required to use our LightStay sustainability management system to report all energy, water and waste utility data, enabling us to provide actual emissions data for these room nights. Emissions are calculated in accordance with the GHG Protocol and our emissions data is externally verified by our third party assurance provider.

Requesting member
KPMG UK

Scope of emissions
Scope 3

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
3843.8

Uncertainty (±%)
5

Major sources of emissions
Emissions from 2018 room nights booked by KPMG LLP as captured in Hilton Sales platforms. Please note that data is for KPMG LLP, not just KPMG UK.

Verified
Yes

Allocation method
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton’s Sales system captures data on hotel stays booked through KPMG’s corporate account. Each of our hotels is required to use our LightStay sustainability management system to report all energy, water and waste utility data, enabling us to provide actual emissions data for these room nights. Emissions are calculated in accordance with the GHG Protocol and our emissions data is externally verified by our third party assurance provider.

Requesting member
VMware, Inc

Scope of emissions
Scope 3

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
499.87

Uncertainty (±%)

Major sources of emissions
Emissions from 2018 room nights booked by VMware, Inc. as captured in Hilton Sales platforms.

Verified
Yes

Allocation method
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton's Sales system captures data on hotel stays booked through VMware's corporate account. Each of our hotels is required to use our LightStay sustainability management system to report all energy, water and waste utility data, enabling us to provide actual emissions data for these room nights. Emissions are calculated in accordance with the GHG Protocol and our emissions data is externally verified by our third party assurance provider.

Requesting member
Wells Fargo & Company

Scope of emissions
Scope 3

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
7735.45

Uncertainty (±%)
5

Major sources of emissions
Emissions from 2018 room nights booked by Wells Fargo as captured in Hilton Sales platforms.

Verified
Yes

Allocation method
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton's Sales system captures data on hotel stays booked through Wells Fargo's corporate account. Each of our hotels is required to use our LightStay sustainability management system to report all energy, water and waste utility data, enabling us to provide actual emissions data for these room nights. Emissions are calculated in accordance with the GHG Protocol and our emissions data is externally verified by our third party assurance provider.

Requesting member
Accenture

Scope of emissions
Scope 3

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
14863.33

Uncertainty (±%)
5
Major sources of emissions
Emissions from 2018 room nights booked by Accenture as captured in Hilton Sales platforms.

**Verified**
Yes

**Allocation method**
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton’s Sales system captures data on hotel stays booked through Accenture’s corporate account. Each of our hotels is required to use our LightStay sustainability management system to report all energy, water and waste utility data, enabling us to provide actual emissions data for these room nights. Emissions are calculated in accordance with the GHG Protocol and our emissions data is externally verified by our third party assurance provider.

**Requesting member**
Bank of America

**Scope of emissions**
Scope 3

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
5146

**Uncertainty (±%)**
5

**Major sources of emissions**
Emissions from 2018 room nights booked by Bank of America as captured in Hilton Sales platforms.

**Verified**
Yes

**Allocation method**
Allocation not necessary due to type of primary data available

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hilton’s Sales system captures data on hotel stays booked through Bank of America’s corporate account. Each of our hotels is required to use our LightStay sustainability management system to report all energy, water and waste utility data, enabling us to provide actual emissions data for these room nights. Emissions are calculated in accordance with the GHG Protocol and our emissions data is externally verified by our third party assurance provider.

**Requesting member**
HP Inc

**Scope of emissions**
Scope 3

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
3066

**Uncertainty (±%)**
5

**Major sources of emissions**
Emissions from 2018 room nights booked by HP, Inc. as captured in Hilton Sales platforms.

**Verified**
Yes

**Allocation method**
Allocation not necessary due to type of primary data available

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Hilton's Sales system captures data on hotel stays booked through HP, Inc.'s corporate account. Each of our hotels is required to use our LightStay sustainability management system to report all energy, water and waste utility data, enabling us to provide actual emissions data for these room nights. Emissions are calculated in accordance with the GHG Protocol and our emissions data is externally verified by our third party assurance provider.

**Requesting member**
Hewlett Packard Enterprise Company

**Scope of emissions**
Scope 3

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
11969

**Uncertainty (±%)**
5

**Major sources of emissions**
Emissions from 2018 room nights booked by HP Enterprise as captured in Hilton Sales platforms.

**Verified**
Yes

**Allocation method**
Allocation not necessary due to type of primary data available

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Hilton's Sales system captures data on hotel stays booked through HP Enterprise corporate account. Each of our hotels is required to use our LightStay sustainability management system to report all energy, water and waste utility data, enabling us to provide actual emissions data for these room nights. Emissions are calculated in accordance with the GHG Protocol and our emissions data is externally verified by our third party assurance provider.

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**SC1.2**

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

---

**SC1.3**

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

<table>
<thead>
<tr>
<th>Allocation challenges</th>
<th>Please explain what would help you overcome these challenges</th>
</tr>
</thead>
</table>

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.
At this time we are able to allocate emissions to our customers using our sales system and our LightStay sustainability data reporting system. We do not need to further develop capabilities around this type of emissions tracking.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC3.1

(SC3.1) Do you want to enroll in the 2019-2020 CDP Action Exchange initiative?
No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2018-2019 Action Exchange initiative?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
No, I am not providing data

Submit your response

In which language are you submitting your response?
English
Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>Public or Non-Public Submission</th>
<th>I am submitting to</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public</td>
<td>Investors</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customers</td>
<td></td>
</tr>
</tbody>
</table>

Please confirm below
I have read and accept the applicable Terms