

HILTON SLAVERY AND HUMAN TRAFFICKING Statement

FINANCIAL YEAR 2017



This statement is published by Hilton in compliance with the UK Modern Slavery Act 2015. It details the steps taken by Hilton to aid in the prevention of modern slavery and human trafficking in any part of its business and supply chains during the Financial Year 2017. Hilton manages, leases and franchises hotels, provides hospitality services, and carries on business in the United Kingdom largely through Hilton Worldwide Manage Limited and Hilton Worldwide Limited. For the purposes of this statement, the companies carrying on business within the United Kingdom, including Hilton Worldwide Manage Limited and Hilton Worldwide Limited, are collectively referred to as "Hilton".

OUR COMMITMENT TO HUMAN RIGHTS

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

OUR BUSINESS STRUCTURE AND SUPPLY CHAIN

Hilton is a leading global hospitality company, with a portfolio of 14 world-class brands comprising more than 5,200 properties with over 856,000 rooms in 105 countries and territories, supported by over 380,000 Team Members.

Under management agreements, we use our marks and the system to operate hotels. The 160,000 people employed at our managed properties, leased hotels, and our corporate offices (including Hilton Supply Management - "HSM") are referred to as "Hilton Employees".

Through franchise agreements, we license our marks and the system, which help the franchisee succeed in its business. Franchised properties make independent decisions regarding their hotel operations, including procurement, employment and training practices. The people who are employed by the owners (or its designees) of franchised properties are referred to as "Franchise Employees". There are approximately 220,000

Franchise Employees who work on-property at independently owned and operated franchise properties in the Hilton Portfolio.

HSM is the global procurement and supply chain arm of Hilton. HSM supports nearly 6,500 hotels across the world, approximately 10% of which are Hilton leased or managed properties, 69% are franchises and 21% are independent businesses unaffiliated with Hilton. HSM develops and negotiates product and service supply programs that make available goods and services at the best combination of price, quality, and service. We strongly encourage our hotel owners across our global portfolio to use HSM services. Hilton does not have oversight or control over procurement done by hotels, whether managed, franchised or independent, unless they decide to buy through HSM. Our hotel owners also have their own supply chains for the development stage of hotels, including construction of new build, in which HSM is not involved.

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

Number and percentage of Hilton hotels as of (12/31/2017):

	Leased	Managed	Franchised	Total
Operating Hotels	73	656	4,507	5,236
Share of Total Operating Hotels	1.4%	12.5%	86.1%	100%



OUR POLICIES

Our commitment to respecting human rights is enshrined in our [Code of Conduct](#), [Human Rights Policy](#), and [Responsible Sourcing Policy](#). Those three documents apply only to the Hilton Employees at our leased and managed hotels, and our corporate offices. However, we make them available on our websites to our franchisees and our business partners with the expectation that they will follow the general principles laid out in these policies, develop policies and procedures of their own for their operations, and share them with their respective business partners.

OUR DUE DILIGENCE PROCESSES

In our operations, Team Members are empowered to identify signs of human trafficking through training (see section below). We also encourage Hilton Employees to raise concerns about potential violations of our code of conduct, including risks of human trafficking or modern slavery, via the Hilton Hotline, an anonymous reporting mechanism for our corporate offices, leased and managed properties.

In our supply chain, our [Responsible Sourcing Policy](#) outlines the standards expected of Hilton suppliers. Suppliers are encouraged to have appropriate management systems in place and take steps to comply with this policy. Based upon amount of spend and regional risk, we require our top suppliers to acknowledge our Responsible Sourcing Policy. Suppliers who meet pre-determined spend benchmarks must also undergo a comprehensive due diligence review.

Our hotel owners undergo a thorough due diligence review. We continue to develop tools to increase hotel owners' awareness of the modern slavery risks associated with hotel development, operations and supply chains.

OUR RISK IDENTIFICATION AND MANAGEMENT

In 2015, we completed a global human rights impact assessment across our business activities. This assessment focused on the risk that our business operations may pose to individuals' rights in terms of severity and likelihood, based on external

research and experience. Our assessment identified labour rights, trafficking and modern slavery, privacy rights and land rights as areas of focus.

That same year, we also conducted a mapping exercise of our global supply chain across a range of economic, environmental and social risks, including human rights based on external indicators and spend. This exercise highlighted categories like services, produce, seafood, and apparel. These assessments informed the development of our [Human Rights Policy](#) and global human rights strategy, including prioritization to review contracts and practices in labour sourcing.

In 2017, we integrated human rights and modern slavery as part of our internal Global Enterprise Risk Survey, distributed internally to over 200 Hilton leaders. We mapped all of our operating hotels and pipeline countries against eleven external human rights risk indices in both operations and supply chain. For example, the Modern Slavery Index assesses the risk to business in any industry of the possible association with or exposure to practices of slavery, servitude, trafficking in persons and forced labour by state and non-state actors within its supply chain, as defined by Verisk-Maplecroft. Based on this analysis, we believe that less than 8% of our hotels are located in countries with higher risks of modern slavery in the supply chain.

This process helps inform prioritization of countries for more detailed risk assessment, due diligence and training across operations, supply chain, and the development phase of our hotels.

Based on our risk assessment, in 2017, we prioritized analysing our leased and managed hotels in Europe, Middle East and Africa (EMEA) with respect to the risk in labour outsourcing. As a result, we updated our form standard contracts with vendors, which now require our vendors to comply with our Responsible sourcing Policy and to participate in an ethical trading audit. We also created training and resources for our hotels and labour providers on the risk of modern slavery in labour sourcing.

TRAINING AND AWARENESS

As signatory of the [ECPAT Code of Conduct](#) to combat child sexual exploitation in the travel industry since 2011, we have been providing training on risks of human trafficking for sexual exploitation to all our hotels. In 2017, we updated the training with the new module from the [American Hotel & Lodging Educational Institute \(AHLEI\)](#), which includes risks of both sexual and labour exploitation.

We announced in December 2017 that anti-trafficking training would be mandatory for all hotels globally as part of our required Brand Training. Since the launch of the mandatory training and until the end 2017, more than 4,300 Team Members at more than 200 properties had already taken the training. We also included key parts of this training in our annual Code of Conduct training, which is mandatory for all Hilton Employees; the new version was released in 2018, and the training must be completed every year.

In 2017, we developed a new e-Learning training on the key risks of modern slavery in labour sourcing. The training module is available to all Hilton Employees and mandatory for all Hilton Employees who are key decision-makers in recruitment and outsourcing decisions (General Managers, Human

Resources, Procurement, Finance). We developed guidance documents that provide additional help to hotels and agencies conducting due diligence in labour sourcing. Those documents are available to all hotels, including franchises.

In 2017, we also launched an e-Learning course on Responsible Sourcing, which includes a section on risks of modern slavery in the supply chain. The course is mandatory for all 140 Hilton Employees in HSM, and by the end of 2017, all had taken the training.

We also delivered additional in-depth, in-person training to the full EMEA HSM team, the full EMEA Architecture, Design and Construction team, the Americas Safety & Security team, 200 Hilton Employees at 8 managed hotels in Chicago, and Hilton Employees that head up housekeeping at our managed operations in the UK, including the hotels' contracted outsourcing agencies.

On International Human Rights Day in December 2017, our Chief Executive Officer and our General Counsel emphasized our anti-trafficking training requirements, and raised awareness of our new human rights resources available to all owners and General Managers across the globe, including franchises, via internal communications.



PERFORMANCE INDICATORS

Our key performance indicators are as follows:

100% HSM Team Members trained in risks of modern slavery in the supply chain by 2018

100% hotels trained in anti-human trafficking by 2020, including 100% of Hilton Employees

100% operating hotels and pipeline countries mapped against human rights risks and information embedded in operations and development processes

✓ **Achieved**

On Track: 4,300+ Team Members at 200+ properties have taken the anti-trafficking e-Learning training

On Track: Mapped 100% operating hotels and pipeline countries against 11 human rights risk indices. Integrated Human Rights criteria in our annual internal Global Enterprise Risk Survey.

In 2017, we co-shaped and helped launch the [International Tourism Partnership \(ITP\) human rights goals](#) and [ITP Human Rights Policy Statement](#), which include measurable objectives, including on development and roll-out of policies, trainings and tools to raise awareness with employees, suppliers and owners on human rights risks in operations, supply chain, and the construction phase of hotels. Our own objectives and achievements are fully in line with the ITP goals, as explained in this statement.

PARTNERSHIPS AND ENGAGEMENT

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

We have been signatories of the [ECPAT Code of Conduct](#) since 2012 to fight the sexual exploitation of children in travel and tourism.

We are members of the [International Tourism Partnership](#), which brings together hotel brands, and we are an active member of their Human Rights working group. We were proactively involved in developing their [Human Rights Policy Statement](#), [Human Rights Goals](#), and three-year human rights strategy, all launched in 2017.

In November 2016, we were co-founders of the [UK Stop Slavery Hotel Industry Network](#) led by Shiva Foundation, which brings together hotel brands, operators and owners. We play a proactive role in supporting the development of the strategy and tools.

We are members and sit on the Steering Committee of the Global Business Initiative on Human Rights, a coalition that works to advance

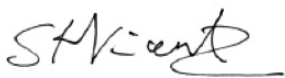
human rights in a business context through cross-industry peer learning, outreach and capacity building, and by informing policy.

In order to better combat risks of trafficking for sexual exploitation, we have partnered with [Vital Voices](#) since 2012. In 2013, we co-founded the [Global Freedom Exchange](#) program to support women leaders at the forefront of global efforts to prevent and respond to human trafficking. Since its launch, we have helped empower more than 100 anti-trafficking female advocates from 41 countries. In December 2017, our CEO Chris Nassetta received the prestigious [Voice of Solidarity Award](#) from Vital Voices in recognition of his personal and Hilton's collective efforts to fight human trafficking.

We have also partnered with The Global Fund for Children since 2010, setting up the Hilton Anti-Trafficking Fund in 2014, to support grassroots anti-trafficking efforts around the world. The fund has supported five innovative, high-potential organizations in affected communities with annual grants and services. Over the course of our partnership, benefitting more than 10,000 children in Nigeria, South Africa, Thailand, Turkey and the United Kingdom.

OUR ONGOING COMMITMENT

Our commitment to human rights issues, including addressing slavery and human trafficking, is central to who we are as a business of people serving people around the world, and we are proud of our mission to strengthen the communities in which we operate. We will continue to build upon our existing efforts to prevent human rights abuses, to combat modern slavery and human trafficking across our global operations and supply chain, and to work with our industry partners to share best practices.



Simon Vincent

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

RELEVANT POLICIES AND RESOURCES:

Statement for the UK Modern Slavery Act – FY 2016: <http://ir.hilton.com/~media/Files/H/Hilton-Worldwide-IR-V3/committee-composition/slavery-and-trafficking-statement-2017-v1.pdf>

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

Human Rights Policy: <http://ir.hilton.com/~media/Files/H/Hilton-Worldwide-IR-V3/committee-composition/human-rights-policy.pdf>

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

Annual corporate responsibility report: cr.hilton.com

* Team Members include collectively both Franchised Employees and Hilton employees.

