

# HILTON SLAVERY AND HUMAN TRAFFICKING

# Statement

FINANCIAL YEAR 2019



This statement is published by Hilton, in compliance with the UK Modern Slavery Act 2015. It details the steps taken by Hilton to identify and take steps to prevent modern slavery and human trafficking in all parts of its business and supply chains across its global operations during the Financial Year 2019. Hilton manages, leases and franchises hotels, provides hospitality services, and carries on business in the United Kingdom largely through Hilton Worldwide Manage Limited and Hilton Worldwide Limited, as well as Adda Hotels, HLT Stakis Operator Limited, Hilton Worldwide Holding LLP, Hilton International IP Holding Limited and Hilton International Hotels (UK) Limited. For the purposes of this statement, the companies carrying on business within the United Kingdom, including the entities mentioned above, are collectively referred to as "Hilton."

## OUR COMMITMENT TO HUMAN RIGHTS

At Hilton, we have a shared purpose to be the most hospitable company in the world by positively impacting our guests, Team Members\*, hotel owners and communities. As a business of people serving people, respecting human rights is a core part of our mission. Hilton is committed to implementing human rights due diligence across our global operations, to work with suppliers to eradicate any form of forced labor and human trafficking, and to create and partner with cross-industry networks to advance international human rights as part of our 2030 [Travel with Purpose Goals](#). Hilton is a proud signatory of the United Nations Global Compact, and its human rights strategy is informed by the United Nations Guiding Principles for Business and Human Rights (UNGPs).

## OUR BUSINESS STRUCTURE AND SUPPLY CHAIN

Hilton is a global hospitality company with a portfolio of 18 brands comprising more than 6,100 properties with more than 970,000 rooms in 119 countries and territories, supported by more than 424,800 Team Members\*.

Under management agreements, we use our marks and systems to operate hotels. The 173,500 people employed at our managed properties, leased hotels, and our corporate offices (including Hilton Supply Management – "HSM") are referred to as "Hilton Employees".

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

Employees." There are approximately 251,300 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 more than 10,000 hotels across the world, approximately 9 percent of which are Hilton-leased or managed properties, 50 percent are franchises and 41 percent are independent businesses unaffiliated with Hilton. HSM develops and negotiates product and service supply programs with more than 1,200 direct suppliers and over 150,000 suppliers across our systems that make available goods and services at the best combination of price, quality, and service. While we strongly encourage our hotel owners across our global portfolio to use HSM services, not all hotel owners choose to participate. In addition, hotel owners are responsible for establishing their own supply chain during the development stage of hotels, including construction.

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

Below is a chart showing the number and percentage of Hilton hotels as of (12/31/2019):

	Leased/Owned/ Joined Venture	Managed	Franchised	Total
Operating Hotels	65	703	5,287	6,110
Share of Total Operating Hotels	1.0%	11.5%	86.5%	100%



## OUR HUMAN RIGHTS POLICIES AND GOVERNANCE

Our commitment to respecting human rights is enshrined in our [Code of Conduct](#), [Human Rights Principles](#), and [Responsible Sourcing Policy](#), including the prohibition of forced labour, bonded labour, child labour, slave labour, human trafficking and recruitment fees, and the prohibition for any Hilton property, product, or service from being used in any manner that supports or enables any form of abuse and exploitation. Those three documents apply to Hilton Employees at our leased and managed hotels, and our corporate offices and are reviewed periodically.

These documents are also made available to our franchisees and our business partners to educate them on Hilton's business principles, and to encourage them to develop similar policies and procedures for their own operations and to share those policies and procedures with their respective business partners. The Responsible Sourcing Policy is attached to all new contracts with suppliers and part of the contractual expectations, while the Human Rights Principles are shared with all new owners and referred to as part of the new country development mitigation plan brand standard.

Additionally, all our human rights-related trainings, guidance, tools and network of partners are available to franchises. We encourage them to leverage these resources through regular internal communications. We review these policies periodically.

Human Rights is managed by Hilton's Corporate Responsibility team, in collaboration with the Legal Compliance Department. Hilton's Human Rights strategy is reviewed by an internal working group, which brings together representatives of key support functions, and is approved by the Executive Committee representatives for Corporate Affairs and Legal. The responsibility for human rights ultimately sits with the Global Head of Corporate Affairs, who sits on the Executive Committee. Our corporate responsibility priorities, including human rights risks, strategy, policies, are reviewed by the Board annually.

## OUR DUE DILIGENCE PROCESSES - RISK IDENTIFICATION

In 2015, we completed a global human rights impact assessment across our business activities, including managed and franchised hotels, corporate offices and business relationships. This assessment focused on the risk our business operations may pose to individuals' rights in terms of severity and likelihood, based on external research and experience. Our assessment identified the following salient modern slavery risks:

1. Operations: Hotel Team Members may be in situations of forced or bonded labour. Hotels may be used by criminals to traffic victims for sexual exploitation.
2. Supply chain: Individuals employed by Hilton hotels via a recruitment agency or a labour outsourcing agency, or by other goods or services suppliers may be in a situation of forced / bonded or child labour as a result of a range of potential factors, from excessive recruitment fees to inappropriate monitoring of workers' ages.
3. Development phase: Construction workers employed by owner-appointed contractors may pose situations of forced / bonded or child labour as a result of a range of potential factors, from excessive recruitment fees, to restrictions on freedom of movement or failure to monitor workers' ages.

We identified potential higher vulnerability for certain groups across these areas, including children, women and migrant workers.

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. We refreshed the analysis in 2019, focusing on modern slavery issues, and identified the following categories for additional attention: meat, seafood, produce, garments and textile, and services.

We mapped all of our operating hotels and pipeline countries against 11 external human rights risk indices in both operations and supply chain, each updated annually. For example, the Modern Slavery Index assesses the risk to business in any industry of the possible association with or exposure to practices of slavery, servitude, trafficking in

persons and forced labour by state and non-state actors within its supply chain, as defined by Verisk-Maplecroft. Based on this analysis, we estimate 11 percent of Hilton-branded hotels are located in countries with higher risks of modern slavery in the supply chain (6 percent of those are managed and 5 percent are franchised). This analysis informs the prioritization of our work, including the deployment of tools and processes at managed hotels, and efforts to make such tools available for franchise business partners.

We supplement these mapping exercises based on indices with data collected via our internal Global Enterprise Risk Survey, which is distributed to more than 270 Hilton leaders, and includes human rights and modern slavery issues. The Global Intelligence team uses a social media-monitoring platform that identifies possible human trafficking situations based on keyword scraping and commercial ads. In 2018 we launched our country due diligence process, including human rights risk analysis.

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

## OUR DUE DILIGENCE PROCESSES – RISK MONITORING AND MITIGATION

Our mitigation response to identified risks depends on Hilton’s direct link to the situation and the leverage the company may have in each context.

### 1. Monitoring

We encourage Hilton Team Members to raise concerns about potential violations of our Code of Conduct, including risks of human trafficking or modern slavery, via the Hilton Hotline. The Hotline is an anonymous reporting mechanism available for anyone to report concerns regarding our corporate offices, or leased and managed properties. The Hilton Hotline is also available externally to suppliers, business partners, consumers and community members. For managed hotels, Hilton directly reviews and investigates Hotline reports, and tracks findings and responsive actions. For franchised hotels, Hilton ensures allegations are formally communicated to the relevant franchise owner with reminders of the franchise owner’s

contract obligations, the brand standards and the law. Hilton’s Global Ethics and Compliance team is responsible for ensuring all Hotline reports receive appropriate review and response. On a quarterly basis, the Global Ethics and Compliance team provides confirmation to Hilton’s Board of Directors and external auditors that all Hotline reports have received appropriate treatment. The Global Ethics and Compliance team also engages in benchmarking to ensure the Hilton mechanism is functioning effectively in terms of expected volume of reports.

### 2. Operations

All Team Members are required to report safety or reputational incident, including potential situations of modern slavery, via an incident alert mobile application. Alerts are managed and triaged by the corporate safety & security team and the emergency operations centre, involving all necessary stakeholders to respond appropriately. Identified trends inform the strategy for in-person training roll-out.

In addition to this broad direction, Hilton had also driven specific measures on a number of critical points, including:

**Human Trafficking:** All hotel-based Team Members are required to complete training on how to identify and report signs of human trafficking (see relevant sections below). The process is managed by the Corporate Responsibility and Human Resources teams globally, and by the Safety and Security department on property. A list of signs to identify risks of human trafficking for sexual exploitation and forced labour is posted in Team Member areas at all managed hotels globally. In the U.S., we rolled out posters to raise awareness of the U.S. National Anti-Trafficking Hotline in guest-facing areas of our managed hotels, in line with a number of state laws, and we shared available resources with franchised hotels.

**Orphanage Tourism:** We recognize “orphanage tourism” may take place in certain countries where we operate. We regularly remind all hotels not to offer or promote any tour that would include orphanages.

**Safe And Ethical Recruitment:** We understand some unscrupulous organizations may use the Hilton name to fraudulently recruit individuals and make a point to warn against recruitment fraud on

our career site. We do not charge recruitment fees and expect our business partners to do the same. Wherever possible, Hilton hires candidates directly. When the candidate needs to relocate, Hilton issues recruitment contracts directly to them before departure. In the Middle East and Africa, Hilton also covers travel expenses for employees arriving to assigned work locations from overseas.

### 3. 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 on the amount of spend and identified regional risks, we require our top suppliers to acknowledge our Responsible Sourcing Policy and to undergo a deeper due diligence. The process is managed by the Procurement and Legal Compliance departments.

We rolled out a labour sourcing management process for our leased and managed hotels in Europe, Middle East and Africa (EMEA). All outsourcing and recruitment agencies are contractually required to live up to the standards laid out in our Responsible Sourcing Policy and Human Rights Principles, including the prohibition of recruitment fees. They must undergo due diligence and compliance checks, including initial screening on human rights, before the agencies are placed on a regional list of preferred suppliers. We will expand this process to other regions going forward.

**Recruitment agencies:** As part of our continuous process improvement efforts, in 2019, we conducted a deep dive in ethical recruitment in the Middle East for our managed hotels where employees are primarily hired through recruitment agencies. We enhanced our recruitment manual and processes, from recruitment agency management to candidate interviews, induction and welcome to align with our commitment to ethical recruitment. Where hired employees may have paid recruitment fees, we investigate the claims internally. If substantiated, we require the agencies to reimburse the individuals within a set timeframe and remove the agency from the preferred supplier list.

**Outsourcing agencies:** We are rolling out contractual requirements for outsourcing agencies

in managed hotels in EMEA to conduct third-party audits that cover all aspects of worker welfare, from recruitment to employment conditions. To support this requirement, we created training and resources for our hotels and labour providers on the risk of modern slavery in labour sourcing. We continued to roll out the training and the auditing program in 2019. We also strengthened the due diligence conducted by our South East Asia regional HSM and Safety & Security teams on security contractors, including review of potential indicators of modern slavery.

In 2019, we integrated human rights criteria as part of our global textile request for proposal. We are looking to consolidate our due diligence and monitoring process across identified higher-risk categories. Where potential situations of forced labour are identified, we investigate the issue and develop mitigation plans with the supplier.

### 4. Development and Construction

We carry out due diligence review on our hotel owners, including a human rights reputational review and the transmission of our Code of Conduct and Human Rights Principles to all potential owners.

Prior to agreeing to develop a hotel in a new country, we conduct country-level due diligence, which includes a review of human rights in the region. The process is overseen by our Legal Compliance department and includes review by the Executive Compliance Committee, made of representatives from the Executive Committee. We created risk-based country-level mitigation plans for more than 100 countries to date. These mitigation plans are implemented through a brand standard applicable to all new Hilton-branded hotel in that country, whether managed or franchised. To support owners and business partners with complying with these brand standards, we developed a suite of tools they can use to identify and manage human rights risks in operations and supply chains.

## TRAINING AND AWARENESS

We signed the [ECPAT Code](#) to combat sexual exploitation in the travel industry in 2011 and have been providing training on human trafficking risks to all our hotels ever since. In 2019, we continued to roll out the mandatory training requirement for all hotels globally as part of our annual Brand Training. Our annual Code of Conduct training includes a section on human rights and is mandatory to all Hilton Team Members. Across both trainings, we trained 4,718 General Managers by the end of 2019. Another 124,500+ Team Members across 5,763 hotels have taken the online training since 2017.

In addition to this, other notable training moments included:

### **Human Trafficking Training around Major Events:**

Our safety and security teams and outside partners routinely train hotel Team Members in person on identifying and combatting human trafficking on a risk basis. For example, at the occasion of the Super Bowl in Atlanta, Georgia, in January 2019, we partnered with the NGO [It's a Penalty](#) to increase awareness with Team Members, guests and other participants about signs of human trafficking and how to report it across all hotels (managed and franchised) in greater Atlanta. All managed hotels in Cairo went through in-person training ahead of the African Cup of Nations 2019.

**Training for Safety and Security:** Anti-human trafficking experts also presented at Hilton's 2019 Global Annual Safety & Security Conference, reaching more than 180 Security Team Members.

**Labour Sourcing:** We continued to roll out our e-Learning training on the key risks of modern slavery in labour sourcing. The training module is available to all Team Members, and mandatory for all Hilton Employees in EMEA who are key decision-makers in recruitment and outsourcing decisions (i.e., General Managers, Human Resources, Procurement, Finance). By the end of 2019, 91 percent of the assigned employees had taken the training. We developed guidance documents that provide additional help to hotels and agencies conducting due diligence in labour sourcing. Those documents are available to all hotels, including franchises.

In 2019, our training on the risks of modern slavery in labour sourcing became freely available to the whole industry via to the International Tourism

Partnership (ITP). This will help accelerate the industry's ability to identify and mitigate those risks, in line with the [ITP Forced Labour Principles](#) (see section below).

**Development:** We make some training in anti-human trafficking and risks of modern slavery mandatory for owners to roll-out with their contractors based on a country-risk analysis through our new country development process.



## PERFORMANCE INDICATORS

2030 Travel with Purpose Goals	KPI	Progress to Date
<p><b>Embed human rights due diligence across our global operations</b></p>	<p>Embed human rights in Hilton policies and governance</p>	<p><a href="#">Human Right Principles</a> details company approach</p> <p><a href="#">Code of Conduct</a> includes commitment to respect human rights and to no recruitment fee</p> <p><a href="#">Responsible Sourcing Policy</a> includes human rights</p>
	<p>100% hotels trained in anti-human trafficking by 2030, including all Hilton Team Members</p>	<p><b>Signs of Human Trafficking (since 2017):</b></p> <ul style="list-style-type: none"> <li>• 5,763 hotels (94%) have one or more Team Members trained</li> <li>• 4,717 General Managers (78%)</li> <li>• 124,500+ Team Members (e-learning only, not counting in-person training)</li> </ul> <p><b>Modern Slavery in Labour Sourcing (since 2018):</b></p> <ul style="list-style-type: none"> <li>• 4,053 Team Members</li> <li>• 1,394 (91%) assigned labour sourcing leaders in EMEA (General Managers, HR Directors, Procurement Leads, Directors of Finance)</li> </ul>
	<p>100% operating hotels and pipeline countries mapped against human rights risks and information embedded in operations and development processes</p>	<p>Mapped 100% operating hotels and pipeline countries against 11 human rights risk indices</p> <p>Integrated Human Rights criteria in our annual internal Global Enterprise Risk Survey</p> <p>Conducted more than 100 country-level human rights reviews and developed action plans accordingly</p> <p>Developed human rights support material for owners on identified salient issues</p>
<p><b>Embed human rights due diligence in our supply chain and partner with suppliers to eradicate any form of forced labour or trafficking</b></p>	<p>100% suppliers have received the Responsible Sourcing Policy</p>	<p>Policy embedded in any new contract with 1st Tier suppliers</p>
	<p>100% Hilton Supply Management (HSM) Team Members trained in risks of modern slavery in the supply chain by 2030</p>	<p>100% Hilton HSM Team Members have been trained in responsible sourcing, including human rights risks in the supply chain</p> <p>100% Procurement leads in EMEA have taken the training in risks of modern slavery in labour sourcing</p>
	<p>100% labour outsourcing agencies audited in Europe, Middle East and Africa by 2030</p>	<p>44 audits completed in Europe, Middle East and Africa</p>



## PERFORMANCE INDICATORS

2030 Travel with Purpose Goals	KPI	Progress to Date
<p>Create and partner with cross-industry networks to advance international human rights</p>	<p>Support International Tourism Partnership (ITP) Human Rights Goals</p>	<p>Aligned internal Key Performance Indicators to ITP human rights goals</p> <p>Referencing the ITP Forced Labour Principles in human rights support material shared with business partners (suppliers, owners)</p> <p>Made our training on risks of modern slavery in labour sourcing freely available to the whole industry via the (refers to ITP Forced Labour Principles), enabling 14 organizations across the broad industry to complete the training</p>
	<p>Other partners</p>	<p>Reconvened 24 past fellows of the Vital Voices Global Freedom Exchange programme from 11 countries on the African continent in South Africa for continuous capacity-building and regional collaboration for grassroots solutions to prevent trafficking and rehabilitate survivors</p> <p>Partnered with It's a Penalty campaign to raise further awareness with Team Members, guests and other participants to the Super Bowl across our 40+ hotels in Atlanta, Georgia, USA</p> <p>Co-founded the World Travel and Tourism Council Anti-Trafficking Task Force</p> <p>Supported foundational collaboration with the UK Gangmasters and Labour Abuse Authority, in partnership with the UK Stop Slavery Network Framework</p>

## PARTNERSHIPS AND ENGAGEMENT

Human rights risks in the travel and tourism industry are complex, and we recognise 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.

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

In order to better combat risks of trafficking for sexual exploitation, we have partnered with [Vital Voices](#) since 2012. In 2013, we co-founded the [Global Freedom Exchange](#) (GFE) 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 126 anti-trafficking women advocates from 50 countries. To further build capacity for the anti-trafficking leaders, Fellows have the opportunity to apply for grants for their projects aiming to prevent, address and reduce human trafficking. Since 2013, a total of USD 259,000 have been awarded to Fellow organizations in 20 countries. The different projects have impacted more than 7,260 beneficiaries, including 830 public officials (training), 4,630 community member (prevention), and 1,800 trafficking survivors (rehabilitation).

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

Our President and CEO, Chris Nassetta, is the Chair of the World Travel and Tourism Council (WTTC). In 2018, we supported the launch of the [ECPAT/WTTC Call for Action for the Protection of Children in Travel and Tourism](#), and in 2019 we co-founded the [WTTC Anti-Trafficking Task Force](#).

We are co-founders of the [International Tourism Partnership \(ITP\)](#) and an active member of their Human Rights working group. Building on the

launch of the ITP [Human Rights Policy Statement](#) and [Human Rights Goals](#) and [Forced Labour Principles](#), we shared our internal training on risks of modern slavery in labour sourcing with the ITP. It was freely available to all ITP members throughout 2019, and became [publicly available to the whole industry at no cost](#) in December 2019. Through the end of 2019, 14 organizations had already used the training, including hotels, industry associations, airlines, and NGOs.

In 2019, Hilton proactively participated in a series of [workshops for the hotel industry in Qatar](#) on fair recruitment organized by the ITP, the International Labour Organization (ILO), the Qatar Ministry of Administrative Development, Labour and Social Affairs (ADLSA) and the Institute for Human Rights and Business (IHRB), sharing best practices and contributing to the creation of industry-wide tools.

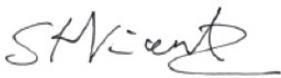
We are members of the [Global Business Initiative on Human Rights](#), a coalition that works to advance human rights in a business context through cross-industry peer learning, outreach and capacity building.

In 2019 we started our collaboration with the organization [It's a Penalty](#) to leverage the Super Bowl in Atlanta, Georgia, U.S., to continue to raise awareness about human trafficking with all participants attending the game – Team Members, guests, local stakeholders, NGOs. We continued our collaboration ahead of the 2020 Super Bowl in Miami, Florida.

## OUR ONGOING COMMITMENT

As we track towards our 2030 Travel with Purpose Goals, we will focus on:

- Continuing to roll out our trainings;
- Expanding key due diligence programs in labour sourcing, in particular across Asia-Pacific;
- Strengthening risk identification and due diligence processes around goods supply chain due diligence;
- Developing training effectiveness measures;
- Rolling out mitigation plans in new countries;
- Continuing to collaborate with peers in the industry and beyond to address systemic and shared modern slavery issues; and
- Continuing to support civil society in their awareness-raising and grassroots missions to prevent human trafficking and support victims.



Simon Vincent

Executive Vice President & President, Europe, Middle East & Africa  
Director of the Board for Hilton Worldwide Limited (UK)

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## RELEVANT POLICIES AND RESOURCES:

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

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

**Statement for the UK Modern Slavery Act – FY 2018:** <https://ir.hilton.com/~media/Files/H/Hilton-Worldwide-IR-V3/committee-composition/hilton-msa-statement-2019.pdf>

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

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

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

**Annual corporate responsibility report:** [cr.hilton.com](http://cr.hilton.com)

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

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Hilton



Hilton  
HONORS