

## 2017 Independent Limited Assurance Report for Hilton, Inc.

### To the stakeholders of Hilton, Inc.:

This assurance statement has been prepared by Dekra Certification, Inc. (Dekra) at the request of Hilton, Inc. (Hilton). Dekra has conducted an independent assessment of Hilton's publicly reported corporate responsibility data ("Reported Data"), detailed in the tables below, covering the period from January 1, 2017 to December 31, 2017.

### Objective and Level of Assurance

The objective of the assessment was to provide a limited level of assurance that the Reported Data is free of material misstatements. A limited level of assurance indicates that Dekra's assessment did not discover evidence of errors in the Reported Data. When evaluating potential errors in the Reported Data, Dekra used a materiality threshold of 5%.

### Scope and Criteria

The Reported Data covers Hilton corporate offices and all Hilton properties, managed and franchised, for the reporting period of 1/1/17 to 12/31/17. This includes direct (Scope 1) and indirect (Scope 2) greenhouse gas (GHG) emissions from the operation of Hilton owned and managed properties and Hilton's corporate offices, Scope 3 emissions from Hilton's franchised properties, and other Scope 3 emissions from business travel, employee commuting, purchased goods and services, and grid losses from the distribution of electricity to owned and managed properties. GHG reporting covers the following gases: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

The Reported Data also includes Hilton's social impact data: youth impacted, volunteering hours, disaster relief and Action Grants funds distributed, and human rights training.

Hilton's Reported Data was prepared following the guidance of the World Resource Institute / World Business Council for Sustainable Development (WRI/WBCSD) *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard* ("GHG Protocol") and Hilton's internal procedures.

The specific data assessed is presented in Tables 1, 2, and 3 below.

### Assurance Standard and Assessment Activities

Dekra conducted the verification of the Reported Data in accordance with *ISO 14064-3:2006 - Specification with guidance for the validation and verification of greenhouse gas assertions* for the GHG data and Dekra's Verification Approach for the environmental and corporate responsibility data. The verification activities were documented in a sampling plan created and updated by taking into account Hilton's data management system and findings uncovered during the verification process. The key activities included:

- Interviews with individuals responsible for the collection and analysis of the Reported Data via Hilton's LightStay platform. All Hilton properties are required to report energy, waste, and water activity data into LightStay monthly. All properties also use LightStay

to record social impact metrics, such as volunteer hours and donations. Dekra reviewed the quality assurance activities in place and the treatment of incomplete activity data.

- In 2017 and 2018 Dekra auditors visited 111 Hilton properties worldwide, covering all regions and all brands. During these audits, auditors: verified the accuracy of data input into LightStay by reviewing utility bills and meter logs; verified that all energy sources on site were being included in LightStay; and assessed the competence of individuals responsible for inputting data into LightStay.
- Recalculation of emissions from activity data to verify emissions factors and Global Warming Potential (GWP) calculations were applied correctly.
- Evaluation of a sensitivity analysis developed to determine the potential impact of Hilton’s assumptions regarding incomplete and incorrect data.
- Review of raw corporate responsibility data to review for anomalies and confirm the adequacy of Hilton’s internal data cleansing procedures.

### Conclusion

Dekra can provide Limited Assurance that the Reported Data listed in Tables 1-3 is free of material misstatements. During its assessment, Dekra did not find any evidence indicating the Reported Data was incorrect, nor did Dekra find any evidence that, where applicable, the calculation and reporting of data was not in conformance with the guidance and methodology of the GHG Protocol or Hilton’s internal procedures.

### Recommendations

As part of the assurance engagement, Dekra has provided Hilton with a series of recommendations to ensure the continual improvement of the collection, storage, analysis, and reporting of specific sustainability performance data at the corporate and facility level.

**Table 1 – Greenhouse gas emissions**

Indicator	2017 total - MT CO <sub>2</sub> e	Intensity - MT CO <sub>2</sub> e/m <sup>2</sup>	Change from 2016
Scope 1 Direct emissions	505,640	.0236	-3.0%
Scope 2 Indirect emissions (Location-based)	1,811,065	.0846	-6.2%
Scope 2 Indirect emissions (Market-based)	1,785,222	.0834	-7.5%
Scope 1 + 2 emissions (Location-based)	2,316,705	.1083	-5.5%
Scope 1 + 2 emissions (Market-based)	2,290,862	.1071	-6.5%
Scope 3 emissions from Franchises	3,473,170	.1000	-9.7%
Other Scope 3 emissions	2,026,318	---	---

**Table 2 – Other environmental data**

Indicator	2017 total	Intensity	Change from 2016
<b>Energy consumption</b>	<b>MWh</b>	<b>MWh/m<sup>2</sup></b>	<b>%</b>
Managed	6,419,729	.3000	-2.4%
Franchised	10,647,230	.3066	-2.8%
Total	17,066,959	.3041	-2.6%
<b>Water consumption</b>	<b>Megaliters</b>	<b>Liters/m<sup>2</sup></b>	<b>%</b>
Managed	13,372	614.9	-2.1%
Franchised	21,057	606.5	-1.9%
Total	34,429	609.7	-2.0%
<b>Water withdrawals</b>	<b>Megaliters</b>	<b>Liters/m<sup>2</sup></b>	<b>%</b>
Managed	52,628	2,459	-2.1%
Franchised	84,229	2,426	-1.9%
Total	136,857	2,439	-2.0%
<b>Landfilled waste</b>	<b>Metric Tons</b>	<b>MT/m<sup>2</sup></b>	<b>%</b>
Managed	126,180	0.0059	-3.8%
Franchised	257,539	0.0074	4.5%
Total	383,719	0.0068	1.9%
<b>Waste diverted from landfill</b>	<b>Metric Tons</b>	<b>MT/m<sup>2</sup></b>	<b>%</b>
Managed	58,924	.0028	4.5%
Franchised	46,830	.0013	-26.2%
Total	105,754	.0019	-12.1%
<b>Waste diversion rate (%)</b>			
Managed	32.0%	---	1.9%
Franchised	15.4%	---	-5.1%
Total	21.6%	---	-2.6%

**Table 3 – Social impact data**

Indicator	2017 total
Disaster relief funds distributed to Hilton Team Members through the Hilton Responds Fund (USD)	\$1,015,305
Hours volunteered by Hilton Team Members	267,355 hours
Grants distributed to Hilton properties through the Travel with Purpose Action Grant program (USD)	\$397,000
Youth impacted through Hilton's Open Doors pledge	189,415 young people



Attested By:

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### **About Dekra**

DEKRA Certification, Inc. is an ANSI-ASQ National Accreditation Board (ANAB) accredited Certification Body and conforms to the requirements of ISO 17021-1:2015: covering the auditing and certification of management systems. Dekra has certified Hilton to the ISO 9001, 14001, and 50001 standards since 2010. Two key principles for Certification Bodies are Impartiality and competence.

Dekra did not assist or consult with Hilton at any time in generating the Reported Data within the scope of the assurance statement. Dekra has procedures in place to ensure its work is free from bias and is not unduly influenced by outside parties. The Dekra employees and contractors who participated in assurance activities were free from personal, financial, or other relationships that would potentially compromise their impartiality.

Likewise, the personnel who performed assurance activities were all experienced environmental and energy auditors. The competence of these individuals is continually monitored and recorded. All assurance activities were subject to Dekra's peer review and quality assurance processes.