



Hilton
SUPPLY
MANAGEMENT

SUPPLIER DIVERSITY

2022 Annual Report



What is HSM?

As the world's leading hospitality procurement, logistics and end-to-end supply chain provider, HSM delivers sourcing and strategic solutions to more than 14,000+ properties around the world. Our experts leverage HSM's global size and scope to drive massive economies of scale, making the connection for our customers between operational efficiency and incredible value.

We also seek out partnerships with best-in-class suppliers, and we strive to make authentic connections with the small and diverse businesses that enhance our global network. We believe the strength of our business, and our trusted reputation, strength stems from our efforts to promote inclusion and economic empowerment—and to date, HSM has established relationships with nearly 2,400+ diverse suppliers, adding 288 new partners to our network in 2022.





Commitment to

DIVERSITY & INCLUSION

Last year was a season of both recovery and resurgence for the travel and supply-chain industries. We were excited to have our Supplier Diversity team back on the road in 2022, networking with prospective new partners and representing Hilton at in-person conferences and learning events across the country. The continued diversification of our supplier network is one tangible way we are evolving Hilton's global brand to better reflect and represent the world at large,

and the opportunity to connect and collaborate with industry peers helped us accelerate our efforts in this space. Our company was founded on the noble premise that travel can make the world a better place—and Hilton is proud to play a part connecting local communities, globally, and promoting a deeper understanding of cultures from every corner of the world.

HSM's award-winning Supplier Diversity Program is the cornerstone of our commitment to engage individuals from all cultures, communities and walks of life. Since the program's inception, we have helped effect lasting positive change for more than 2,400+ small, disadvantaged or minority-, veteran-, LGBTQ-, women- and disability-owned businesses. In 2022, our supplier spend with these valued partners exceeded \$334 million.

SUPPLIER DIVERSITY

PROGRAM 2022 YEAR *in review*



BY 2030, WE WILL
DOUBLE OUR SOURCING
 FROM DIVERSE SUPPLIERS



2,400+
 TOTAL DIVERSE
 BUSINESSES



288
 NEW SUPPLIERS



14,000
 PROPERTIES

\$334
MILLION
 13.3% DIVERSE SPEND



2022 AWARDS



HISPANIC network

Black & Journal

Professional WOMANS magazine

DIVERSEability

PROGRAM OVERVIEW



Our overarching commitment to our suppliers is that we want to help them succeed. And, for small, diverse and disadvantaged businesses, meeting these suppliers where they are is often integral to their success. That's why our Supplier Diversity Program reflects a range of initiatives designed to bolster the financial, educational, technological and social reach of these partners who are vital to our own success.

Advocacy, Outreach and Engagement

Our Supplier Diversity team had a strong presence at in-person learning events in 2022, making the new and necessary connections to further diversify our growing network of global suppliers. Other outreach components include the following:

- Mentorship pairings
- Matchmaking events
- Public policy/advocacy work
- Local activations
- Supplier scholarships to attend conferences and workshops
- Influencer collaborations

Contracting and Terms

Modified Payment Terms for Eligible Suppliers

We understand that consistent cash flow is essential to the strength of a small business, and we work to adopt flexible terms for debt incurred while doing business with Hilton or HSM.

Amended Insurance Requirements for Certified Businesses

We recognize that our standard-insurance policy requirements may exceed the reach of businesses newly entering our market, so we offer amended insurance caps on a case-by-case basis to certified small and diverse suppliers that are best prepared to take on Hilton business.

Technology and Reporting

Created Instant Global Network Through SmartSpend

Powered through Coupa's Inclusion Initiative, our SmartSpend Diversity package empowers category managers to find, select and direct spend to hundreds of thousands of diverse and inclusive suppliers.

New Memberships

Joined Minority Supplier Development U.K.

New this year, we've expanded our program's reach overseas through our partnership with MSDUK—the U.K.'s leading supplier diversity advocacy organization, bringing together high-growth ethnic minority businesses with global corporations committed to creating inclusive and diverse supply chains.



ECONOMIC

Impact Report

3,164

**Total jobs supported
by Hilton Diverse
Supplier Spend**

\$194,587,420**

**Total value added to the
U.S. Gross Domestic
Product (GDP)**

\$468,824,362*

Wages paid on those jobs

\$346,298,411***

Total economic output

*Wages are determined based on NAICS code of the supplier.
**Impact based on government-issued factors per NAICS and State.
***Total output based on national economic multiplier.



1,086

**Women-owned
businesses**



**153
(incl. DVBE)**

**Veteran-owned
businesses**



1,141

**Minority-owned
businesses**



13

**LGBTQ-owned
businesses**



44

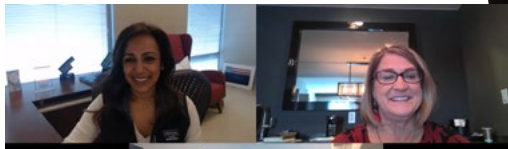
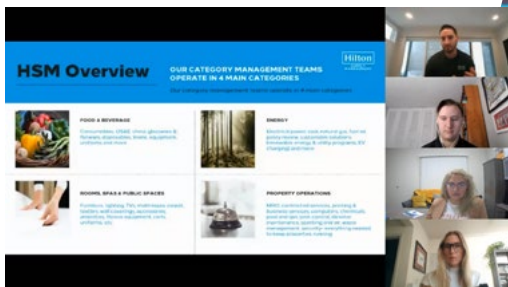
**Persons with
disability-owned
businesses**



2,169

**Small
businesses**

Note: Businesses may hold multiple certifications.



SUPPLIER DIVERSITY SUMMIT

One way we continue to raise the bar and lead within our industry is through HSM’s annual Supplier Diversity Summit, now entering its fifth year. Held in December, last year’s engagement and education event for diverse suppliers saw our highest Summit participation to date, with 350+ new and existing supplier partners tuning in to take part.

In addition to virtual networking opportunities and category-specific breakout sessions, our Supplier Diversity team highlighted a number of new partnership opportunities designed to drive small and diverse businesses forward using the power of the Hilton engine. Attendees also got a crash course in all things HSM, a sneak preview of our anticipated supplier needs in 2023, and some expert insights on the benefits of diversity certification.



GROWING **OUR NETWORK** *and our knowledge base*

With the resurgence of in-person learning opportunities, our Supplier Diversity team was back on the road in full force in 2022, connecting with fellow advocates and allies across the country to listen, learn, share best practices and innovate new ways to promote diversity and inclusion in the business sector.

In under a decade, HSM has established relationships with 2,400+ suppliers through our award-winning Supplier Diversity Program, adding 288 new partners to our network just last year.



EVENTS & CONFERENCES

USBC WOMEN'S HISTORY MONTH LUNCHEON | March 24: Washington, D.C.

Our team was honored to attend the annual luncheon recognizing USBC's 2022 "Power 50" honorees and the skills they contribute to their companies, communities and families.

USHCC LEGISLATIVE SUMMIT | March 29-31: Washington, D.C.

Our Supplier Diversity team engaged in networking and advocacy events, connecting with leaders from the United States Hispanic Chamber of Commerce during the USHCC's annual Legislative Summit.

NAVOBA BOARD RETREAT | April 3-6: San Diego, CA

We attended the National Veteran-Owned Business Association's spring board retreat, meeting with industry peers to discuss new opportunities to uplift veteran-owned businesses.

ECRM MATCHMAKING SESSION | April 7-8: Virtual

We connected with 100+ diverse suppliers in a virtual matchmaking session centered on innovative food and beverage products.

USPAACC CELEBRASIAN BUSINESS + PROCUREMENT CONFERENCE May 25-27: Washington, D.C.

Team HSM joined 400+ attendees at the 2022 CelebrASIAN—the country's largest and longest-running business development and procurement conference, convened by the U.S. Pan Asian American Chamber of Commerce.

WBENC NATIONAL CONFERENCE | June 7-9: Atlanta, GA

Our team connected with several thousand women-owned-businesses leaders at the annual Women's Business Enterprise National Council conference.

NMSDC MATCHMAKING SESSION | June 29: Virtual

The HSM team connected with 75+ minority-led suppliers in a virtual matchmaking session hosted by the National Minority Supplier Development Council.

NABHOOD INTERNATIONAL SUMMIT | July 13-15: Miami, FL

The HSM team engaged with developers, hotel operators and fellow program leaders at the National Association of Black Hotel Owners, Operators & Developers 26th Annual International African American Hotel Ownership & Investment Summit.

DISABILITY:IN GLOBAL CONFERENCE & EXPO | July 18-20: Dallas, TX

We attended the industry's leading corporate disability inclusion event to learn and discuss new opportunities to support, uplift and onboard disability-owned business enterprises.



NMSDC PROGRAM MANAGERS MEETING

July 20-22: Dallas, TX

Our Supplier Diversity team convened in Dallas for a multi-day learning event with industry peers, hearing and sharing best practices to build up the supplier diversity industry as a whole.

NGLCC NATIONAL CONFERENCE

August 2-5: Las Vegas, NV

HSM was well represented at the annual B2B conference hosted by the National LGBT Chamber of Commerce, featuring three days of networking, learning events and recognitions of accomplishments within the LGBT+ business community.

THE FAMILY REUNION

August 18-20: Middleburg, VA

HSM took part in the third annual Family Reunion event, an immersive F&B experience celebrating diversity and top talent across hospitality's culinary scene.

RANGEME SUPPLIER DIVERSITY SUMMIT

Sept. 13-14: Virtual

Our Supplier Diversity team engaged with 50+ suppliers at the 2022 RangeMe Supplier Diversity Summit, created to improve and grow partnerships with minority brands by providing a platform that allows for easier connections between buyers and diverse suppliers.

USHCC NATIONAL CONFERENCE

Oct. 2-4: Phoenix, AZ

Members of HSM's Category Management and Supplier Diversity teams attended the United States Hispanic Chamber of Commerce annual conference, and presented to conference attendees during a virtual breakout session.

NMSDC CONFERENCE & TRADE SHOW

Oct. 29-31: New Orleans, LA

Our Supplier Diversity team networked with more than 8K+ industry peers at the year's largest Supplier Diversity event, hosted by the National Minority Supplier Development Council.

NGLCC BEST OF THE BEST LUNCHEON

Nov. 17: Washington, D.C.

HSM was recognized as a Top 3 leader in our industry by NGLCC and WBENC at the 2022 Best of the Best Luncheon, where our Supplier Diversity team represented us and received this honor.

HILTON SUPPLIER DIVERSITY SUMMIT

Dec. 13: Virtual

HSM concluded our year of conferences, networking and educational events by hosting Hilton's annual Supplier Diversity Summit, featuring virtual networking opportunities, six breakout sessions, enriching group discussions and and attended by 600+ registrants.





MEASURING OUR SUCCESS

As part of our publicly stated 2030 Travel with Purpose Goals, Hilton has committed to doubling our sourcing spend from local, small- and medium-sized enterprises and minority-owned suppliers for managed hotels and corporate offices by 2030. To further support these objectives, Hilton established the Supplier Diversity Council, which provides guidance and recommendations to help us maintain a robust and inclusive supply chain. The council meets quarterly and works closely with Hilton’s leadership team to ensure the prioritization and development of diverse suppliers.

In an effort to impart accountability and trackability, Supplier Diversity-specific KPIs are built into the Hilton Supply Management business plan and evaluated monthly. Measuring and monitoring our process allows us to identify category trends, recognize new suppliers and analyze spending trends with a goal of using that information to increase the number of diverse partners and the dollars spent with them. Our progress is also monitored by senior management and the Board of Directors to ensure accountability and foster growth.

LOCAL ACTIVATION, GLOBAL IMPACT



At Hilton, we believe that by engaging with community members and organizations on a local level, we can better understand each community's specific needs, tailor our initiatives and programs accordingly, and make a lasting positive impact as a trusted partner in hospitality.

By establishing trust, we can foster a sense of mutual respect and collaboration—which, in turn, helps us identify the potential for long-lasting partnerships. We have directly experienced the success of this approach through our relationships with local suppliers and small businesses such as Brand B Sports, Appointed and B. Stuyvesant Champagne.

Take Appointed, for instance. Founded in 2016 and based in Washington, D.C., this purveyor of exceptional paper goods first caught the eye of Hilton's Chief Human Resources Officer, Laura Fuentes. Laura initially ordered Appointed planners for her department, which spurred HSM to place an order for our team, who was inspired to purchase more planners as a thank-you gift for attendees at a Women Leading Travel & Hospitality event. Appointed's growing momentum within Hilton is a great example of how local supplier relationships can start small and result in a bigger impact down the road.

By making connections between our participating properties and local companies in their areas, we are strengthening the local ecosystem and economy while promoting greater diversity and inclusion across our supply chain. Put simply: We all win.

Interaction with local, small businesses is fundamental for properties, helping them to establish a community presence and build relationships with guests.

Small businesses can benefit by partnering with properties to serve unique guests' needs in diverse local communities.



THINKWELL CREATIVE

"When I founded Thinkwell in 2001, Hilton was one of our very first clients. And for the past 22 years, I've had the distinct pleasure of growing my business both within, and beyond, the bounds of Hilton, and watching both of our organizations realize meaningful professional milestones all along the way. I'm also a Diamond member who loves to travel, so I think it's safe to say I bleed Hilton blue!"

MARISSA LOPER

President & Chief Word Nerd | Thinkwell Creative

BIO

Thinkwell Creative is a full-service marketing and communications company headquartered in Memphis, Tennessee. A certified WBE, Thinkwell is comprised of wordsmiths, graphic designers, filmmakers, and marketing and communications mavens whose business is making your business look good. By combining gorgeous graphic design and videography with powerful, to-the-point messaging, Thinkwell has mastered the art of impactful storytelling. Clients seek out Thinkwell for everything from branding, business plans and digital media strategy to speechwriting, taglines and compelling presentations.

RELATIONSHIP OVERVIEW

Hilton began contracting with Thinkwell in 2001, and (for more than two decades), the two companies have been partnering on projects ranging from new brand launches and global conferences to trainings, web design, videos and comprehensive campaigns. Thinkwell's small business status makes them a preferred partner for Hilton and HSM, as the agency's smaller size better positions the team to anticipate client needs, offer insights as a strategic thought partner, pay exacting attention to detail and adapt quickly when projects shift direction.





ECOVADIS

“Working with EcoVadis enables our suppliers to outline their ESG practices, identify potential risks, develop programs to help mitigate those risks and advance their own sustainability initiatives—all while informing our overarching strategy around responsible sourcing as we look at different products and services HSM is bringing to our global customer base.”

ALEX SHOCKLEY

Director of Responsible Sourcing & Sustainability | HSM & Hilton



BIO

Since its founding in 2007, EcoVadis has become the world’s largest and most trusted provider of business sustainability ratings, creating a global network of more than 100,000 rated companies. Their mission is to provide reliable, globally recognized sustainability ratings and insights, enabling all companies to reduce risk, drive improvement and accelerate a positive impact on our planet and society. EcoVadis provides participating organizations with the infrastructure and assessment tools to effectively measure progress toward their ESG goals.

RELATIONSHIP OVERVIEW

In 2021, HSM launched a partnership with EcoVadis to drive more responsible procurement practices, connecting high spend and high-risk suppliers with EcoVadis’ collaborative platform to assess, track and improve sustainability performance. Participating suppliers are assessed, rated and connected with performance-improvement tools, positioning our partners to make strides toward their own ESG goals while further reducing risk across our supply chain. **Hilton also participates in the EcoVadis scoring platform, and (in 2022) we were awarded an EcoVadis Gold Medal for our sustainability practices—ranking us in the top 5% of 100K+ companies assessed.**

THINK UP



“Working with Rob Arnez and the HSM Supplier Diversity team has been so refreshing. They genuinely seek to understand our business, proactively uncover opportunities within the Hilton organization that are a potential match for our services, and shepherd us through the entire process, providing vital updates and suggestions along the way. The sense that we are part of a mutually beneficial relationship has been present from the outset.”

RON DONEY
Founder & CEO | Think Up

BIO

Think Up Consulting elevates the customer experience from the inside out, creating customized solutions that connect the people of an organization to its brand, strategy and culture. A proud LGBT-owned company powered by 35+ dynamic “Thinkers,” Think Up specializes in fueling sustainable growth and incorporating diverse perspectives to deliver next-level results that foster connection, belonging and meaningful progress for those served. Clients seek out Think Up for support navigating change management, talent activation, strategy development, brand delivery, interactive engagements and meetings and events.

RELATIONSHIP OVERVIEW

Think Up and HSM initially connected over several RFPs in the fall of 2021, and (in 2022) Think Up was awarded two Hilton contracts—one with our Brand Performance Support (BPS) team and another with Hampton’s Brand Personality team. Both teams were impressed with Think Up’s work, requesting the agency’s involvement in bids for future projects. Since then, Think Up has continued to deliver high-quality work and has established itself as a valuable partner. The relationship between Think Up and Hilton serves as a model for how small businesses can establish successful partnerships with larger companies and achieve sustainable growth over time.



SMALL BUSINESS BIG IMPACT



Small businesses help the supply-chain world go 'round, driving nearly 45% of economic activity in the U.S., and we love investing in opportunities to celebrate and support the locally owned shops, restaurants and service providers that are so vital to our success. That's why, each year on Small Business Saturday, we encourage—and incentivize—our Team Members to shop and dine locally through HSM's "Shop Small: Win Big" contest.

ERIC ROEBUCK won a free night's stay at any Hilton hotel (plus an extra dose of holiday cheer!).



Eric and his family spent Small Business Saturday choosing the perfect Christmas tree at Hidden Lake Christmas Tree Farm in Port Republic, Maryland. Established by Chuck and Mary Santerre, this family-owned tree farm is run by three generations of the Santerre family and celebrated 20 years in operation last holiday season.

LEADING LASTING CHANGE

from the inside out

2022 Supplier Diversity Awards

Our progress toward greater supplier diversity is a testament to the dedication, ingenuity and persistence of our Team Members. The HSM Supplier Diversity Awards honor those individuals and teams who have gone the extra mile to drive inclusion, engage and onboard new diverse suppliers, support DEI efforts across our organization and champion for lasting change.



EXECUTIVE OF THE YEAR

Bill Duncan | SVP & Global Category Head of All Suites & Focused Service

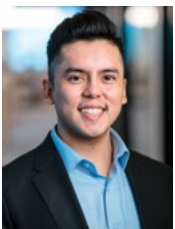
Bill demonstrates tremendous leadership around both diversity and sustainability, working to establish inclusive, responsible practices as a cornerstone of Hilton's All Suites & Focused Service brands. Under Bill's guidance, these brands represent one of Hilton's highest areas of spend with diverse suppliers, thanks in large part to his team's prioritization of partnerships with small and women-owned businesses. Bill continually champions his team's efforts while encouraging them to advance the mission forward.



ADVOCATE OF THE YEAR

Arthur Gong | Analyst Reporting Apps, Hilton Supply Management

Arthur's expertise in data-driven analytics plays a critical role in advancing supplier diversity across the Hilton enterprise. Through his support of our annual DiversityInc submissions, diverse vendor verification efforts, collection of diversity spend data and thoughtful preparation of compliance reports, Arthur keeps HSM well positioned to identify new opportunities to engage and onboard small and diverse suppliers.



PROCUREMENT ASSOCIATE OF THE YEAR

Rob Arnez | Sr. Manager, Corporate Procurement, Hilton Supply Management

Rob's thoughtful representation of HSM at diverse business-focused events, coupled with his steadfast championing of diverse suppliers across all sourcing events, has resulted in countless new connections and opportunities for diverse businesses to extend their global reach with HSM. Rob also serves as an advocate for Hilton's Hispanic Latinx Team Member Resource Group, partnering to create educational programming that advances Hilton's promise of an inclusive workplace.



SPECIAL RECOGNITION AWARD

Brand F&B Team, led by Adam Crocini | SVP & Global Head of Brand F&B

Our Brand F&B team consistently prioritizes supplier diversity as essential to the success of Hilton's F&B strategy. Under Adam's leadership, the team ensures that any new assortments include diverse suppliers providing businesses with the potential for exponential growth while connecting participating properties with high-quality, responsibly sourced goods.

Our COLLABORATORS

HSM works closely with industry leaders in the diversity and inclusion space, collaborating to identify new suppliers for RFP and sourcing events, grow our network of certified diverse suppliers and increase our engagement with other organizations working to advance diversity across the supply chain. These partners play an integral role in our work to create more space at the table, and (in 2022), we were excited to welcome Minority Supplier Development U.K (MSDUK)—our first international partner in diversity—to our growing network of collaborators.





“At Hilton, diversity isn’t a buzzword. Diversity is a value that’s deeply rooted in our culture. That’s why I’m proud of our Supplier Diversity Program, which puts this imperative front and center and helps ensure our supplier base reflects the diverse communities we serve.”

– Anu Saxena, President and Global Head, HSM



To learn more about our
industry-leading Supplier Diversity Program,
visit mysupplymanagement.com.