

“Sustainable Tourism for a Thriving Economy”

U.S. Senate Committee on Commerce, Science, and Transportation Subcommittee on Tourism, Trade and Export Promotion

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I. Introduction:

Chair Rosen, Ranking Member Budd, and Members of the Subcommittee:

My name is Jean Garris Hand and I am the Global Head of Sustainability at Hilton. Thank you for the opportunity to appear before you today to address sustainability in tourism, which I do so on behalf of Hilton as well as the American Hotel & Lodging Association (“AHLA”), of which Hilton is a member.

Over 100 years ago, Hilton, which is today among the leaders in the travel and hospitality industry, was founded on the simple belief that hospitality had the potential to be a powerful force for good. Today, we continue to be inspired by this belief and guided by our responsibility to positively impact the destinations and communities where we operate. As one of the world’s largest hospitality companies, we recognize our responsibility to protect communities and the planet, so the destinations where we operate can remain vibrant and resilient for the next 100 years.

The hotel and travel industries are dynamic. By harnessing its wide-ranging reach and capabilities, we can drive positive change for our environment, local economies, communities, and guests while also helping to create strong financial returns for our owners, investors, and business.

Today, I will demonstrate this industry’s commitment to sustainability, share with you the tangible efforts and best practices being integrated across the entire industry at large which are led by AHLA, with its impactful Responsible Stay program. I will also outline Hilton’s specific commitment to responsible travel, such as its programs to maximize energy efficiency, reduce water consumption, and avoid landfilled waste. Ultimately, I will underscore the critical role that our industry plays in driving sustainability efforts and how we balance the interests of our environment, businesses, visitors, and local communities to foster responsible tourism and build the future of sustainable travel.

II. Overview of AHLA and AHLA Efforts

For more than 100 years, AHLA has proudly represented all segments of the U.S. lodging industry including two million associates, global brands, hotel owners, REITs, franchisees, management companies, independent properties, bed and breakfasts, state hotel associations, and suppliers. As the leading hotel and lodging national trade association, AHLA acknowledges its responsibility to protect the environment, support local communities, and drive economic growth. This is exemplified, in part, by AHLA’s Responsible Stay initiative, a guiding program designed to advance and integrate sustainability practices across our industry. Specifically, Responsible Stay is focused on prioritizing hotels’ environmental sustainability efforts in four key areas:

- Optimizing energy efficiency through operational improvements and adoption of clean energy technologies;
- Investing in waste reduction programs and new, innovative alternatives to reduce, reuse and recycle waste across properties;
- Ensuring the reduction of water usage by implementing water-efficient practices in core areas like laundry, food and beverage, and landscaping; and

- Sourcing responsibly and prioritizing sustainability in supply chains to prevent harmful environmental and social impacts.

By focusing on these core principles, AHLA and its members are united in a commitment to strengthen environmental programs, education, and resources to provide a 'responsible stay' for guests, protect the future of the planet and support communities across the country.

AHLA members, including Hilton, have embraced these principles, leading the effort to reduce environmental footprints, increase the positive impact we have on our communities all while enhancing the guest experience.

III. Overview of Hilton Efforts

Hilton opened our first hotel in 1919 and granted our first franchise in 1965. Today Hilton is one of the leading hospitality companies, with 22 leading lodging brands spanning every segment of the market – luxury, full service, focused-service, premium economy, extended-stay, all-inclusive, and time share vacation properties – encompassing nearly 7,400 hotels with over 1.1 million guest rooms, serving nearly 200 million guests last year in 124 countries and over 460,000 team members globally. Hilton has continuously earned a top spot on Fortune's Best Companies to Work For list and has been recognized as a global leader on the Dow Jones Sustainability Indices for six consecutive years.

Hilton uses several different business models, including franchising, which today is our largest and fastest-growing segment, currently comprising about 87% of all our system hotels globally. This growth provides benefits for all participants in the value chain – our shareholders, our franchisees, their suppliers, and the communities where the hotels are located. This franchise system is comprised of large, sophisticated companies and investor groups as well as individuals and family-owned companies that are in the beginning stages of growing their businesses. This provides a sustained pathway for growth, with strong support for these entrepreneurs as they pursue their goals with the backing of our award-winning brands.

In 2010, Hilton introduced our own industry-leading sustainability framework -- Travel with Purpose -- to drive responsible tourism across our operations, our value chain, and the communities where we operate. Hilton's Travel with Purpose strategy and supporting 2030 Goals aim to drive responsible travel globally while enhancing the long-term value of our company in an evolving world. Guided by science-based targets validated by the Science Based Targets initiative, we are focused on reducing our emissions, creating engines of opportunity within our communities, and preserving the beautiful destinations where we live, work and travel while operating with accountability, integrity, and transparency.

Hilton's Travel with Purpose program is an example of how a company can amplify and support AHLA's Responsible Stay efforts. Travel with Purpose goes beyond reducing the environmental footprint and actively improves both business decisions and community engagement. As part of this initiative, Hilton has pledged to cut our global portfolio carbon emissions intensity by 56%, water use by 50%, and landfilled waste by 50% -- all by 2030. These reductions involve substantial infrastructure modifications, innovative partnerships with renowned sustainability organizations and nonprofits, and investment in local communities worldwide.

By focusing on these areas, hotels can directly lead and drive sustainable travel and tourism that balances the protection of natural resources, economic support, and equitable development. Examples of Hilton's specific commitments and current results include the following.

IV. Four specific best practices

Local and Sustainable Sourcing

With global operations spanning more than 124 countries and territories, Hilton and Hilton Supply Management – our procurement and sourcing arm -- recognize the importance and opportunity to drive positive economic, environmental, and social impact across our supply chain.

This commitment to responsible travel practices is embedded in our daily operations, food and beverage programs, technology initiatives, and robust responsible sourcing programs where we've set ambitious supply chain goals to propel local and sustainable sourcing forward. Our direct engagement with suppliers encompasses comprehensive due diligence processes, ensuring that they share our commitment to responsible business and sustainable operations.

- Half of Hilton's 22 brands have at least one mandatory brand standard that requires properties to source at the local level and we've set industry leading 2030 supply chain goals that are prioritized across the sourcing lifecycle. We've made progress against several of these goals, including sourcing from more than 2,400 women-, minority-, veteran-, disabled- and LGBTQ-owned businesses in 2022.

To date, our supplier spend with these valued partners has exceeded \$334 million. Furthermore, to reinforce these commitments we have made it a priority to require our suppliers to abide by Hilton's Responsible Sourcing Policy, which is included in all corporate and managed property contracts and obligates partner companies to adhere to established standards.

As a final touch, we regularly incorporate sustainability criteria into our sourcing exercises, catalogs, and purchasing data, solidifying our commitment to making responsible sourcing a part of our core identity.

Waste Reduction

I. AHLA's Hotel Kitchen Program as an Industry Resource

Six years ago, the American Hotel and Lodging Association and World Wildlife Fund (WWF), with support from the Rockefeller Foundation, came together to fight hunger and prevent food waste with the launch of Hotel Kitchen. Through research and a series of demonstration projects with properties across the country, innovative strategies were identified to engage staff, partners, and guests in reducing food waste from hotel kitchens.

The Hotel Kitchen toolkit was launched to provide background, tools, and resources to help a property prevent food waste, donate what cannot be prevented but is still safe for people to eat, and divert the rest away from landfills. The toolkit is an easy-to-use guide to help drive sector-wide participation in food waste reduction programs. The toolkit stresses the value of regular training programs, outlines a sequence of practices to develop food waste prevention strategies, and advises on how to collect and share data to adjust and improve performance. In the 12 weeks that followed the launch of this toolkit, AHLA saw 38% reduction in food waste across the hotel industry in the United States. Since the Hotel Kitchen inception, AHLA has had more than 6,000 individuals complete the training series adopted in over a dozen countries.

Reducing food waste at properties does a lot more than feed people and help the environment: it can directly impact a hotel's bottom line, engage staff, and strengthen relationships with customers. The demonstration projects saw at least 3% reduction in food costs. Additionally, according to AHLA, more than 90% of hotel staff reported that they wanted to take action to reduce food waste. And finally, in our evolving world, meeting planners, individuals, and corporate clients are expecting their venues to minimize food waste and work with community partners to donate food.

AHLA, in collaboration with their members, hopes to continue to fight food waste in the hospitality industry and create a positive change in our country.

II. Hilton Waste Reduction

Since 2008 Hilton has seen a reduction in landfilled waste per square meter at our reporting hotels and aims to have a total 50% reduction by 2030.

To ensure this goal is achievable, Hilton launched several unique programs that support its waste reduction efforts across the organization and increase guest understanding of our impact. Launched in 2015, Hilton's Digital Key gives guests the option to bypass the hotel check-in counter, unlock their room and access any

other area of the hotel that requires a key directly via the Hilton Honors app on their smartphones. Since 2020, Hilton's Digital Key program has opened more than 168 million guest room doors, diverting an estimated 183 tons of plastic from landfill.

Through a partnership with Clean the World, the largest global recycler of hotel amenities, Hilton is also proud to have been the first hotel brand to make soap and amenity bottle recycling a brand standard while also becoming the first to set the commitment to send zero soap to landfill. Through Clean the World, Hilton is collecting discarded soap from hotels, distributing reprocessed soap around the world, and diverting millions of pounds of plastic and soap waste from landfills. Hilton operates the largest soap recycling program in the hotel industry, with over 88% of its portfolio participating in soap recycling, including all hotels in the U.S. and Canada. To date, Hilton has donated over six million bars of recycled soap.

As Hilton moves to full-size amenities, its soap and bottle recycling program is also expanding to include full-size bottles in our brand standards. We estimate a 50% reduction in plastic consumption across the board as a result from this transition.

Energy Efficiency

Since 2008 Hilton has seen a 44% reduction in CO2 emissions per square meter among our global portfolio of hotels and aims to reach a cumulative 75% reduction by 2030. Hilton is also supporting hotel owners who are prioritizing the building of resilient, sustainable properties such as Hotel Marcel New Haven, Tapestry Collection by Hilton in Connecticut. Hotel Marcel is the first fossil-fuel free hotel in the United States, powered entirely by renewable electricity. While Hotel Marcel is a strong example of the future of sustainable properties, Hilton is implementing a number of best practices today to make its existing properties as energy efficient as possible, including technology that minimizes energy and water use in unoccupied rooms and common spaces, water efficient appliances, rolling out brand standards to require LED light bulbs, and effective start-up and shut-down procedures for hoods and appliances in kitchens to reduce energy consumption.

In cooperation with Schneider Electric, Hilton has also developed an emissions reduction roadmap, which outlines a phased strategy that prioritizes the implementation of lower cost emission reduction projects, like switching lightbulbs to LEDs, before higher investment projects like replacing chillers or cooling towers with higher efficiency models at the end of life and purchasing offsite renewable power. As a final step, we mitigate whatever carbon is remaining by purchasing renewable energy credits or offsets only after we've made other operational efforts.

These efforts are tracked and reported through LightStay, an award-winning, proprietary sustainability management platform Hilton uses to measure and manage its environmental and social impact across a global portfolio of managed and franchised hotels.

LightStay measures, manages, and reports Hilton's environmental and social performance metrics and progress towards its 2030 Travel with Purpose Goals. We have continued to enhance and customize LightStay with features that include localized risk indices on the most material issues for the company, such as disaster vulnerability, water risk, and biodiversity risk to inform each hotel's priorities. LightStay predicts every hotel's energy, water and waste performance and corresponding costs, and tracks actual consumption against these predictive models.

As a global brand standard, Hilton's nearly 7,400 hotels are required to use LightStay to track its environmental and social impact. In 2019, we achieved Global Sustainable Tourism Council (GSTC) Recognized Standard status for LightStay. And since 2009, our global portfolio of hotels has saved more than \$1 billion in utility costs by measuring and managing hotel energy, water, and waste through LightStay. As of the end of 2022, LightStay data indicated that Hilton reduced carbon emissions intensity across our portfolio of hotels by 44% as compared to our 2008 baseline.

Together, we ran an analysis of our enterprise-wide emissions data and calculated key interventions, their estimated cost and payback, and environmental benefit. This exercise ensures our energy efficiency commitments are both financially and technically feasible.

Water Conservation

In 2022 Hilton activated 20 community water projects – nine of which were completed – to increase clean water access and resilience. Additionally, 100% of hotels were mapped against the World Wildlife Fund’s water risk indices to assess each community’s degree of water risk. To supplement energy efficiency efforts, Hilton has seen a 33.4% reduction in water consumption per square meter since 2008 and is working towards an overall 50% reduction by 2030.

Separately, Hilton plays an active role in elevating water efficiency in stormwater management. To reduce the burden on this city’s stormwater infrastructure and improve water quality, the Conrad Washington, D.C., for example, —features an onsite stormwater management system where it is able to capture 97% of rainfall and use it to irrigate the hotel’s outdoor terraces and to cool its air conditioning towers, many other properties around the world incorporate similar features.

V. Conclusion

Through these efforts, we’re not only making our properties more resilient for the future, creating long term economic support for America’s communities and protecting the beautiful destinations where we operate, but we’re also ensuring that our mission of bringing the light and warmth of hospitality will last another 100 years, and beyond.

Recognizing the profound responsibility hotels bear, Hilton is committed not only to making a positive impact on the planet but also to local communities, business, and customers. We believe these actions as well as future investments in the hotel and hospitality industry will provide a better stay experience for our guests, a cost savings for our owners, reliable returns for our investors and a positive impact in our communities and our environment.

We also acknowledge the significance of allowing the industry to collaboratively shape sustainability decisions alongside those it serves—a principle that is crucial to the success for our initiatives and hotels around America.

As an industry leader, Hilton has consistently aligned with organizations such as AHLA and demonstrated a strong commitment to impactful, measurable, and data-driven sustainability efforts. In addition to aligning our efforts with AHLA’s responsible stay, Hilton drives sustainable travel by collaborating with other industry groups such as the Global Business Travel Association (GBTA) Sustainability Leadership Council, and the Sustainable Hospitality Alliance (SHA), where I serve on the Senior Advisory Council, and the U.S. Travel Association’s Sustainable Travel Coalition.

The soaring demand for sustainable travel experiences is a testament to the enduring importance of these efforts.

Together with our industry partners and guided by our Travel with Purpose strategy, we look forward to strengthening our collective efforts to protect the communities and destinations we serve while creating a more responsible stay for our guests.

Thank you, and I look forward to your questions.