

Hilton

Strength Where It Matters

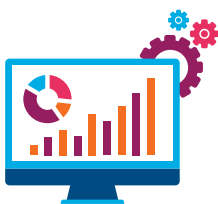


**2020
Annual
Report**

Strength Where It Matters

In a resilient business model

Our strong balance sheet and quick, decisive actions ensured our ability to navigate the challenges of 2020



Behind every door sealed with Hilton CleanStay

Unique innovations driven by an enhanced focus on safety and hygiene for evolving traveler needs brought peace of mind to our guests

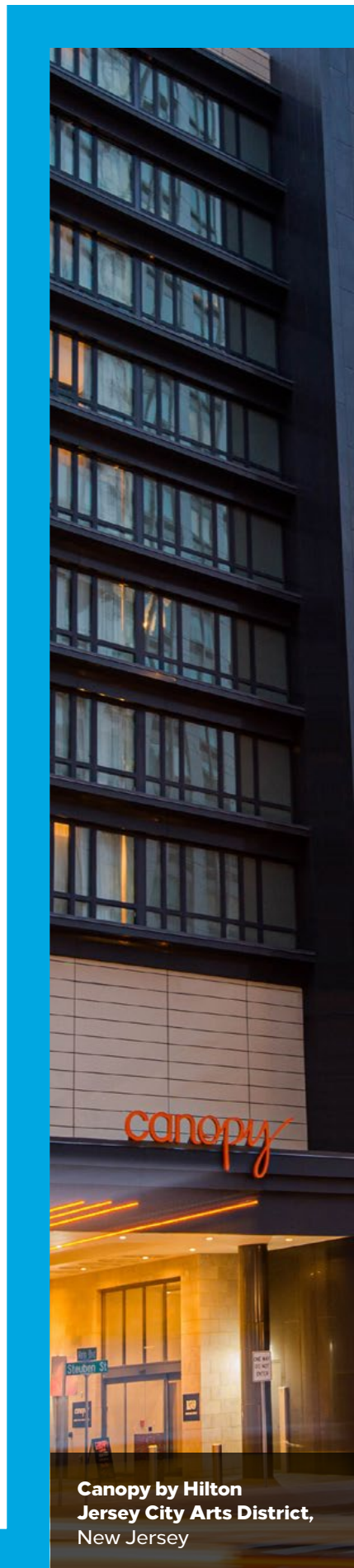
Within one of the world's best places to work

Our purpose-led culture prioritized the safety and well-being of our Team Members



In communities around the world

Through corporate partnerships and grants from the Hilton Effect Foundation, we supported our Hilton family and friends around the globe



Canopy by Hilton
Jersey City Arts District,
New Jersey

“

As I reflect on what has been a challenging period, I remain genuinely optimistic about what the future holds – and am proud of how we’ve responded to the crisis and served all our stakeholders.”

[Watch Video Message](#)



Chris Nassetta
President & CEO

We Are **HILTON** We Are **HOSPITALITY**

Our Vision

To fill the earth with the light and warmth of hospitality – by delivering exceptional experiences – every hotel, every guest, every time.

Our Mission

To be the most hospitable company in the world – by creating heartfelt experiences for guests, meaningful opportunities for Team Members, high value for owners and positive impact in our communities.



Our Values

Hospitality

We are passionate about delivering exceptional guest experiences.

Integrity

We do the right thing, all the time.

Leadership

We are leaders in our industry and in our communities.

Teamwork

We are team players in everything we do.

Ownership

We are the owners of our actions and decisions.

Now

We operate with a sense of urgency and discipline.

Innovation

Strength Where It Matters

Innovation is in our DNA

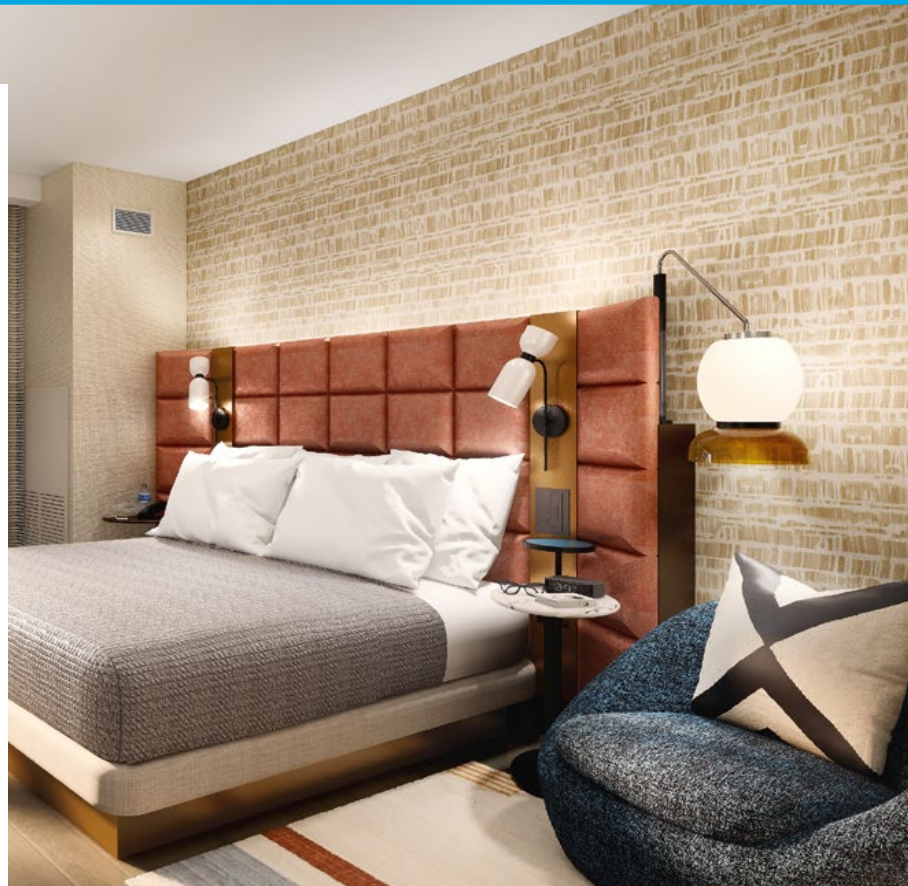
In 2020, the COVID-19 global pandemic shined a light on many of our industry-first innovations which had already been launched across the portfolio, and allowed us to act quickly to meet the evolving travel needs of our guests.



Hampton By Hilton Manchester Northern Quarter, England

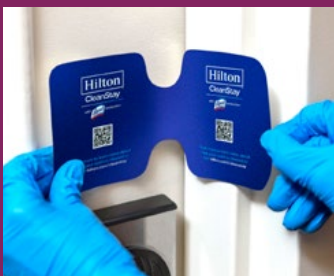
Introducing Tempo by Hilton

In early 2020, we launched our 18th brand, Tempo by Hilton, an approachable lifestyle brand curated to serve a growing segment of “modern achievers” who seek a hotel experience that reflects their ambition. With several hotels currently in development, Tempo by Hilton hotels will inspire guests with mindful in-room experiences, shared spaces that encourage conversation and hearty and healthy dining options.



Peace of Mind with Hilton CleanStay

Today’s consumers have heightened expectations regarding hygiene during travel. To address changing needs and provide our guests with peace of mind, we introduced Hilton CleanStay in partnership with RB, the makers of Lysol and Dettol, building upon our already high standards to deliver new protocols for cleanliness and disinfection in Hilton properties. Experts from Mayo Clinic’s Infection Prevention and Control team advised on enhancements to our processes and Team Member training.



A Safe Gathering Through Hilton EventReady

To address safe group travel practices and evolve the event experience, Hilton launched an extension of Hilton CleanStay specifically focused on global meetings and events, Hilton EventReady with CleanStay. This customer service program offers cleanliness protocols, book-to-bill flexibility, and safe and socially responsible solutions to host meetings and events.





A Contactless Experience Fueled by Hilton Hospitality

In 2015, Hilton introduced Digital Key, an industry-first innovation that gives guests the option to bypass the hotel check-in counter by digitally selecting and accessing their room via the Hilton Honors app on their smartphones. Since then, guests have used Digital Key to open approximately 112 million doors at more than 5,100 Hilton properties.

Our Connected Rooms, which allow Hilton guests to control and personalize their stay from their smartphone, including television programming, lighting, temperature and more, have expanded this year to approximately 26,000 rooms across 210 properties.

Honoring Our Most Loyal Guests



During a time when many of our guests were unable to travel, Hilton remained committed to providing maximum flexibility to our more than 112 million Hilton Honors members who accounted for approximately 60% of system-wide occupancy at year end.

We implemented several enhancements over the course of the year, including:

- Automatically extending Members' Points expiration dates and status tiers
- Rolling over all nights earned in 2020 to count toward Members' 2022-23 tier qualification
- Lowering the 2021 qualification thresholds for each status tier and milestone bonus nights
- Extending benefits for our Hilton Honors American Express card Members



When *a Day* Will Do

The past year has radically shifted where and how the world works. WorkSpaces by Hilton offers a clean, flexible and distraction-free environment for productive remote working. Private day-use rooms include a spacious desk, ergonomic chair, enhanced WiFi and a selection of amenities which vary by hotel. First launched in the United States, United Kingdom and Canada, WorkSpaces by Hilton will continue to expand across our other regions.

WorkSpaces BY Hilton



Value

Strength Where It Matters

in a Resilient, Fee-Based Business Model

As our industry faced the most challenging year in its history, Hilton's global footprint and perspective gave us an early look into COVID-19's impact on our business. This insight allowed us to act quickly to ensure we were equipped to navigate the crisis. With a resilient business model, a strong balance sheet, a robust development pipeline and valued partners who take a long view of our industry, Hilton emerged from 2020 well-positioned for recovery with 96% of system-wide hotels open.



Embassy Suites by Hilton St. Augustine Beach Oceanfront Resort, Florida

Value



“

We expect Hilton to emerge from the challenges of the past year as a stronger, more resilient business that is even better positioned to deliver value in the years ahead.”

Kevin J. Jacobs

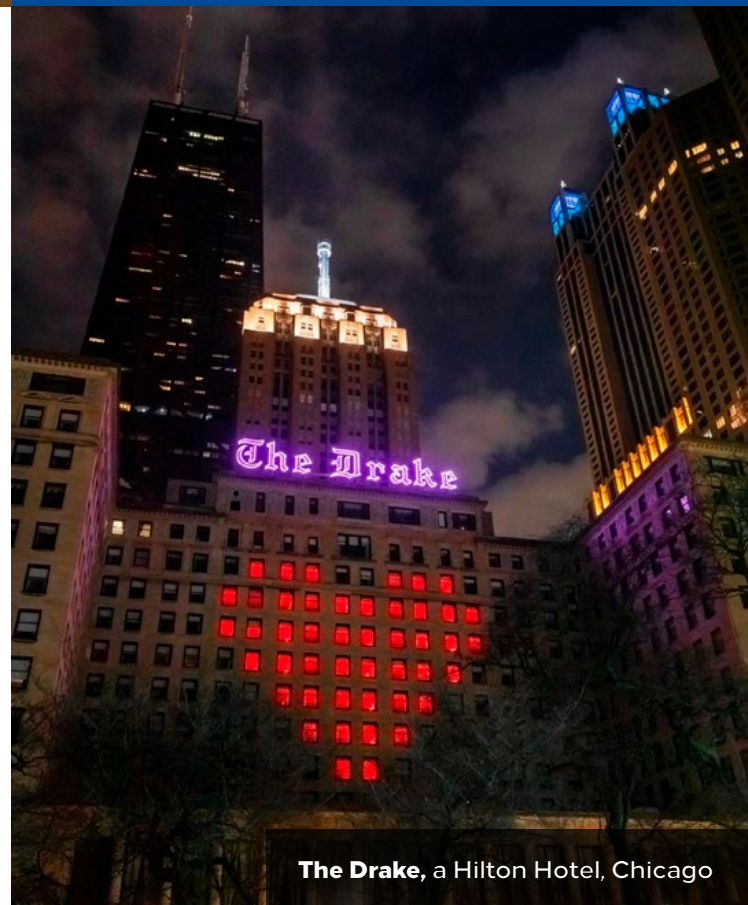
Chief Financial Officer &
President, Global Development

Watch Video Message



Committed to Our Strategic Priorities

In the face of the COVID-19 pandemic, Hilton leadership re-prioritized its strategy to protect our people and our business, while pursuing strategic opportunities throughout the year. Through it all, we continued to lean on our four key strategic priorities – **Lead with Our Culture, Win with Our Customers, Enhance Our Network Effect and Maximize Performance** – but activated on them in different ways as we navigated the crisis and prepared for recovery.



The Drake, a Hilton Hotel, Chicago

Global Growth

Through the pandemic, we continued to see positive growth across the portfolio, with net units up 5.1%, and our pipeline increasing to 397,000 rooms. New additions to our portfolio will be ready to welcome our guests, who are more eager than ever to travel and to create new memories and experiences.

Highlights

The Americas

- Partnered with Resorts World on developing a \$4.3 billion integrated resort in Las Vegas, the largest multi-brand deal in company history and first U.S. city to house all of our luxury brands
- Grew our presence in Argentina with the opening of the Hilton Garden Inn Neuquén
- Welcomed the conversion of the Waldorf Astoria Monarch Beach Resort & Club

Asia Pacific

- Announced a significant new partnership with Country Garden, one of Asia's largest developers, to develop over 1,000 Home2 Suites by Hilton hotels in mainland China
- Surpassed 100,000 open rooms in APAC and opened our 300th hotel in China
- Launched our first Tapestry Collection hotel in Asia Pacific, the Hotel Resonance Taipei



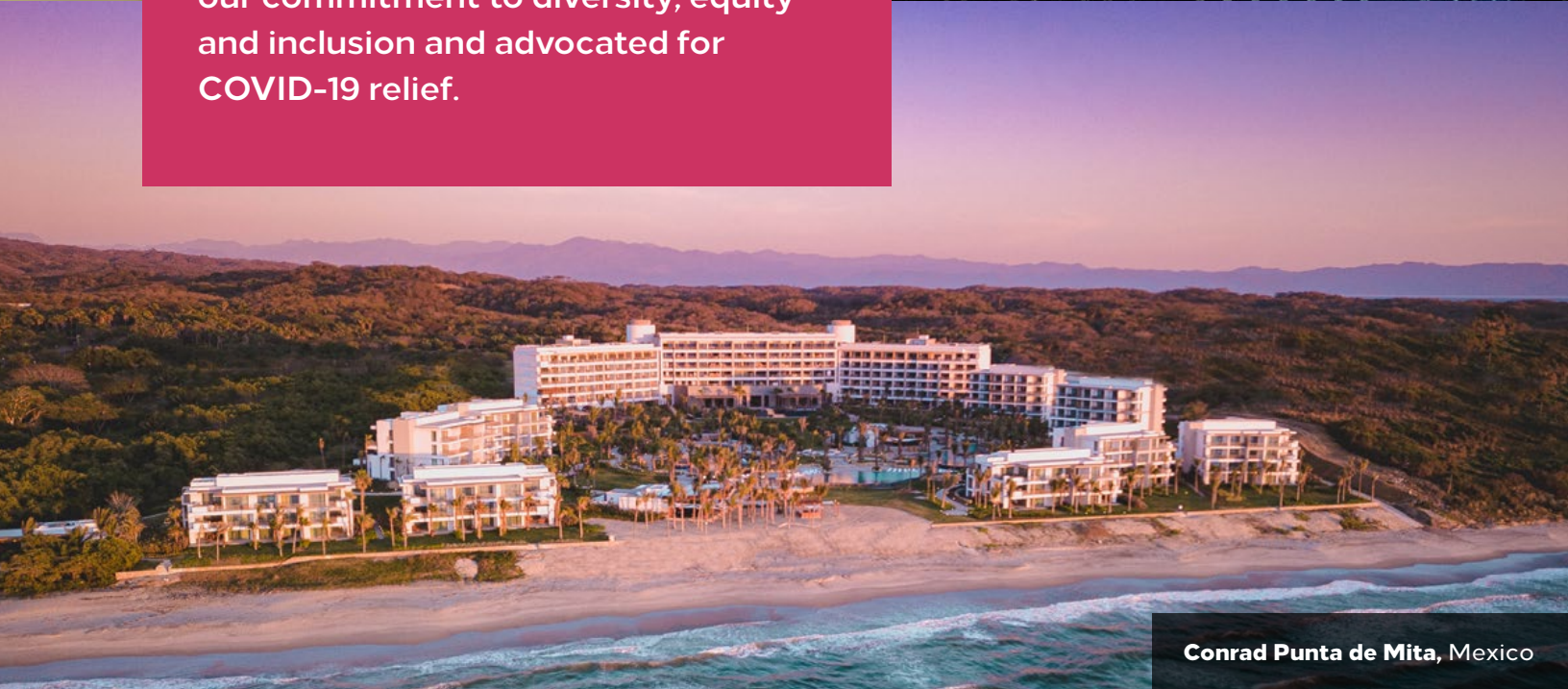
Europe, Middle East and Africa

- Opened the Hilton Garden Inn Faroe Islands, the first internationally branded hotel on the islands
- Introduced Hampton by Hilton to Spain with the opening of Hampton by Hilton Alcobendas Madrid
- Celebrated our return to Abu Dhabi with the opening of Conrad Abu Dhabi Etihad Towers

Strength Where It Matters

Inside One of the World's Best Places to Work

Throughout 2020, Hilton's Team Members remained on the front lines of the COVID-19 pandemic, spreading the light and warmth of hospitality to essential workers and guests all around the world – at a time when it couldn't have been needed more. To support Team Members through this challenging year, Hilton offered many resources, implemented training and safety protocols, strengthened our commitment to diversity, equity and inclusion and advocated for COVID-19 relief.



Conrad Punta de Mita, Mexico



Taking Care

of Our Team Members

Our Team Members were truly inspiring as they offered unwavering hospitality to our guests. At every turn, we leaned into our values and our award-winning culture to navigate an extraordinary environment. Some of the ways we did this included:

- Activating our Team Member Assistance Fund to support those who were directly affected by COVID-19 or had a family member affected by the virus
- Connecting furloughed and former Team Members to career opportunities through the Hilton Workforce Resource Center and a new Hilton Alumni Network portal
- Extending Hilton Honors status to departing Team Members
- Launching new recognition and communications programs – like Hospitality Heroes – to honor our Team Members, and keep them engaged and feeling supported

As a result of these and other actions, Hilton continued to be recognized as a top workplace, even during one of the most challenging years in our history.

Our Award-Winning Culture

- #1 Best Company to Work for in the U.S. 2020
- #3 World's Best Workplace in 2020
- #1 Best Place to Work for Women in the U.S. 2020
- #2 Best Place to Work for Parents in the U.S. 2020
- Best Workplaces in Retail and Hospitality in Canada
- #2 on DiversityInc's Top 50 Companies for Diversity
- Ethisphere's 2020 World's Most Ethical Companies
- 100% Score on Human Rights Campaign Equality Index



Diversity, Equity & Inclusion

How We're Transforming Our Workplaces

At Hilton, we have a long legacy of embracing diversity and inclusion. We were founded on the belief that travel could be a bridge to world peace – that through hospitality, we could bring people together to celebrate different cultures and backgrounds. In addition to the health and economic challenges brought about by the global pandemic, the past year has also served as an awakening to the realities of racial and societal injustice. As we have been doing for many years, we listened to our Team Members and guests and looked to this period as an opportunity to continue taking meaningful, long-term action against systemic racism.

We shared some of the many commitments we believe will help us continue to be a more inclusive workplace, including:

- Adopting measures that will ensure diverse leadership candidates, and further increase the diversity of Hilton's Board of Directors
- Driving continued progress and accountability toward our global representation goals
- Expanding Unconscious Bias and Inclusive & Respectful Workforce training for all Team Members
- Launching a Courageous Conversations series to encourage corporate Team Members and General Managers at our properties to have regular conversations about race

While we have been on this journey for many years, our work here is never done. We will continue to listen to our Team Members, guests and the communities we serve around the world and constantly revisit how we can advance our commitments.

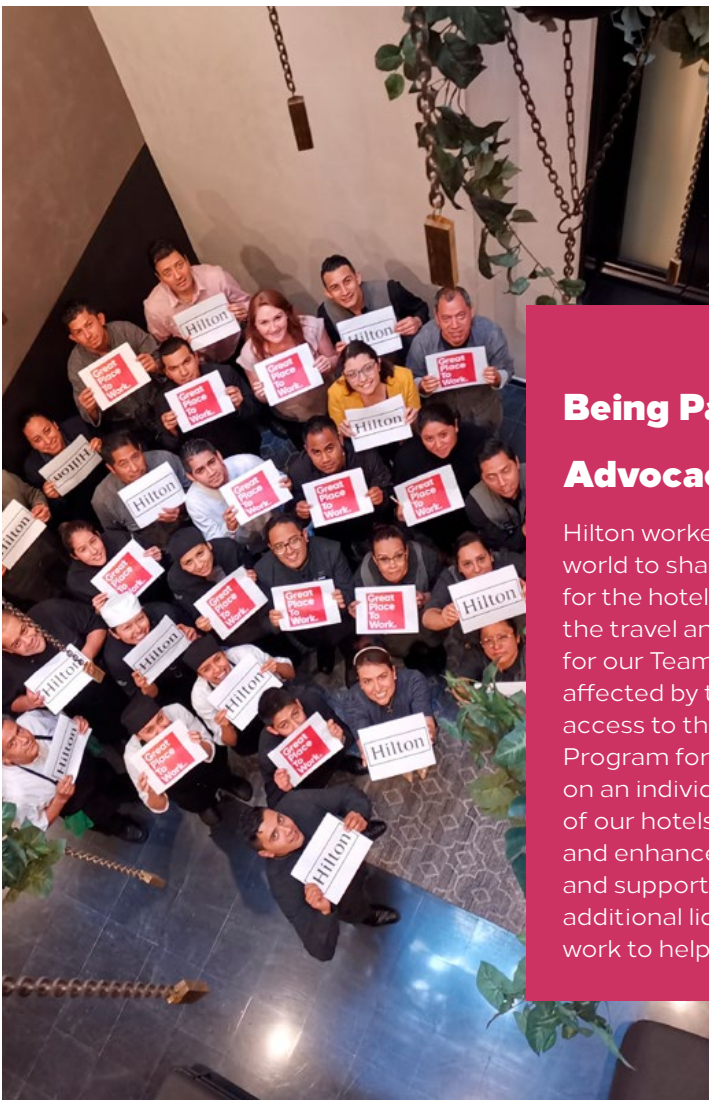


Image taken before the COVID-19 pandemic.

Being Part of the Solution Advocacy for Our Owners and Team Members

Hilton worked tirelessly to engage directly with governments around the world to shape COVID-19 relief legislation and advocate for targeted aid for the hotel industry. The work we have done has been in partnership with the travel and tourism industry; however, we have especially advocated for our Team Members and hotel owners who have been most heavily affected by the COVID-19 pandemic. In the U.S., we were able to secure access to the Small Business Administration's Paycheck Protection Program for our owners, allowing them to apply for forgivable loans on an individual property basis, which proved to be a lifeline for many of our hotels. Additionally, we secured employee retention tax credits and enhanced unemployment benefits to help retain Team Members and support those who were affected. We will continue to advocate for additional liquidity for owners and support for Team Members as we work to help ensure a speedy recovery for the hotel industry.

Strength Where It Matters

Positive Social and Environmental Impact

As one of the world's largest hospitality companies, Hilton recognizes the important role we play in protecting our communities and the planet for future generations. Despite the challenges presented by the COVID-19 pandemic, we remain fully committed to creating long-term value for our business and our stakeholders through our Environmental, Social and Governance (ESG) practices. We drive responsible travel and tourism globally through our Travel with Purpose strategy and Hilton Effect Foundation. We believe that as the world recovers, the need for environmental and social leadership will be greater than ever, and we are committed to making a difference.



DoubleTree by Hilton Hotel Alice Springs, Australia



Highlights



#1

Global Industry Leader on the Dow Jones Sustainability Indices for the past two years

\$1M+

Donated in support of COVID-19 community response

124,500

Team Members trained in anti-human trafficking

1.6M+

Team Member volunteer hours since 2017



Love Beyond Walls, a 2020 Hilton Effect Foundation Grantee, works to increase access to clean water and soap for people experiencing homelessness.

Opening Our Kitchens and Reducing Food Waste

As demand from restaurants and caterers dwindled during the pandemic, food rescue organizations were faced with a surplus of donated bulk food and increasing community needs, but limited storage and preparation capacity. To help solve this problem, five of our hotels in the U.K. partnered with Open Kitchens to store and distribute food to those in need. The Hilton London Metropole, Hilton's largest hotel in the U.K., served as a community kitchen, and in 2020 the hotel's chefs prepared over 30,000 meals for distribution to the homeless, children who rely on free school meals, the elderly and those living in isolation.



Hilton Effect Foundation Grantees



Launched in 2019 with the aim of creating a better world to travel, the Hilton Effect Foundation is our primary global philanthropic arm. In 2020, the Hilton Effect Foundation awarded 23 Hilton Effects Grants to organizations driving inclusive COVID-19 recovery and community resilience. The Hilton Effect Foundation's grants aimed to address some of the most urgent humanitarian needs arising from the pandemic: food security, sanitation/hygiene, economic security and clean air and water. Consistent with Hilton's commitment to respecting human rights, driving racial equality and promoting inclusive growth for all, the Foundation prioritized organizations addressing these needs, while also directly supporting minority populations and other vulnerable communities that have been disproportionately affected by the pandemic.

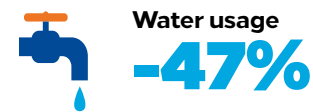
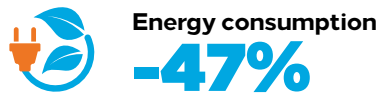
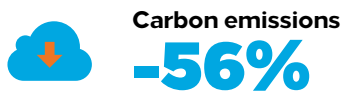
Meet the 2020 Grantees



Impact

Highlights

Since 2008, we have reduced our impact*:



*Improvement in these measures is partially attributable to the reduction in system-wide occupancy as a result of the COVID-19 pandemic.

Helping Our Frontline Medical Heroes

In partnership with American Express and our ownership community, Hilton committed to donating up to 1 million hotel room nights across the U.S. to frontline medical professionals leading the fight against COVID-19. Rooms were made available to doctors, nurses, EMTs, paramedics and other frontline medical staff who needed a place to sleep, recharge or isolate. Additionally, through a \$1 million contribution from American Express to José Andrés' World Central Kitchen (WCK), we partnered to provide healthy, freshly prepared meals to the frontline healthcare professionals who stayed at participating Hilton properties in cities across the United States during the coronavirus pandemic.



Getting Supplies to Those in Need

When the pandemic hit, our hotels and corporate offices around the world worked to identify local organizations and communities in need, and quickly deployed their services. The Hilton Buenos Aires donated breakfasts to medical staff at a local hospital. Our hotels across Southeast Asia and India upcycled linens to make face masks through Diversey's Linens for Life Face Masks Program. Corporate Team Members assembled more than 15,000 Clean the World hygiene kits for organizations in Memphis, Dallas and Washington, D.C. And members of our Hilton Reservation and Customer Care team used their customer service skills to connect with homebound seniors in partnership with Meals on Wheels.



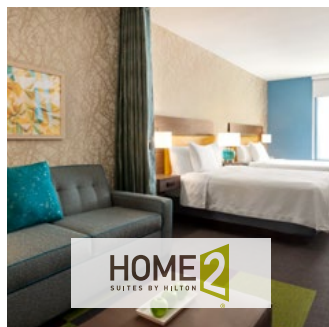
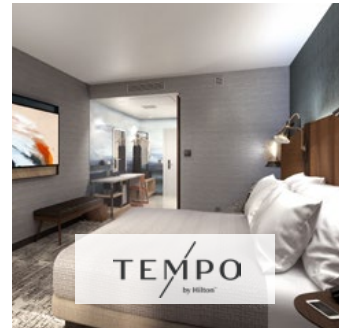
Reducing Our Environmental Footprint

In 2020, we experienced a significant decrease in utility consumption across our global portfolio, primarily as a result of reduced occupancy and complete or partial suspension of operations at our properties. We worked with our hotel teams to deploy operational best practices that further reduced our environmental footprint in times of low occupancy. In alignment with our science-based targets, we also took several steps to increase our sourcing of renewable energy at our hotels around the world. We also maintained our portfolio-wide certification to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 50001 (Energy Management), one of the largest ISO-certified building portfolios in the world. As travel returns and our hotels re-open for business, we will continue to reduce our footprint in line with our Travel with Purpose 2030 Goals.



Please visit our dedicated [Travel with Purpose website](#) for more information on our programs, including our Travel with Purpose 2030 Goals and our [2020 ESG Report](#). To learn more about Hilton's community grantmaking, visit our dedicated [Hilton Effect Foundation website](#).

Our Brands



Stockholder Information

Stock Market Information

Ticker Symbol: HLT
Market Listed and Traded: NYSE

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Annual Meeting of Stockholders

May 19, 2021

www.virtualshareholdermeeting.com/HLT2021



Board of Directors

CHRISTOPHER J. NASSETTA

President, Chief Executive Officer & Director, Hilton

JONATHAN D. GRAY

Chairman of the Board of Directors, Hilton; President & Chief Operating Officer, Blackstone

CHARLENE T. BEGLEY

Former Senior Vice President & Chief Information Officer, General Electric; Former President & Chief Executive Officer of Home and Business Solutions, General Electric

CHRIS CARR

Chief Operating Officer, sweetgreen

MELANIE L. HEALEY

Former Group President, The Procter & Gamble Company

RAYMOND E. MABUS, JR.

United States Secretary of the Navy 2009-2017; Former Governor of Mississippi; Former U.S. Ambassador to the Kingdom of Saudi Arabia

JUDITH A. MCHALE

President & Chief Executive Officer, Cane Investments; Former President & Chief Executive Officer, Discovery Communications

JOHN G. SCHREIBER

President of Centaur Capital Partners; Retired Partner & Co-Founder, Blackstone Real Estate Advisors

ELIZABETH A. SMITH

Former Chief Executive Officer, Bloomin' Brands; Chair of the Atlanta Federal Reserve Board

DOUGLAS M. STEENLAND

Former Chief Executive Officer, Northwest Airlines; Lead Independent Director, American International Group



[Click here](#) for more information about Hilton's Leadership Team.

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