

Hilton Family of Hotels Sustainability Backgrounder

Sustainability Mission

The Hilton Family of Hotels will manage our business through a lens of sustainability to benefit this generation and those that follow. Through action and innovation, we will lead our industry in products and programs that:

- Enhance the guest experience
- Engage our employees
- Improve operational efficiency
- Advance building design
- Strengthen our partnerships
- Serve our communities
- Protect our global environment
- Enrich our family of brands

Environmental Sustainability Policy

The Hilton Family of Hotels recognizes our environmental responsibility and is committed to improving our performance towards a sustainable future.

To ensure sustainable business practices in the countries in which we operate around the globe, we will:

- Embrace an environmental mission and strategy that encompasses each and every team member
- Focus upon our key environmental commitments: energy efficiency, CO2 reduction, water efficiency, waste reduction, chemical reduction and more sustainable building design and operations
- Engage our team members through training, tools and active involvement
- Set targets, measure, benchmark and continually improve our performance
- Share best practices and comply with relevant local, national and international legislation
- Liaise with our suppliers and business partners to improve their environmental performance
- Influence land use in harmony with nature and construction by promoting the use of environmental standards



- Communicate our environmental achievements to our team members and guests
- Publish our performance against our established targets
- Support environmental initiatives within the local community

Primary Commitments

During the next five years the Hilton Family of Hotels will commit to a range of measurable sustainability improvements from the direct operations of the hotels we own and our corporate offices.

	Target
Energy	Reduce by 20%
CO2	Reduce by 20%
Waste	Reduce by 20%
Water	Reduce by 10%

Building and Operations

Although we are announcing no defined metrics at this time, we are also committed to focus on improving the sustainability of our buildings and operations, including building design and construction; operations, chemical management and purchasing.

Alternative Energy

We are also committed to the advancement of renewable energy as a source of power for our operations -- not only to reduce our carbon footprint but to develop a viable commercial infrastructure for powering our buildings.

Baseline for Commitments

- Jan 1, 2009 start date on short-term commitments.
- To include any property in the family that can provide 12 months data for 2008
- We'll evaluate in Q3/4 2008 what to do with new properties coming into the system
- The four major corporate and operations centers will be included

Measurement

- Roll out enterprise wide environmental analysis and tracking tool
- Time Line: Managed Hotels Completed Oct 1, 2008; Franchised Start Oct 1, 2008

Third-Party Certification

At this moment in time we don't have any plans for universal adoption of any of the certification programs that are emerging in the area of sustainability.

After careful consideration of all the leading programs, we have decided to use them as a resource to identify industry best practices which we will then adopt into our own plans and guidelines.

Brand and Operational Standards

For 2009, we will work to revise our brand, operational, and design and construction standards to ensure both internal and external best practices are shared and adopted across our Family of Hotels.

Our internal sustainability team will work with all of our businesses to facilitate and drive this global effort, working closely with our brands and operational teams to ensure we do what's right for the individual brand while ensuring a consistent sustainability message across the Family.

Guests

Successful sustainability means that our guests will not have to compromise any part of their travel experience because we are trying to do the right thing.

Our focus will be on innovation that enhances the guest experience while meeting the new standards for sustainability that our guests are demanding, and making it easier for them to bring sustainable decision-making into their own lives, even beyond their stay with us.

Communities

Our goal is for the Hilton Family of Hotels to be seen as leaders within the communities in which we operate on all issues of sustainability.

We will be seen as a business that gives back to our communities and the environment more than we take from them.

Training/Team Members

Educational and engagement programs are in development for all of our brands and team members, including online learning, centralized web content, and various training modules.

Sustainability is a business discipline that every one of us must master and factor into our daily activities and decision-making processes.

Sustainable innovation also provides an opportunity to improve the well-being and productivity of all team members through initiatives to use fewer chemicals and create better work facilities as we drive sustainable practices throughout the business.

What's Hilton Doing Now?

While we are announcing in 2008 a global commitment, mission and goals toward sustainability, we have long been pursuing sustainable practices.

Following are highlights of various activities underway within the Hilton Family of Hotels and are not meant to represent a comprehensive list.

Energy Efficiency

Several years ago, Hilton implemented an energy efficient lighting retrofit program for its guest rooms. By using state-of-the-art compact fluorescent and other lighting technology, we provide an environment that our guests desire while significantly reducing our use of the natural resources that are utilized to power these products.

The average guestroom has 750 watts of lighting using incandescent bulbs. After our retrofit the room has approximately 220 watts for a reduction of 70%, while actually increasing the level of light, making the room brighter for our guests.

These company-wide efforts over the past decade have allowed us to conserve millions of watts of electricity, on an annualized basis, without impacting the comfort of our guests.

First Fuel Cell Installed Atop a Hotel

Hilton New York, a prime 1,980-room property of Hilton Hotels Corporation (HHC) in New York City, completed the rigging of a PureCell™ Model 200 Commercial fuel cell power system, one of the cleanest power generating technologies available today.

Nearly three times more energy efficient than the electric grid when used in combined heat and power applications, the fuel cell will operate without combustion to continuously provide power and domestic hot water for hotel operations. Hilton New York installed the PureCell system on May 20, 2007, now a part of Hilton Hotels Corporation global sustainability commitments.

Hilton is actively evaluating and implementing additional alternative energy options in our facilities including solar technology, co-generation, and the use of fuel cells as they become increasingly more affordable and reliable. These technologies will allow us to further decrease our dependence on current energy providers and resources.

The Family of Hotels Exterior Identity Program has moved completely away from neon tubing which can contain mercury. Building signs are now virtually 100% LED which is environmentally friendly. Further, we are moving toward electronic ballasts to power fluorescent sign lighting which reduces energy consumption and in some instances, circuitry.

We are moving toward R-134A refrigerant in large chillers, which is an HFC refrigerant rather than a CFC that contains chlorine and will be phased out over time. We are evaluating R-410A, which is a refrigerant for the future.

Central Plants for new large hotels use Variable Frequency Drives to reduce power consumption in off peak hours.

HGVC hotels use water source heat pumps on specific projects that inherently have heat recovery capabilities.

In our European region, energy and water consumption already have been reduced by 10% during the last two years. In the U.K. and Ireland, the introduction of carbon-free electricity has reduced CO2 emissions in participating Hilton hotels by more than 64,000 tons, or 56% of our carbon footprint.

Water Conservation

Nearly every hotel within our Family of Hotels takes part in "Conserve to Preserve." By asking our guests when they would like their sheets and towels changed, we save millions of gallons of fresh water monthly while also reducing waste water and the use of chemicals and energy resources.

The linen program enables our guests to decide when the room attendant will change the bed linens. Upon check-in to the hotel, guests are informed (usually by a card placed on the side of the bed) that the bed linens are fresh and clean and that the sheets will typically be changed on each third night of their stay. If a guest elects, they can request to have their sheets changed daily by simply placing the card on the bed or calling housekeeping or the guest service hotline. Thereafter, the room attendant will provide a change of sheets daily.

As part of the Conserve to Preserve Program, another information card is placed on the towel rack along side clean towels. If a guest elects, they can re-hang the used towels on the rack and they will not be laundered daily. If the guest would like the towels changed, they simply place the towels on the floor or in the bathtub. The room attendant will then replace the used towels with clean fresh ones daily.

Laundering linens for our hotels uses an enormous amount of water. Hilton continues to implement programs to provide the latest in laundering equipment that utilize the greatest water reduction technologies. By investing in state-of-the-art equipment, we have reduced the amount of water used to clean every pound of linens from approximately two (2) gallons of water downward to one (1) gallon.

For example, full service occupied rooms on average use 11.5 pounds of linens per room, so a single large, fully-occupied hotel (1500 rooms) with a typical stay of two nights can reduce water usage, through implementation of these programs, by over 17,000 gallons during the two day period.

HHC also has installed restricted-flow showers in hundreds of thousands of guest rooms within its hotels, as well as automated faucets and toilets located within restrooms dedicated to public areas of hotels.

Recycling

In the early 1990's, Hilton instituted the initial company recycling program guidelines, which provided training and specific instructions on how to start and manage a successful recycling program. This program has recently been incorporated into our Engineering manual, and remains in the Housekeeping manual. Both are available to all our Family of Hotels through our internal Intranet site.

One area that is getting increased attention is in-room recycling. Most of the materials collected in guest rooms are recyclable items such as cans, bottles, newspapers, magazines, and office paper. We recently formed a team to re-examine our current efforts to see how we can improve these in-room programs, and give our guests the opportunity to participate.

The hospitality industry has the potential to dramatically reduce the amount it contributes to our landfills. Hotels generate large quantities of recyclable plastics, cardboard, aluminum and steel cans, glass and cooking oil as well as foodstuffs that can be recycled. Through our combined efforts we can all make a substantial and favorable impact on our environment, reducing the waste stream to landfills and related energy usage transporting and processing these products.

First LEED-Certified Hotel in the Industry

The Hilton Vancouver, Wash. is registered with the U.S. Green Building Council and has received a Leadership in Energy and Environmental Design (LEED) rating, becoming the first LEED-certified major hotel in the country.

Hilton Meetings

Enhancements to Hilton Meetings reinforce Hilton's commitment to environmental sustainability. The hotelier reduced the use of chrome in meeting room furniture and fixtures and is using sleek hard surfaces for tables to eliminate the need for linens and the chemicals used for cleaning them. To further support the brand's efforts to increase local sourcing, artwork featured in rooms will be acquired from local artists.

Hilton Meetings is also fully supported by new online event management & meeting planning tools which will help reduce paper waste. In-room signage will provide guests with tips for being an environmentally sensitive meeting participant, such as turning off the lights before

leaving the room and recycling paper when it is an option, and rooms will include eco-friendly meeting collateral made from recycled paper and biodegradable ink. These materials will be placed on self-service stands to eliminate full place settings of notepads and pens, which often create unnecessary waste. To further attempt to reduce waste, notepads will contain lines on both sides of each page.

Hilton Eco-Friendly To-Go Packaging

The **Hilton** brand in spring 2008 announced eco-friendly to-go packaging available to its hotels systemwide, including a 12 oz. Dixie Insulair EcoSmart Coffee Cup for use in lobby complimentary coffee programs (where available) and all restaurants where the Hilton Breakfast is featured and offers a To-Go menu. Additionally, the Hilton Food To-Go Box is 6_ X 9 X 4 and is made from 100% recycled board, and the inks and varnishes are biodegradable. Additionally, it is poly-coated on the inside and is FDA approved for direct food contact.

Complementing this packaging is a very upscale Eco-Friendly Hilton Food To-Go Bag measuring 13 X 7 and made from a revolutionary new product called TerraSkin. A tree-free paper made of stone minerals degrades back into its original source, the powder of stone. TerraSkin uses 20-30% less ink and all inks are environmentally friendly (non-toxic). There is no bleaching involved, and the water used in the process of production is a closed loop. The TerraSkin bag is also waterproof.

Hilton Reservations and Customer Care Work at Home Initiatives

Hilton Reservations and Customer Care (HRCC), Hilton's worldwide network of reservations and customer service contact centers has begun a rapid expansion of their Work at Home initiative, called Hilton@Home. Effectively utilizing advances in technology, HRCC has grown its reservation agents' workforce to 800 team members as of June 2008 and will double that number to 1,600 team members by the end of 2009.

The vast majority of Hilton@Home team members are from the dense traffic urban areas of Texas, Florida, Illinois and Pennsylvania. This initiative will eliminate the daily commute of participating team members – saving fossil fuels, reducing auto emissions, and relieving traffic congestion.

Doubletree Hotels: Reaches 200,000 Tree Planting Milestone With National Arbor Day Foundation, Interactive Museum, Recognition

Doubletree Hotels has worked with the National Arbor Day Foundation since 2002 to engage nearly 100,000 team members and grade school students from more than 150 U.S. and Canadian cities in environmental education and awareness. Through a comprehensive series of educator-approved lesson plans, Doubletree team members continue to encourage a new generation of kids to "think trees" and reinforce the importance of trees in our everyday lives. Because of these efforts, students have learned the importance of the environmental 3 R's – Reduce, Reuse, Recycle and have planted thousands of seedling trees to re-sustainable their schools and neighborhoods. Along with reinforcing promotions with the general public, Doubletree proudly has reached a milestone of planting and donating 200,000 trees through environmental projects that continue to grow with The National Arbor Day Foundation.

Doubletree has an exclusive sponsorship of a three-year, nationwide environmental education project with Arbor Day to offer an interactive museum exhibit that connects tens of thousands of kids with the importance of nature and respect for one of our earth's most vital resources through the Exploring Trees Inside and Out traveling tree museum exhibit.

More than 25 Doubletree hotels and growing have been certified by either their respective state green lodging programs, Green Seal GS-33 certification, Energy Star ranking by the EPA, Green Key program in Canada or Green Hotels Association affiliation.

Hilton Garden Inn® Announces ecotainer™ Cup

Hilton Garden Inn, the award-winning mid-priced hotel brand, in November 2007 announced the introduction of the ecotainer™, an environmentally friendly coffee cup, in more than 340 locations across North America. Developed by International Paper, the cup is the only all-natural hot beverage paper cup available that is coated with a corn-based plastic that requires less energy and generates less greenhouse gas during manufacturing. The corn-based coating also allows the cups to be composted, rather than landfilled.

Hilton in the Walt Disney World® Resort

The Florida Department of Environmental Protection (DEP) today welcomed the Hilton, located in the WALT DISNEY WORLD® Resort, to the Florida *Green Lodging* program. The voluntary state initiative provides the lodging industry with technical assistance, encouraging hotels and motels to adopt cost-saving sustainable practices that reduce waste and conserve natural resources. The Hilton in the WALT DISNEY WORLD® Resort uses ENERGYSTAR® appliances to conserve energy and has implemented paper, cardboard, aluminum and steel can, magazine, plastic, ink cartridge, kitchen grease, fluorescent lamp and soap recycling programs to reduce waste. In addition, the property installed low flow toilets, faucets, and showerheads as well as charcoal air filters.

Hilton LaJolla Torrey Pines

The hotel has received a Certification of Recognition from Energy Star Buildings recommended by NALMCO, IESNA and LDDS and the California Green Lodging Program award.

Doubletree Portland Lloyd Center/1st in Oregon with Green Seal Designation

The Doubletree® Hotel & Executive Meeting Center Portland-Lloyd Center created an innovative carbon offset program with The Climate Trust. This carbon offset program is the latest accomplishment in the Doubletree's systematic efforts to build sustainable practices into its entire operations. The 476-room Doubletree is the first lodging property in Oregon and one of the largest hotels west of the Mississippi to be certified with a Green Seal "green hotel" designation.

To further reduce their environmental impact and overall energy consumption, the Doubletree Portland-Lloyd Center is beginning to take the following steps:

- Retrofit property with high-efficiency condensing boilers, high-efficiency centrifugal chillers, and low-flow showerheads.
- Install demand-based ventilation systems controls, DDC controls and dry-bulb economizers on air handling units, and VSD's on room fan coil unit supply fans.
- Install hydronic economizer for off-season cooling and de-coupled chilled water pumping system.

Allergy-Resistant Rooms/Indoor Air Quality

The Hilton Chicago O'Hare Airport, Conrad Miami and Doubletree Hotel Tucson at Reid Park, Ariz., are focusing efforts on combating air pollutants. All three hotels have created allergy resistant rooms—the Conrad and Doubletree use PURE air purification systems, mattresses and pillow covers that protect from dust and bacteria, specially treated carpet and upholstery and a filtered shower system in several rooms, while the Hilton has 11 rooms it deems "99 percent free of particles and gases". The hotel uses a cork-underlaid hardwood floor, breathable wallpaper, VOC-free paint (volatile organic compounds), particle-board free furniture, chemical-free showerheads, etc., and a 24-hour, real time monitoring system that lets hotel engineers know if air quality changes.

Solar water heating is done at Pointe Hilton Resort Tapatio Cliffs.

Hilton Hotels Corporation Headquarters

- All glass, plastic, paper and aluminum are recycled in Beverly Hills. Team members can use recyclable cups in the common coffee areas.
- Sponsored by Hilton Garden Inn, team members in Beverly Hills can deposit used items into special boxes around the office, including batteries, cell phones, calculators, cameras, PDAs and cordless tools.
- HHC makes sure the items are recycled to help protect the environment and the safety of the community.
- Hilton is proud to introduce a new incentive to using public transportation in the Los Angeles Metro Area. The Premium TransitChek Program will allow team members to pay for their commute, tax-free, by electing up to a \$110 per month for your transit expenses. This elected allowance is taken out of team member paychecks on a monthly basis.

Memphis Operations Center

- The Memphis Operations Center has retrofitted the lighting from T12 to T8 lamps and from magnetic ballasts to electronic ballasts.
- Our janitorial company is required to use Green Seal or certified sustainable cleaning products and vacuums and floor machines that are LEED rated.
- Started a recycling program here (the City of Memphis does not do commercial property recycling) that includes plastic, aluminum, paper, cardboard, batteries (all cell batteries), fluorescent and compact fluorescent lights.
- Installed rain gauges/sensors on the irrigation system so it will not run if it is raining.
- Installed motion sensors in the conference rooms, copy/mail rooms, restrooms and hard-wall offices so the lights go out automatically if the room is vacant.
- Eliminated Styrofoam from the cafeteria and replaced it with biodegradable paper stock.
- Eliminating Styrofoam in the break rooms and notified everyone that we will be stocking biodegradable paper cups in limited quantities in the break rooms and that they should do their part by bringing their own reusable coffee cups.
- Hard-wired restroom dispensers to cut out battery

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