

# Hyatt Hotels - Climate Change 2019

## C0. Introduction

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## C0.1

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## **(C0.1) Give a general description and introduction to your organization.**

References in this report to “we,” “our,” “us,” “Hyatt,” “Hyatt Hotels Corporation,” and the “Company” refer to Hyatt Hotels Corporation and its consolidated subsidiaries.

### About our Company

Hyatt Hotels Corporation, headquartered in Chicago, is a leading global hospitality company with a portfolio of 19 premier brands. We develop, own, operate, manage, franchise, license or provide services to hotels, resorts, branded residences and vacation ownership properties. As of December 31, 2018, our worldwide property portfolio consisted of 852 properties with 211,018 rooms in 60 countries, with brands including Park Hyatt®, Miraval®, Grand Hyatt®, Alila®, Andaz®, The Unbound Collection by Hyatt®, Destination®, Hyatt Regency®, Hyatt®, Hyatt Ziva™, Hyatt Zilara™, Thompson Hotels®, Hyatt Centric®, Hyatt House®, Hyatt Place®, Joie de Vivre®, tommie™, Hyatt Residence Club® and Exhale®. Hyatt directly employs approximately 54,000 people around the world, and provides employment opportunities to another 85,000 individuals through third-party owners and franchise partners. Our purpose, to care for people so they can be their best, informs our business decisions and growth strategy and is intended to create value for shareholders, build relationships with guests and attract the best colleagues in the industry.

### Corporate Responsibility at Hyatt

We support our purpose to care for people to be their best through our commitment to responsible business practices and by adhering to a set of core values, which are respect, integrity, empathy, humility, creativity and fun. Since opening our first hotel more than 60 years ago in 1957, we have always believed that the way we manage our business and operate our hotels defines who we are and what we stand for, and we believe that with our global presence, it is critical that our hotels operate in an environmentally and socially responsible way.

Hyatt's global corporate responsibility platform, Hyatt Thrive, is an integral part of our business and is built on the understanding that our actions can create long-term value for people and the communities where we work and live, while limiting our adverse impact on the environment. We recognize that when our people, communities and planet thrive, so does our business. Environmental sustainability is a core pillar of our corporate responsibility platform, and climate change is a critical focus for Hyatt within this platform. Our 2020 environmental sustainability vision includes a range of goals, including goals to reduce greenhouse gas (GHG) emissions, energy and water consumption, and waste at hotels in addition to goals around sustainable buildings, supply chain, and working with business partners to drive change across our industry. Responsibility for managing Hyatt's environmental sustainability program lies within the Global Operations Center, under the guidance of the Senior Vice President of Global Operations. Please visit HyattThrive.com for details and progress on our goals.

### Organizational Boundary for Emissions Reporting

The boundary of this report includes owned and managed hotels, over which we have operational control. Please note that emissions for franchised hotels are reported on as a Scope 3 emissions source in Question C6.5.

## **C0.2**

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**(C0.2) State the start and end date of the year for which you are reporting data.**

|       | Start date     | End date         | Indicate if you are providing emissions data for past reporting years | Select the number of past reporting years you will be providing emissions data for |
|-------|----------------|------------------|---|--|
| Row 1 | January 1 2018 | December 31 2018 | No  | <Not Applicable>   |

**C0.3**

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**(C0.3) Select the countries/regions for which you will be supplying data.**

Argentina  
Armenia  
Aruba  
Australia  
Austria  
Azerbaijan  
Bahamas  
Brazil  
Cambodia  
Canada  
Chile  
China  
China, Hong Kong Special Administrative Region  
China, Macao Special Administrative Region  
Colombia  
Costa Rica  
Egypt  
Ethiopia  
France  
Germany  
Greece  
Guam  
Guatemala  
Honduras  
India  
Indonesia  
Italy  
Jamaica  
Japan  
Jordan  
Kyrgyzstan  
Malaysia  
Mexico  
Morocco  
Nepal  
Netherlands  
Nicaragua  
Northern Mariana Islands  
Oman  
Panama  
Peru  
Philippines  
Puerto Rico  
Qatar  
Republic of Korea  
Russian Federation  
Saint Kitts and Nevis  
Saudi Arabia  
Serbia  
Singapore

South Africa  
 Spain  
 Switzerland  
 Taiwan, Greater China  
 Tajikistan  
 Thailand  
 Trinidad and Tobago  
 Turkey  
 Ukraine  
 United Arab Emirates  
 United Kingdom of Great Britain and Northern Ireland  
 United States of America  
 Uzbekistan  
 Viet Nam

C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Operational control

C1. Governance

C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual(s)     | Please explain   |
|-------------------------------|--|
| Chief Executive Officer (CEO) | The highest level of direct responsibility for climate-related issues within Hyatt resides with our President and Chief Executive Officer (CEO), who is a member of our Board of Directors. Responsibilities for climate-related issues have been assigned to Hyatt's CEO because this person's specific responsibilities include overseeing Hyatt's performance as it relates to climate change and setting the vision for the Company's commitments, including our 2020 GHG reduction targets (part of Hyatt's 2020 Environmental Sustainability Goals). Oversight over climate-related issues aligns with our CEO's role in leading our organization to achieve its core business strategies and create value for shareholders and stakeholders. Our Environmental Sustainability department, the Risk Council, and Hyatt's quarterly business reviews inform the CEO on emerging topics and the Company's performance as it relates to energy and greenhouse gas emissions management. |

## C1.1b

### (C1.1b) Provide further details on the board's oversight of climate-related issues.

| Frequency with which climate-related issues are a scheduled agenda item | Governance mechanisms into which climate-related issues are integrated           | Please explain   |
|---|--|--|
| Scheduled – some meetings   | Reviewing and guiding strategy<br>Reviewing and guiding risk management policies | Hyatt's Board of Directors ensures that the long-term interests of Hyatt's shareholders are served by exercising strategic oversight of the Company. This includes overseeing enterprise risk management, compliance, financial matters and human capital strategy. In 2018, Hyatt's regional leadership teams, Senior Vice President of Operations and Director of Environmental Affairs continued to lead the integration of our environmental commitments, including Hyatt's 2020 Environmental Sustainability Goals, into our business objectives, daily operations and broader risk management program of our three regions: (1) The Americas, (2) Asia Pacific (Southeast Asia, Greater China, Australia, South Korea, Japan and Micronesia), and (3) Europe, Africa, Middle East and Southwest Asia. The Board is kept abreast of Hyatt's environmental sustainability strategy on an annual basis. On a quarterly basis, our Risk Council evaluates risks, including climate change risks, which are presented to our Executive Committee for input and discussion and are shared with the board's audit committee. Each year, the full Board of Directors is presented with the Risk Council Annual Report. In 2018, Environmental Sustainability was added as a new standalone risk. Environmental Sustainability will be evaluated with other related risks such as business interruption (including from climate events related to climate change) and crisis management, which are already part of Hyatt's risk watch list. |

## C1.2

### (C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

| Name of the position(s) and/or committee(s) | Responsibility  | Frequency of reporting to the board on climate-related issues |
|---|---|---|
| Risk committee                              | Both assessing and managing climate-related risks and opportunities | Annually  |
| Business unit manager                       | Both assessing and managing climate-related risks and opportunities | As important matters arise                                    |

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

HYATT'S RISK COUNCIL: Hyatt's Risk Council is responsible for assessing climate-related risks. On a quarterly basis, our Risk Council evaluates risks, including climate change risks, which are presented to our Executive Committee for input and discussion, and a formal report is provided to the full Board of Directors annually. Climate-related issues that are identified and communicated to the Risk Council are evaluated in the same manner as any other risk to our business. Hyatt's Risk Council is made up of corporate senior leaders from functions across the company, including finance, legal, accounting and tax, human resources and environmental sustainability.

ENVIRONMENTAL SUSTAINABILITY DEPARTMENT: Hyatt's Director of Environmental Affairs, with support from the Senior Vice President of Global Operations, is charged with defining, developing and executing on Hyatt's environmental programs and policies, which includes climate change management and mitigation. The Director of Environmental Affairs monitors climate-related risks, opportunities and challenges on an ongoing basis in order to inform Hyatt's strategy for meeting our 2020 environmental sustainability goals, including our GHG emissions reduction goals. This person relays information regarding climate-related issues to relevant stakeholders within the company, including the Risk Council, operations leads and Chief Executive Officer, whenever relevant.

BUSINESS UNIT MANAGERS: Hyatt's regional Directors of Engineering and Sustainability oversee the overall performance of facility operations, including the effective management of energy and water consumption, greenhouse gas emissions, and waste. These individuals are tasked with identifying opportunities for increased operating efficiency and implementing both operational and capital strategies to meet this end.

### C1.3

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**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

### C1.3a

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**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

**Who is entitled to benefit from these incentives?**

Business unit manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Emissions reduction target

**Comment**

The Director of Environmental Affairs is charged with defining, developing and executing on Hyatt's environmental programs and policies, which includes climate change management and mitigation. Annual goals tied to bonuses are set for this purpose. Examples of goals that are incentivized and tied to this person's bonus include (1) setting company-wide 2020 GHG emissions reduction targets, (2) advancing reduction efforts in working toward Hyatt's 2020 energy and emissions targets, (3) issuing reports on Hyatt's climate change management practices and results and (4) implementing other behavioral change/reputation improvement platforms.

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**Who is entitled to benefit from these incentives?**

Business unit manager

**Types of incentives**

Monetary reward

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**Activity incentivized**

Emissions reduction target

**Comment**

The regional Directors of Engineering and Sustainability oversee the overall performance of facility operations, including the effective management of energy and water consumption, greenhouse gas emissions and waste in support our 2020 environmental targets. Goals tied to their bonuses incentivize the execution of programs supporting hotels' operational efficiency improvements.

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**Who is entitled to benefit from these incentives?**

Facilities manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Efficiency project

**Comment**

The Directors of Engineering at Hyatt hotels have job requirements that include managing their hotels efficiently, which includes reducing energy and water consumption and carbon emissions through efficiency projects and behavioral change measures. Goals tied to compensation are set for optimizing the operations of hotels.

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**Who is entitled to benefit from these incentives?**

All employees

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Behavior change related indicator

**Comment**

Environmental stewardship is a responsibility that is shared across all Hyatt colleagues. Our hotels take the lead in identifying opportunities to reduce environmental impact and organizing colleague training and engagement initiatives. In addition, through Hyatt's "Caring for our Planet" program, colleagues have specific tasks, according to his or her job function, that are designed to reduce energy and water consumption, waste and carbon emissions. Hyatt recognizes outstanding colleague achievements and commitments through various internal communication channels, including our intranet and internal social media channels.

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**Who is entitled to benefit from these incentives?**

Other, please specify (Individual Hotels)

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Efficiency project

**Comment**

Through our annual Thrive Leaderships Awards, Hyatt recognizes specific hotels that demonstrate outstanding achievements in the areas of environmental sustainability.

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## C2. Risks and opportunities

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### C2.1

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**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

|             | From (years) | To (years) | Comment  |
|-------------|--------------|------------|--|
| Short-term  | 1            | 3          | This time horizon is specific to climate-related risks. (Please note that, while climate-related risks are evaluated in the same manner as any other risks to our business, the time horizon considerations differ from other business practices.) |
| Medium-term | 4            | 6          | This time horizon is specific to climate-related risks. (Please note that, while climate-related risks are evaluated in the same manner as any other risks to our business, the time horizon considerations differ from other business practices.) |
| Long-term   | 7            | 20         | This time horizon is specific to climate-related risks. (Please note that, while climate-related risks are evaluated in the same manner as any other risks to our business, the time horizon considerations differ from other business practices.) |

**C2.2**

**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

**C2.2a**

**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

|       | Frequency of monitoring        | How far into the future are risks considered? | Comment   |
|-------|--------------------------------|---|---|
| Row 1 | Six-monthly or more frequently | >6 years                                      | On a quarterly basis, our Risk Council evaluates risks, including climate change risks, which are presented to our Executive Committee for input and discussion, and a formal report is provided to the full Board of Directors annually. To support our climate change risk and opportunity management procedures, departmental channels such as Engineering, Operations, Sales, Purchasing, Finance and regional offices, including Legal teams, inform the Risk Council and the Environmental Sustainability department on an ongoing basis. As part of the CDP Climate Change response development process, a cross-functional team conducts an annual evaluation of specific climate change-related risks and opportunities. Additionally, our Environmental Sustainability department assesses both climate and energy risks and opportunities as part of its ongoing management of Hyatt's global corporate responsibility goals and objectives, which are reported to our Chief Executive Officer, who serves on the Board. |

**C2.2b**

**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

COMPANY-LEVEL PROCESSES: At the Company level, the Environmental Sustainability department is responsible for staying abreast of emerging climate change-related risks by working with external thought-leaders, industry groups, our Risk Council and departmental channels including Engineering, Operations, Sales, Purchasing, Architecture and Design, Finance and Legal. The scope of Hyatt's risk identification process includes those related to (i) regulations, (ii) operational and capital expenses, (iii) physical and weather-related conditions, (iv) reputation, (v) customer behavior and (vi) our supply chain.

ASSET-LEVEL PROCESSES: At the asset level, physical and regulatory risks at managed hotels are identified in collaboration with insurance companies, owners and consultants, and property protection experts including fire and natural disaster protection and prevention engineers. Onsite visits are generally conducted for most, if not all, managed Hyatt hotels around the world on a periodic basis. In addition, we have a variety of data tracking and surveying tools in place that help keep the Company abreast on asset-level information.

ASSESSMENTS: When entering a new market with development projects or acquisitions, Hyatt conducts market and site research. Assessments include local site and environmental issues, flood and storm concerns, access to resources, and - where appropriate - a security assessment of the local operating environment. Risks related to existing and emerging regulations, expenses, reputation or supply chain are generally identified at the asset level and are reported through relevant departmental channels to the Environmental Sustainability department and the Risk Council for assessment of the potential size and scope of identified risks. Additionally, at the asset level, Hyatt prioritizes property-specific action plans based on energy audits, regional water risks and other considerations that we believe can help mitigate climate change-related risks, as well as provide properties with opportunities to demonstrate leadership in corporate responsibility.

DETERMINATION OF SUBSTANTIVE RISKS: Any risks that have been raised at the corporate level and are included in the assessment process are considered substantive, since they have the potential to adversely impact our business in a way that could cause financial or reputational damage. Hyatt uses two metrics to determine the relative significance of any given risk in relation other identified risks. The first is severity, or the potential intensity of the impact on our business. The second is velocity, or the speed with which a risk could potentially impact our business. Each identified risk is given a rating in both of these categories, and those risks with higher combined ratings are seen to have a higher relative significance than those with lower rankings. We review risks in this way from a financial and reputational standpoint.

Hyatt is a management company, and we manage operations at hotels across the world in many types of local markets with different environmental considerations, therefore our risks related to climate events are diversified. Additionally, the majority of the properties that we operate are assets owned by other entities.

**C2.2c**

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**(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?**

|                     | Relevance & inclusion     | Please explain   |
|---------------------|---------------------------|--|
| Current regulation  | Relevant, always included | Existing carbon tax schemes impact a small portion of our operations, which are typically identified at the asset level. Future schemes could impact a larger portion of our operations' costs associated with reporting and curbing emissions. Businesses throughout our supply chain would be similarly impacted by these regulations, which has the potential to result in increased costs of products and services. Thus, risks associated with current regulations are relevant and always included in our climate-related risk assessment for monitoring the severity and velocity of these risks.   |
| Emerging regulation | Relevant, always included | In response to the Paris Agreement, many countries have committed to setting carbon reductions goals. These countries may begin to use fuel/energy taxes and/or carbon taxes as a mechanism to meet their goals, which could impact operating costs for Hyatt by increasing the cost of products and services that we purchase. Thus, risks associated with emerging regulations are relevant and always included in our climate-related risk assessment for monitoring the severity and velocity of these risks.  |
| Technology          | Relevant, always included | At this time, we do not consider the costs of transitioning to lower emissions technologies or substitution of existing products and services with lower emissions options to be a material threat to our industry. However, there is a possibility that this risk may become relevant in the future, thus we continually monitor technology-related risks during our climate-related risk assessments for monitoring the severity and velocity of these risks.  |
| Legal               | Relevant, always included | At this time, we do not consider exposure to litigation as a result failure to mitigate the impacts of climate change or adapt to climate change to be a material threat to our business. However, there is a possibility that this risk may become relevant in the future, thus we continually evaluate legal risks during our climate-related risk assessments for monitoring the severity and velocity of these risks.  |
| Market              | Relevant, always included | In response to the Paris Agreement, many countries have committed to setting carbon reductions goals. These countries may begin to use fuel/energy taxes and/or carbon taxes as a mechanism to meet their goals, which could impact operating costs for Hyatt by increasing the cost of products and services that we purchase. The impacts on the transportation sector could also adversely impact our customers' travel frequencies. Additionally, guests are increasingly interested in corporate responsibility and sustainability practices at hotels. This is most prevalent for corporate customers and event planners. Thus, market risks are relevant and always included in our climate-related risk assessment for monitoring the severity and velocity of these risks.  |
| Reputation          | Relevant, always included | Increasingly, companies are evaluated on climate change impacts and management strategies. Poor ratings could negatively impact our Company's reputation across stakeholders including customers, colleagues, owners, investors and business partners. Additionally, as awareness around climate change and sustainability increases, we anticipate that some guests and corporate clients will factor climate mitigation practices into their consideration set when selecting hotels, and will look for hotels that demonstrate values aligned with their own. A lack of direct action in this area could therefore result in loss of business, thus reputational risks are relevant and always included in our climate-related risk assessment for monitoring the severity and velocity of these risks.   |
| Acute physical      | Relevant, always included | Increases in the severity and frequency of extreme weather events such as tropical cyclones could impact business continuity, increase property repair costs and potentially increase insurance premiums. Natural disasters may also have severe physical and economic impacts on our communities and on our colleagues' families and homes. Sea level rise would compound the risks of tropical cyclones and flooding Hyatt's coastal properties. Droughts could also increase the number and severity of wild fires in arid regions, which could impact business and local communities. Floods, on the other hand, may result in structural and interior damage, increase in repair costs and increase in insurance premiums. Thus, acute physical risks are relevant and always included in our climate-related risk assessment for monitoring the severity and velocity of these risks.  |
| Chronic physical    | Relevant, always included | Changes in mean temperatures and extreme temperatures could result in increased heating and cooling demands and associated costs. Changes in mean temperature and precipitation could also impact the desirability of particular locations or travel patterns of customers. Droughts would likely increase the cost of water and interrupt the supply of fresh water. In the long-term, sea level rises would also be a chronic physical risk. Thus, chronic physical risks are relevant and always included in our climate-related risk assessment for monitoring the severity and velocity of these risks.   |
| Upstream            | Relevant, always included | Our upstream supply chain is impacted by many of the same climate-related risks that we face, and climate-related impacts on our supply chain can increase Hyatt's cost of doing business. Current and emerging regulations and taxes are often applicable to businesses throughout our supply chain, which has the potential to result in increased costs of products and services. The impacts on the transportation sector have the potential to adversely impact our customers' travel frequencies and impact their decision to travel to certain places. Extreme weather may impact our suppliers' ability to effectively conduct business and trade, thereby increasing supply chain costs. Additionally, physical climate-related risks like changes in precipitation patterns and rising sea levels may deter owners from opening properties in locations that may be affected by such variability, and could increase insurance premiums for existing owners. Thus, upstream risks are relevant and always included in our climate-related risk assessment for monitoring the severity and velocity of these risks. |
| Downstream          | Relevant, always included | Because our business is to provide guest rooms and hotel spaces, risks associated with guests' use of products and services are part of our operational considerations rather than downstream considerations. Downstream risks could include those associated with guests traveling to and from the hotels, thus downstream risks are relevant and always included in our climate-related risk assessment for monitoring the severity and velocity of these risks.   |

**C2.2d**

## **(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

PROCESS AND CRITERIA: Hyatt utilizes a materiality-based approach to prioritize identified risks and opportunities and to decide whether to mitigate, transfer, accept or control climate-related risks and how to capitalize on climate-related opportunities. The following criteria are considered in this approach: (1) Residual risk (exposure to the risk after consideration of Hyatt's existing controls), (2) Likelihood, (3) Financial impact and (4) Potential Timeframes for Risks.

STAKEHOLDER INPUTS: Insights from internal stakeholders and external experts are incorporated into the evaluation. Internally, the Risk Council prioritizes the Company's top risks, assigning accountability of management and mitigation, and monitoring the effectiveness of risk mitigation activities. Examples of external thought-leaders and industry groups with whom the Environmental Sustainability department engages to evaluate climate-related risks and opportunities include the International Tourism Partnership (ITP), the World Travel and Tourism Council (WTTC), Cornell University's Center for Hospitality Research, the American Hotel and Lodging Association (AHLA), and Corporate Eco Forum (CEF).

Prioritized risks and opportunities are managed through Hyatt's 2020 environmental sustainability vision and EcoTrack, our environmental sustainability database. To support our 2020 targets, we prioritize improving our efficiency performance across our global hotel footprint, which helps us manage potential increased pricing on greenhouse gas emissions and increasing energy costs. At the asset level, Hyatt prioritizes property-specific action plans based on energy audits, regional water risks and other considerations that we believe can help mitigate climate change-related risks, as well as provide properties with opportunities to demonstrate leadership in corporate responsibility. We also stay up to date with regulations and requirements related to climate change by working closely with industry groups focused on sustainability. To mitigate against acute physical risks and ensure long-term business viability, Hyatt conducts market research prior to development or hotel acquisitions. Assessments include local site and environmental issues, local requirements, flood and storm concerns and access to resources.

OUTPUTS AND EXAMPLES: As a result of these practices, we have identified the following transition risks: (i) increased pricing on GHG emissions, (ii) increased cost of raw materials, (iii) increased stakeholder concern and (iv) shifts in consumer preferences. Physical risks identified include: (i) rising mean temperatures, (ii) changes in precipitation patterns and extreme variability in weather patterns, (iii) rising sea levels and (iv) increased severity of extreme weather events such as cyclones and floods.

Through our sustainability platform we have identified the following climate-related opportunities: (i) reducing our operational costs through measures to increase our operating efficiency and (ii) strengthening our competitive position through our resiliency measures and incorporating sustainability best practices.

### EXAMPLES OF PROCESS APPLIED:

Management of physical risk: Grand Hyatt Kochi identified increased risks related to flooding. The hotel therefore took steps for planning and preparation. While other hotels in the region were forced to shut down during the monsoons of 2018, Grand Hyatt Kochi remained operational and was able to provide shelter to colleagues and guests from other hotels.

Management of transition risk: Hyatt Regency Maui Resort and Spa identified increasing utility costs and has installed a nearly 600 kW photovoltaic system.

## **C2.3**

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### **(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Transition risk

**Primary climate-related risk driver**

Market: Increased cost of raw materials

**Type of financial impact**

<Not Applicable>

**Company- specific description**

In response to the Paris Agreement, many countries have committed to setting carbon reductions goals. These countries may begin to use fuel/energy taxes as a mechanism to meet their goals, impacting operating costs for Hyatt. Fuel/energy taxes and regulations can raise costs for the utility sector, thereby increasing energy costs for our hotels when costs are passed down. In addition, businesses throughout our supply chain are similarly impacted, which results in increased costs of products and services in many cases.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

3700000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

If 2018 energy costs had increased by 1% as a result of taxes and regulations, for example, this would have resulted in increased operating costs of more than \$3.7 million. However, given our global operations and the local-nature of many risks, it is difficult to quantify more precise potential financial implications at the enterprise level.

**Management method**

Management methods: (1) We prioritize improving our efficiency performance across our hotel footprint, which helps us manage costs and meet new standards. The new initiatives implemented during 2018 are estimated to reduce GHG emissions by 6,835 metric tons annually. (2) We use Hyatt's Sustainable Building Design and Construction guidelines to integrate efficiency measures in new construction and renovation projects. (3) Many hotels have conducted onsite energy audits to prioritize capital investments. (4) We engage our suppliers to address increasing risks within our supply chain. The collaborative relationship enables us to work closely with them as costs and other business considerations change over time. (Additional information on supplier engagement can be found in our response to Question C12.1a) These management methods cannot influence the likelihood of changes in the cost of raw materials and the associated risks, but they could reduce the potential magnitude of this risk's impact on our business at the present time and going forward. Cost of Management: Hyatt hotels invest in onsite energy audits, a critical step toward efficiency improvements and managing climate change risks. These audits typically cost between \$10,000 and \$20,000 per site. The management cost of \$1 million dollars is estimated based on the number of full service Hyatt properties and frequency of audits.

**Cost of management**

1000000

**Comment**

The cost of efficiency projects varies greatly by initiative, and it is therefore difficult to provide cost estimates. However, in many cases these investments result in a payback that is under three years.

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Rising mean temperatures

**Type of financial impact**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

**Company- specific description**

Rising mean temperatures could result in increased cooling demands and associated costs at our hotels. Wide-spread increases in energy demand may also increase the cost of utilities for our hotels.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

3700000

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

If 2018 energy costs had increased by 1% as a result of increased cooling demands, for example, this would have resulted in increased operating costs of more than \$3.7 million. However, given our global operations and the local-nature of many risks, it is difficult to quantify more precise potential financial implications at the enterprise level.

**Management method**

Management methods: (1) Efficiency is an important focus at Hyatt since we anticipate utility costs to rise. Our efforts include ongoing measurements of environmental metrics towards targets, implementing operational and capital improvement projects, colleague engagement, and implementing Sustainable Design and Construction Guidelines. (2) As an example, Hyatt Regency Maui Resort and Spa has implemented a range of initiatives over the years. The property has received LEED® EBOM Gold certification, and was able to demonstrate that it was 30% more energy efficient compared to similar resorts in the process. The hotel has also completed the installation of a nearly 600 kW solar photovoltaic system. (3) Hyatt hotels have preventative maintenance programs in place, which enable properties to ensure equipment is operating optimally, and that the building is equipped to handle a range of environmental conditions. These management methods cannot influence the likelihood of temperatures changing and the associated risks, but they could reduce the potential magnitude of this risk's impact on our business at the present time and going forward. Cost of Management: Hyatt hotels invest in onsite energy audits, a critical step toward efficiency improvements and managing climate change risks. These audits typically cost between \$10,000 and \$20,000 per site. The management cost of \$1 million dollars is estimated based on the number of full service Hyatt properties and frequency of audits.

**Cost of management**

1000000

**Comment**

The cost of efficiency projects varies greatly by initiative, and it is therefore difficult to provide cost estimates. However, in many cases these investments result in a payback that is under three years.

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

**Type of financial impact**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

**Company- specific description**

Access to water is critical to running a hotel. Droughts would likely increase the cost of water and cause issues with the supply of fresh water. It could also increase the number and severity of wild fires in arid regions, which could impact business and local communities. In California, where the state has experienced severe droughts, some jurisdictions levy fines on businesses that cannot demonstrate water reductions. Floods, on the other hand, may result in structural and interior damage, increase in repair costs and an increase in insurance premiums. Extreme precipitation may impact our suppliers' ability to effectively conduct business and trade, thereby increasing supply chain costs. The Wall Street Journal has reported that water rates have increased by 5.5% annually over the past decade – more than 3 times the rate of inflation. New regulations and costs could also be developed as a result of frequent or extreme droughts.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

775000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

If 2018 overall water costs had increased by 1%, for example, this would have resulted in a more than \$775,000 increase in operational spend.

**Management method**

Management methods: (1) Efficiency is an important focus for Hyatt's long-term sustainability strategy since we expect water costs to rise and issues around access to water to become increasingly severe. Our efforts around managing water efficiency include ongoing measurements of environmental metrics, implementing operational and capital improvement projects to work towards efficiency targets, colleague engagement, and the Sustainable Design and Construction Guidelines. (2) Some properties have also installed utility monitoring systems, which enable them to monitor water use in real time, detect abnormalities immediately, and identify conservation opportunities. (3) Hyatt stays up to date with developments in water-efficient technology and buildings by attending conferences, trainings, and encouraging colleagues to receive LEED® Accredited Professional or Green Associate credentials. These management methods cannot influence the likelihood of changes in precipitation patterns/extreme variability in weather patterns and the associated risks, but they could reduce the potential magnitude of this risk's impact on our business at the present time and going forward. Cost of Management: Cost of management includes the installation of real-time utility monitoring equipment, which helps properties gain even better insight into data, which is approximately \$30,000 per hotel. The management cost of \$300,000 dollars is estimated based on 10 hotels installing one of these systems.

**Cost of management**

300000

**Comment**

Other examples of costs include professional fees to business partners that provide data tracking and utility management services, professional fees for external experts, and salaries of Hyatt colleagues managing these programs.

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**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Rising sea levels

**Type of financial impact**

Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions)

**Company- specific description**

Hyatt's coastal properties may need to make capital investments in systems to mitigate the effects of sea level rise, such as structural reinforcement and improved drainage systems. Sea level rise would also compound the risks of tropical cyclones and flooding mentioned above for Hyatt's coastal properties, which could impact business continuity and increase capital costs needed for repairs. Sea level rise could also impact the desirability of particular locations or travel patterns of customers.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

7700000

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

If overall profit was impacted by 1%, for example due in part by reduced customer demand, this would roughly equal a \$7.7 million financial impact at 2018 revenue levels.

**Management method**

Management methods: (1) To ensure long-term business viability, Hyatt conducts market research prior to development or hotel acquisitions. Assessments include local site and environmental issues, local requirements, flood and storm concerns, and access to resources. (2) To prepare our hotels for severe weather events, Hyatt has preventative maintenance programs in place to ensure buildings operate at optimum levels. (3) We have developed Hyatt's Sustainable Building Design and Construction guidelines to integrate efficiency measures in new construction and renovation projects. These management methods cannot influence the likelihood of rising sea levels and the associated risks, but they could reduce the potential magnitude of this risk's impact on our business in the long term (e.g., 7-20 years). Cost of Management: There are no significant additional costs of managing and mitigating these risks, as market research, preventative maintenance and costs of renovation are already embedded into our regular business, therefore the cost of management is \$0.

**Cost of management**

0

**Comment**

There are no significant additional costs of managing and mitigating these risks, as market research, preventative maintenance and

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costs of renovation are already embedded into our regular business.

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#### Identifier

Risk 5

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type

Physical risk

#### Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

#### Type of financial impact

Increased capital costs (e.g., damage to facilities)

#### Company- specific description

Increases in the severity and frequency of extreme weather events such as tropical cyclones and floods could impact business continuity, increase property repair costs, and potentially increase insurance premiums. Natural disasters may also have severe physical and economic impacts on our communities and on our colleagues' families and homes. Sea level rise would compound the risks of tropical cyclones and flooding mentioned above for Hyatt's coastal properties. Severe weather events, such as Hurricane Maria which occurred in the Caribbean in the fall of 2017, could also cause a decline in the level of business and leisure travel in certain regions, and could reduce the demand for lodging which may adversely affect our financial and operating performance.

#### Time horizon

Current

#### Likelihood

Very likely

#### Magnitude of impact

Low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

7700000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

If overall profit was impacted by 1%, this would roughly equal a \$7.7 million financial impact at 2018 revenue levels. However, given the global nature of our operations, it is difficult to quantify precisely the potential financial implications.

#### Management method

Management methods: (1) To ensure long-term business viability, Hyatt conducts market research prior to development or acquisitions. Assessments include local site and environmental issues, local requirements, flood and storm concerns, and access to resources. (2) Hyatt has procedures in place to identify and mitigate risks including risk transfer to insurers by means of insurance policies. Managed hotels usually go through a review process before opening and periodically after opening with the goal of reviewing the operations associated with the safety of our guests and colleagues and protection of the building. For example, as a result of this review process, a wind impact survey was conducted, which examined the hotels' roofs and windows with the goal of improving the underwriting and insurance costs related to property damage losses. (3) In the event that disaster strikes, we have emergency response plans in place to keep our guests and colleagues safe. These management methods cannot influence the likelihood of increasing severity of extreme weather events and the associated risks, but they could reduce the potential magnitude of this risk's impact on our business at the present time and going forward. Cost of Management: There are no additional costs of managing and mitigating these risks, as salaries of Hyatt staff monitoring and managing risks, professional fees, and insurance would be part of our daily business operations. Therefore the cost of management is \$0.

#### Cost of management

0

#### Comment

There are no additional costs of managing and mitigating these risks, as salaries of Hyatt staff monitoring and managing risks,

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professional fees, and insurance would be part of our daily business operations.

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#### Identifier

Risk 6

#### Where in the value chain does the risk driver occur?

Direct operations

#### Risk type

Transition risk

#### Primary climate-related risk driver

Reputation: Increased stakeholder concern or negative stakeholder feedback

#### Type of financial impact

<Not Applicable>

#### Company- specific description

Increasingly companies are evaluated on climate change impacts and management strategies. ESG analyst firms including MSCI, RobecoSAM and Sustainalytics rate companies on behalf of investors. Additionally, TripAdvisor provides rating on behalf of customers. Poor ratings could negatively impact the Company's reputation across stakeholders including customers, colleagues, owners, investors and business partners.

#### Time horizon

Short-term

#### Likelihood

Likely

#### Magnitude of impact

Low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

7700000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

If environmental performance caused a reduction in 2018 profit by 1%, for example, this would have equated to approximately \$7.7 million.

#### Management method

Management methods: (1) We have strengthened our efforts to communicate our sustainability performance by leveraging certification and recognition programs like TripAdvisor GreenLeaders, Green Key, Energy Star, LEED®, and other regional programs. As of this CDP submission, 41 Hyatt properties have received LEED® certification. (2) While much of our hotels' environmental efforts are behind the scenes, we have guest-facing programs that demonstrate our commitment and help guests reduce their climate change impact during travel, including serving local, sustainable ingredients in our restaurants; providing guestroom amenities that are biodegradable and packaged in bottles made of recycled plastic; removing plastic straws from our operations; and providing guests the option to reuse linens and towels. (3) To improve the data provided to our corporate clients, Hyatt played a leading role in developing the Hotel Carbon Measurement Initiative, and uses this methodology to provide consistent information to our clients about the carbon, energy and water impact of their meetings and stays with Hyatt. As a result of these management methods, we believe that both the likelihood and potential magnitude of the impact of this risk could be reduced over the next 1-3 years. Cost of Management: In 2018, Hyatt and Hyatt hotel owners invested over \$9.2 million in 115 reported emissions reduction projects, which help to manage this risk.

#### Cost of management

9200000

#### Comment

Costs associated with obtaining hotel certifications/eco-label programs are varied and can range from no cost to \$150,000, including professional fees, depending on the type and level of certification/eco-label. These programs help demonstrate hotels' sustainability initiatives. We make these investments to address other business needs in addition to helping manage this risk.

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**Identifier**

Risk 7

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Reputation: Shifts in consumer preferences

**Type of financial impact**

<Not Applicable>

**Company- specific description**

As awareness around climate change and sustainability increases, we anticipate that some guests and corporate clients will factor climate mitigation practices into their consideration set when selecting hotels, and will look for hotels that demonstrate values aligned with their own. A lack of direct action in this area could therefore result in loss of business. In particular, many of our corporate clients have climate change strategies in place and are looking at the business travel industry for opportunities to better manage their footprint. Environmental questions are now fairly standard in Request for Proposals (RFPs).

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

7700000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

If environmental performance caused a reduction in 2018 profit by 1% for example, this would have equated to approximately \$7.7 million.

**Management method**

Management methods: (1) We have strengthened our efforts to communicate our sustainability performance by leveraging certification and recognition programs like TripAdvisor GreenLeaders, Green Key, Energy Star, LEED®, and other regional programs. As of this CDP submission, 41 Hyatt properties have received LEED® certification. (2) While much of our hotels' environmental efforts are behind the scenes, we have guest-facing programs that demonstrate our commitment and help guests reduce their climate change impact during travel, including serving local, sustainable ingredients in our restaurants; providing guestroom amenities that are biodegradable and packaged in bottles made of recycled plastic; removing plastic straws from our operations; and providing guests the option to reuse linens and towels. (3) To improve the data provided to our corporate clients, Hyatt played a leading role in developing the Hotel Carbon Measurement Initiative, and uses this methodology to provide consistent information to our clients about the carbon, energy and water impact of their meetings and stays with Hyatt. As a result of these management methods, we believe that both the likelihood and potential magnitude of the impact of this risk could be reduced over the next 1-3 years. Cost of Management: In 2018, Hyatt and Hyatt hotel owners invested over \$9.2 million in 115 reported emissions reduction projects, which help to manage this risk.

**Cost of management**

9200000

**Comment**

Costs associated with obtaining hotel certifications/eco-label programs are varied and can range from no cost to \$150,000, including professional fees, depending on the type and level of certification/eco-label. These programs help demonstrate hotels' sustainability initiatives. We make these investments to address other business needs, in addition to helping manage this risk.

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## C2.4

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### (C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

## C2.4a

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### (C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

#### Identifier

Opp1

#### Where in the value chain does the opportunity occur?

Direct operations

#### Opportunity type

Products and services

#### Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

#### Type of financial impact

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

#### Company-specific description

Hyatt has voluntarily calculated emissions in accordance with the GHG Protocol since 2009, and has calculated its emissions inventory since 2006. Because we have had the systems, expertise and mindset in place for tracking and reporting our GHG emissions, Hyatt has been well positioned to accurately report its environmental footprint and manage future reporting requirements. In addition, having consecutive years of data in place has given us the opportunity to identify efficiencies, which have helped us to reduce GHG intensity in our Americas, Asia Pacific, and Europe, Africa, Middle East and Southwest-Asia regions by 30%, 26% and 35%, respectively, compared to our baseline year of 2006.

#### Time horizon

Medium-term

#### Likelihood

Very likely

#### Magnitude of impact

Low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

7700000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

As an example, a 1% increase in overall 2018 profit as a result of increased customer loyalty and strategic management of costs would have resulted in an approximate \$7.7 million increase based on 2018 performance.

#### Strategy to realize opportunity

Management methods for this opportunity are as follows: (1) Hyatt places a significant emphasis on tracking energy and emissions data for its properties around the world. (2) Through our online database, Hyatt EcoTrack, Hyatt has been tracking its global utility data by hotel, brand, region and Company-wide. (3) Since 2012, we have also been tracking energy and emissions data for our

managed select service hotels. Since 2015, franchise properties have been required to track and report utility data, which we use to calculate their emissions - a Scope 3 emissions source. (4) Our proactive commitment to mitigate our impact, and to track and report our emissions would help us to quickly adjust to new regulations. This preparedness could help us avoid added costs and increase customer loyalty and demand. We believe that these management methods could increase the potential magnitude of the impact of this opportunity over the next 4-6 years. These management methods cannot, however, influence the likelihood of emission reporting obligations and the associated perceived opportunities. Cost of management: Cost to realize the opportunity include the installation of real-time utility monitoring equipment, which helps properties gain even better insight into data, which is approximately \$30,000 per hotel. The management cost of \$300,000 dollars is estimated based on 10 hotels installing one of these systems.

**Cost to realize opportunity**

300000

**Comment**

Other examples of costs include professional fees to business partners that provide data tracking and utility management services, professional fees for external experts, and salaries of Hyatt colleagues managing these programs.

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**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of new technologies

**Type of financial impact**

Reduced operational costs (e.g., through use of lowest cost abatement)

**Company-specific description**

Hyatt has a long history of working on improving our buildings' efficiencies using new and emerging technologies, including LED lighting, centralized building monitoring systems, use of Energy Star and other certified efficient appliances, and onsite renewable and low-emissions energy sources such as the Bloom Energy Fuel Cell installed at Hyatt Regency Greenwich in December 2015. We have also incorporated Sustainable Design guidelines into Hyatt's Global Technical Design Standards, which specify efficiency measures for all new builds and major renovations.

**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

3700000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

As an example, a 1% decrease in energy costs would have resulted in more than \$3.7 million in savings based on energy 2018 spend.

**Strategy to realize opportunity**

Management methods for this opportunity are as follows: As part of Hyatt's commitment to environmental sustainability, we have been focused on gaining efficiency improvements across our operations to prepared Hyatt hotels for managing costs associated with increased utility prices and potential future carbon and fuel/energy taxes. These efforts also help Hyatt respond quickly advances in technology, avoid added costs, and leverage opportunities to demonstrate leadership in sustainability. As

demonstrated in Section 4.1b, Hyatt has achieved notable reductions in GHG intensity in our Americas, Asia Pacific, and Europe, Africa, Middle East and Southwest-Asia regions by 30%, 26% and 35%, respectively, compared to our baseline year of 2006. With Hyatt's 2020 sustainability vision and goals, we will continue to deepen our focus on hotel efficiency. We believe that these management methods could increase the potential magnitude of the impact of this opportunity at the present time and going forward. Cost of Management: In 2018, Hyatt and Hyatt hotel owners invested over \$9.2 million in 115 reported emissions reduction projects, which help to manage this risk.

**Cost to realize opportunity**

9200000

**Comment**

We make these investments to address other business needs (including necessary end-of-life replacements on machinery and equipment), in addition to helping to directly realize this opportunity.

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Type of financial impact**

Reduced operational costs (e.g., through use of lowest cost abatement)

**Company-specific description**

Local renewable energy regulations could result in incentives such as rebates, which could increase the opportunity for Hyatt to capitalize on environmental and operational efficiencies resulting from the use of renewable energy. Countries with potential opportunity for Hyatt include China and India – countries that are key markets for Hyatt, and where efforts are being made to add renewable energy into their grids. Additionally, in response to the Paris Agreement many countries have committed to setting carbon reductions goals. These countries may begin to use renewable energy regulations as a mechanism to meet their goals, which could create new opportunities for Hyatt to benefit from renewable energy initiatives. Hyatt may also benefit from the positive reputational attributes associated with use of renewable energy.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1600000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We estimate near-term annual savings of \$1.6 million based on the growing number of hotels with onsite renewable energy.

**Strategy to realize opportunity**

Management methods for this opportunity are as follows: (1) We have made a commitment to reduce our greenhouse gas emissions per square meter, as demonstrated by our goals. (2) In response to the Paris Agreement, Hyatt has modeled and is evaluating a science-based target to guide future programs and capitalize on regulatory-driven renewable energy opportunities around the world. (3) While we focus heavily on achieving this target through energy efficiency projects, our Sustainable Design Guidelines encourage hotels to evaluate the feasibility of leveraging renewable energy. (4) New onsite renewable energy systems continue to be installed at our hotels. Currently 27 Hyatt hotels are sourcing power from onsite renewable energy such as solar,

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wind and geothermal. We believe that these management methods could increase the potential magnitude of the impact of this opportunity over the next 4-6 years. Cost of Management: Costs associated with the opportunity vary on a project-by-project basis. Based on reported projects in recent years, we are estimating \$750,000 annually. Many of these projects have additional subsidies from local governments and utilities.

**Cost to realize opportunity**

750000

**Comment**

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**Identifier**

Opp4

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Type of financial impact**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company-specific description**

Effective energy and water efficiency management at our properties and ongoing work to demonstrate our leadership to customers and external stakeholders will help Hyatt manage the increases in operational costs and potentially gain a competitive business advantage and market share.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

3700000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

If Hyatt avoided 1% in energy cost increases in 2018, the positive financial impact would have been more than \$3.7 million in savings based on 2018 energy spend.

**Strategy to realize opportunity**

Management methods for this opportunity are as follows: (1) We prioritize improving our efficiency performance across our hotel footprint, which helps us manage costs and meet new standards. (2) We have developed Hyatt's Sustainable Building Design and Construction guidelines to integrate efficiency measures in new construction and renovation projects. (3) Our hotels have conducted onsite energy audits to prioritize capital investments. (4) Participating properties have also installed utility monitoring systems, which enable them to monitor energy use in real time, detect abnormalities immediately, and identify conservation opportunities. These management methods cannot influence the likelihood of temperature extremes and the associated perceived opportunities, but they could increase the potential magnitude of the impact of this opportunity over the next 1-3 years. Cost of Management: Hyatt hotels invest in onsite energy audits, a critical step toward efficiency improvements, which typically cost between \$10,000 and \$20,000 per site. The management cost of \$1 million dollars is estimated based on the number of full service Hyatt properties and frequency of audits.

**Cost to realize opportunity**

1000000

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**Comment**

Actual energy efficiency projects vary greatly, making it difficult to provide cost estimates. However, in many cases these investments result in a payback that is under three years.

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**Identifier**

Opp5

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Shift in consumer preferences

**Type of financial impact**

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

**Company-specific description**

Today's consumers increasingly pay attention to environmental attributes, eco-labels and certifications. Hyatt has an opportunity to meet these consumer expectations and potentially increase our market share. Climate change is also quickly becoming an increasing priority for our corporate clients and leisure travelers as well. In particular, many of our corporate clients (companies with business travel) have climate change strategies in place themselves and are looking at business travel for opportunities to better manage their footprint. As a result, environmental sustainability questions are now part of standard RFP questions. For leisure travelers, online travel agents and online forums, such as TripAdvisor, are supporting this focus by increasingly providing information on hotels' sustainability efforts to guests. The Sustainable Travel Report released in 2017 by Booking.com found that 68% of global travelers 'are more likely to consider choosing an accommodation knowing that it was eco-friendly'. Looking forward, it is possible that climate change consideration will hold more weight in consumers' purchasing decisions, thereby also increasing the opportunity for Hyatt to gain new business.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

7700000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

While difficult to quantify, our general observation is that sustainability considerations do not yet supersede factors such as price, amenities, and service. However, there have been cases where we were able to book business with sustainability-minded businesses as a result of having sound environmental management practices. In the future, a 1% increase in profit due in part to environmental attributes of our hotels would have resulted in an approximate \$7.7 million gain based on 2018 performance.

**Strategy to realize opportunity**

Management methods for this opportunity: (1) Hyatt has a 2020 environmental sustainability vision to help the Company continue to advance sustainability initiatives. We communicate progress to stakeholders through our annual corporate responsibility reports. (2) We have strengthened our efforts to communicate our sustainability performance by leveraging certification/recognition programs such as TripAdvisor GreenLeaders, Green Key, Energy Star, LEED and regional programs relevant to their respective markets. (3) While many environmental efforts at hotels are behind the scenes, we have guest-facing programs that demonstrate our commitment and help guests reduce their climate change impact during travel, including serving local, sustainable ingredients in our restaurants; removing plastic straws from our operations; and providing the option to reuse linens and towels. (4) To improve the data provided to our corporate clients, Hyatt played a leading role in developing the Hotel Carbon Measurement Initiative, and uses this methodology to provide consistent information to our clients. We believe that these management methods could increase

both the likelihood and potential magnitude of the impact of this opportunity over the next 1-3 years. Cost of Management: In 2018, Hyatt and Hyatt hotel owners invested over \$9.2 million in 115 reported emissions reduction projects, which help to manage this risk.

**Cost to realize opportunity**

9200000

**Comment**

Hotels may also pay fees to receive sustainability labels and certification. We make these investments to address other business needs, in addition to helping realize this opportunity.

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**C2.5**

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**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

|                                      | Impact  | Description   |
|--------------------------------------|---|---|
| Products and services                | Impacted  | To mitigate against disruptions to our services from climate-related events such as changes in precipitation patterns, rising sea levels and increased severity of extreme weather events, Hyatt conducts market research prior to development or hotel acquisitions. Assessments include local site and environmental issues, local requirements, flood and storm concerns, and access to resources. Additionally, we have set greenhouse gas intensity reduction goals and have realized efficiency gains from capital and operational initiatives aimed at reducing energy consumption. We have also reduced Scope 1 and 2 emissions per square meter from 2006-2018 by 30% in Americas, 26% in Asia Pacific, and 35% in Europe, Africa, Middle East and South-West Asia. We have also seen that climate change is quickly becoming an increasing priority for both our corporate clients and leisure travelers. In particular, many of our corporate clients (companies with business travel) have climate change strategies in place themselves, and are looking at business travel for opportunities to better manage their footprint, and as a result environmental sustainability questions are now part of standard RFP questions. We have been able to capitalize on the opportunity of shifts in consumer preferences by responding to these RFP questions and providing the information our clients are looking for through various channels, including the CDP supply chain module, increasing our opportunity to win business. For leisure travelers, online travel agents and online forums, such as TripAdvisor, are increasingly providing information on hotels' sustainability efforts to guests. Many of our hotels are part of the TripAdvisor GreenLeaders program, providing an opportunity to win business from leisure travel by demonstrating our commitment to sustainability. Hotels participating in these types of programs help mitigate the risk of reduced revenue from a decreased demand for Hyatt's services. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated. |
| Supply chain and/or value chain      | Impacted for some suppliers, facilities, or product lines | To mitigate against disruptions to our services from climate-related events such as changes in precipitation patterns, rising sea levels and increased severity of extreme weather events, Hyatt conducts market research prior to development or hotel acquisitions. Assessments include local site and environmental issues, local requirements, flood and storm concerns, and access to resources. Additionally, we have set greenhouse gas intensity reduction goals and have realized efficiency gains from capital and operational initiatives aimed at reducing energy consumption. We have also reduced Scope 1 and 2 emissions per square meter from 2006-2018 by 30% in Americas, 26% in Asia Pacific, and 35% in Europe, Africa, Middle East and South-West Asia. We have also seen that climate change is quickly becoming an increasing priority for both our corporate clients and leisure travelers. In particular, many of our corporate clients (companies with business travel) have climate change strategies in place themselves, and are looking at business travel for opportunities to better manage their footprint, and as a result environmental sustainability questions are now part of standard RFP questions. We have been able to capitalize on the opportunity of shifts in consumer preferences by responding to these RFP questions and providing the information our clients are looking for through various channels, including the CDP supply chain module, increasing our opportunity to win business. For leisure travelers, online travel agents and online forums, such as TripAdvisor, are increasingly providing information on hotels' sustainability efforts to guests. Many of our hotels are part of the TripAdvisor GreenLeaders program, providing an opportunity to win business from leisure travel by demonstrating our commitment to sustainability. Hotels participating in these types of programs help mitigate the risk of reduced revenue from a decreased demand for Hyatt's services. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated. |
| Adaptation and mitigation activities | Impacted  | As mentioned in section 2.2d, Hyatt prioritizes property-specific action plans based on energy audits, regional water risks, and other considerations that we believe can help mitigate climate change-related risks as well as provide properties with opportunities to demonstrate leadership in corporate responsibility. To prepare our hotels for severe weather events and extreme variability in weather patterns, Hyatt has preventative maintenance programs in place to ensure buildings operate at optimum levels. In order to take advantage of shifting consumer preferences, we have guest-facing programs that demonstrate our commitment and help guests reduce their climate change impact during travel, including serving local, sustainable ingredients in our restaurants; providing guestroom amenities that are biodegradable and packaged in bottles made of recycled plastic; removing plastic straws from our operations; and providing guests the option to reuse linens and towels. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated.   |
| Investment in R&D                    | We have not identified any risks or opportunities         | As a hospitality company, investment in R & D is not applicable to our business.  |
| Operations                           | Impacted  | To mitigate against disruptions to our services from climate-related events such as changes in precipitation patterns, rising sea levels and increased severity of extreme weather events, Hyatt conducts market research prior to development or hotel acquisitions. Assessments include local site and environmental issues, local requirements, flood and storm concerns, and access to resources. Additionally, we have set greenhouse gas intensity reduction goals and have realized efficiency gains from capital and operational initiatives aimed at reducing energy consumption. We have also reduced Scope 1 and 2 emissions per square meter from 2006-2018 by 30% in Americas, 26% in Asia Pacific, and 35% in Europe, Africa, Middle East and South-West Asia. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated.  |
| Other, please specify                | Please select   |   |

**C2.6**

**(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.**

|   | Relevance        | Description  |
|---|------------------|--|
| Revenues                                  | Impacted         | Decreased demand for Hyatt's services as a result of shifting consumer preferences, increased operating costs from rising utility rates, and capital expenditures for repairs following severe weather events all have the potential to negatively impact Hyatt's revenue. On the other hand, increased efficiency and better competitive position as a result of changing consumer preferences have the potential to positively impact Hyatt's revenue. To manage these risks and opportunities, we embed climate change and sustainability related information into communication with corporate clients and individual guests, and we incorporate sustainable attributes into our guest experience to increase loyalty, satisfaction and ultimately revenue. We also leverage certification and recognition programs like TripAdvisor GreenLeaders, Green Key, Energy Star, LEED®, and other regional programs to demonstrate to guests our commitment to the environment and build loyalty as well as maximize building efficiency. Hyatt conducts market research prior to development or hotel acquisitions. Assessments include local site and environmental issues, local requirements, flood and storm concerns, and access to resources. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated. |
| Operating costs                           | Impacted         | Rising mean temperatures and extreme variability in weather patterns have the potential to increase operating costs for Hyatt hotels. To manage these risks, in their annual financial planning process our hotels budget for operational efficiency improvements, such as retro-commissioning, lighting upgrades and building management system installation in order to mitigate against climate-related risks and capitalize on climate-related opportunities. The cost of efficiency projects varies greatly by initiative, and it is therefore difficult to provide cost estimates. However, in many cases these investments result in a payback that is under three years. The potential magnitude of these impacts on our operations is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated.   |
| Capital expenditures / capital allocation | Impacted         | When larger capital improvements like boiler and chiller replacements with more efficient models are needed, hotels use Hyatt's capital planning process to allocate funds to these projects. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated.  |
| Acquisitions and divestments              | Impacted         | To ensure long-term business viability and to manage against risks related to rising mean temperatures, extreme weather events and variability in precipitation and weather patterns, Hyatt conducts market research prior to development or hotel acquisitions. Assessments include local site and environmental issues, local requirements, flood and storm concerns, and access to resources. Any efficiency upgrades or building certifications would be promoted during a divestment. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated.   |
| Access to capital                         | Impacted         | Increasingly, companies are evaluated by investors, lenders and ESG analyst on climate change impacts and management strategies. Poor ratings could potentially negatively impact our Company's reputation and access to capital. To address this potential risk, we have a sustainability strategy in place and continue to strengthen our efforts to communicate our performance with certification and recognition programs like TripAdvisor GreenLeaders, Green Key, Energy Star, LEED®, and other regional programs. The potential magnitude of these impacts on our business is currently expected to be low over the time-horizons evaluated.   |
| Assets                                    | Impacted         | We allocate funds for onsite assessments and audits of our owned and managed assets for risks such as flooding and storm damage. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated.   |
| Liabilities                               | Not yet impacted | Although this risk factor has not yet impacted our financial planning process, in the future the extensive environmental requirements to which we are subject could potentially increase our environmental costs and liabilities, reduce our profits or limit our ability to run our business. The potential magnitude of these impacts on our business is currently expected to be low in the context of our global portfolio of owned, managed and franchised hotels and over the time-horizons evaluated.   |
| Other                                     | Please select    |  |

**C3. Business Strategy**

**C3.1**

**(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

**C3.1a**

**(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

Yes, qualitative and quantitative

**(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

**I. INFLUENCE ON BUSINESS STRATEGY**

At Hyatt, our purpose to care for people so they can be their best drives everything that we do. This includes the strong commitment that Hyatt has made to being a good steward of the environment.

As awareness of the impacts of climate change accelerates, taking meaningful action on climate change becomes increasingly important to all of our stakeholders, especially as our operational footprint grows and global travel increases. Efficient management of our operations is therefore a financial, strategic and environmental imperative that is essential for meeting critical business priorities, such as driving profitability, attracting guests, engaging colleagues and enhancing our brands.

**II. LINK TO EMISSIONS REDUCTION TARGETS**

Hyatt has a long history of environmental stewardship, and our strategy has evolved over the years to address changing needs, risks and opportunities, including climate change. We have a 2020 sustainability vision and targets to align our environmental efforts with global risks and the company's growth strategy and changing profile.

Our 2020 environmental sustainability vision includes a suite of strategic goals, including goals to reduce greenhouse gas (GHG) emissions, energy and water consumption and waste, and goals that target sustainable buildings, our supply chain and engagement with our business partners. This 2020 vision enables us to further embed action across the Company through improved framework and processes, and drive progress in areas where we believe we can make measurable impact. We provide further details and report on progress toward our 2020 environmental sustainability goals at [HyattThrive.com](https://www.hyatt.com/en-us/about-us/sustainability).

**III. BUSINESS DECISIONS INFLUENCED BY CLIMATE CHANGE DRIVEN ASPECTS OF STRATEGY**

In 2018, we continued to invest in efficiency projects to support our 2020 goals. In 2017, Hyatt's corporate environmental sustainability team was reorganized into the Global Operations Center, reporting through the SVP of Global Operations. This reorganization was done to better embed sustainability across the operations of our business and align sustainability with other operations departments. Hyatt also continues to support the International Tourism Partnership's 2030 sustainability goals, including their carbon reduction goal.

Additionally, Hyatt has increased its focus on reducing Scope 3 food waste emissions through prevention and management strategies. Growing, processing and shipping the food purchased by our hotels can lead to large amounts of greenhouse gas emissions, and when food waste breaks down in landfills it generates methane, a potent greenhouse gas with a high global warming potential. In 2018, Hyatt expanded our food-waste-specific 2020 targets in the categories of prevention, donation and responsible management to hotels globally. Additionally, alternative proteins such as Beyond Burger™ were introduced at participating Hyatt Regency and Hyatt Place hotels in the U.S in 2018.

**IV. ASPECTS OF CLIMATE CHANGE IMPACTING STRATEGY**

Our assessment of our greatest climate-related risks and opportunities has informed our strategy. Specific aspects include energy costs, the regulatory landscape, new efficiency standards, possible weather-related business interruptions, and customer and public expectations related to sustainability. These risks and opportunities have compelled Hyatt to adopt a strategic approach to risk mitigation and management, in addition to engagement with our stakeholders.

**V. SHORT-TERM STRATEGY**

Climate change has influenced Hyatt's short-term business strategy (1-3 years) in the following ways. (1) We established targets for environmental indicators, including the reduction of GHG emissions. To achieve our target, we are focused on making operational improvements, which range from simple lighting upgrades to the installation of energy-efficient HVAC equipment and building management systems. (2) We engage our colleagues around environmental issues and solutions by conducting sustainability training across properties. (3) We place a heavy emphasis on leveraging data to drive performance in collaboration with our Finance Department in order to further integrate sustainability into our business priorities.

## **VI. LONG-TERM STRATEGY**

Climate change has influenced Hyatt's long-term business strategy (7-20 years) in the following ways: (1) We consider climate change when we work with owners and developers to design and construct our hotels, and we are emphasizing long-term, property-level plans for full service managed hotels to identify and prioritize capital investment opportunities that reduce climate change impact. We focus on full service hotels since they make up the largest portion of our Company's carbon footprint. Hyatt's property-level plans are particularly important given the wide range of brands and building types we operate and because many Hyatt hotels are owned by other entities. These plans help hotels make decisions within a regional context and work with their owning entities to secure funding for projects that require capital investment; (2) We strive to embed sustainability into our brand experience so that our guests and colleagues can seamlessly be part of Hyatt's commitment; (3) We are broadening our strategy to address our business's impact in areas beyond our operational control by collecting GHG data from our franchised hotels (Scope 3 emissions) and engaging our supply chain.

## **VII. STRATEGIC ADVANTAGE**

The steps that we have taken to reduce our GHG emissions from our 2006 baseline demonstrate to our guests and our colleagues that we have implemented meaningful programs and policies to mitigate our environmental impacts. Hyatt has reduced its Scope 1 and 2 emissions per square meter from 2006-2018 by 30% in the Americas, 26% in Asia Pacific, and 35% in Europe, Africa, Middle East and South-West Asia. These actions also create value for our hotel owners as well as shareholders by managing our cost, enhancing Hyatt's brand reputation and attracting and retaining talented colleagues.

## **VI. HOW THE PARIS AGREEMENT HAS INFLUENCED BUSINESS STRATEGY**

The global Paris Agreement further supports how we operate at Hyatt. Our guests, colleagues and communities demand that we run a sustainable business with an eye toward the future. We remain committed to Hyatt's established 2020 environmental sustainability goals to reduce energy and water use and greenhouse gas emissions at hotels, and divert waste, among others. Additionally, Hyatt has modeled and is evaluating a science-based target. We have also supported the International Tourism Partnership's work to develop industry-level carbon and water goals to support the Paris Agreement and the UN Sustainable Development Goals.

We continue to monitor the impacts of climate change policies on our business at a country and global level. This includes exploring opportunities when feasible to invest in low-carbon, renewable energy and efficiency projects.

### **C3.1d**

---

**(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.**

| Climate-related scenarios | Details   |
|---------------------------|---|
| 2DS                       | In alignment with best practice, we have used the 2°C Scenario to model and evaluate a science-based emissions reductions target, as a way to understand considerations for our long-term strategy. BOUNDARIES AND TIME HORIZON USED: Our analysis was performed using the same methodology used to calculate the International Tourism Partnership’s industry calculations, based on the Sectoral Decarbonization Approach, which divides up carbon budgets by sector. INPUTS, ASSUMPTIONS AND METHODS USED: Our analysis used 2010 as the baseline and 2050 the year to align a decarbonization pathway, using a carbon budget aligned with the Service Buildings sector growth, and decarbonization levels of Service Buildings for Scope 1 and electric power grid for Scope 2, aligning our reductions to match the budget and increasing the intensity reduction based on our forecasted growth and cumulative emissions against cumulative budget toward 2050, aligning at 5-year intervals. RESULTS AND OUTCOMES: The results of the analysis will be used to inform our emissions management strategy. |

**C4. Targets and performance**

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**C4.1**

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**(C4.1) Did you have an emissions target that was active in the reporting year?**

Intensity target

**C4.1b**

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**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**

Int 1

**Scope**

Scope 1+2 (location-based)

**% emissions in Scope**

37

**Targeted % reduction from base year**

25

**Metric**

Metric tons CO2e per square meter\*

**Base year**

2006

**Start year**

2014

**Normalized base year emissions covered by target (metric tons CO2e)**

0.141

**Target year**

2020

**Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

**% of target achieved**

100

**Target status**

Achieved

**Please explain**

REGIONAL TARGET 1: AMERICAS

**% change anticipated in absolute Scope 1+2 emissions**

-13

**% change anticipated in absolute Scope 3 emissions**

0

---

**Target reference number**

Int 2

**Scope**

Scope 1+2 (location-based)

**% emissions in Scope**

39

**Targeted % reduction from base year**

25

**Metric**

Metric tons CO2e per square meter\*

**Base year**

2006

**Start year**

2014

**Normalized base year emissions covered by target (metric tons CO2e)**

0.193

**Target year**

2020

**Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

**% of target achieved**

100

**Target status**

Achieved

**Please explain**

REGIONAL TARGET 2: ASIA PACIFIC The estimated increase in absolute emissions reflects portfolio growth.

**% change anticipated in absolute Scope 1+2 emissions**

71

**% change anticipated in absolute Scope 3 emissions**

0

---

**Target reference number**

Int 3

**Scope**

Scope 1+2 (location-based)

**% emissions in Scope**

24

**Targeted % reduction from base year**

25

**Metric**

Metric tons CO2e per square meter\*

**Base year**

---

2006

**Start year**

2014

**Normalized base year emissions covered by target (metric tons CO2e)**

0.21

**Target year**

2020

**Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

**% of target achieved**

100

**Target status**

Achieved

**Please explain**

REGIONAL TARGET 3: EUROPE, AFRICA, MIDDLE EAST AND SOUTHWEST ASIA The estimated increase in absolute emissions reflect the portfolio growth.

**% change anticipated in absolute Scope 1+2 emissions**

61

**% change anticipated in absolute Scope 3 emissions**

0

---

## C4.2

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**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

**Target**

Energy usage

**KPI – Metric numerator**

Energy (megajoules)

**KPI – Metric denominator (intensity targets only)**

Per square meter

**Base year**

2006

**Start year**

2014

**Target year**

2020

**KPI in baseline year**

1359

**KPI in target year**

1019

**% achieved in reporting year**

52

**Target Status**

Underway

**Please explain**

REGIONAL INTENSITY TARGET 1: AMERICAS

**Part of emissions target**

---

Int1

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

---

**Target**

Energy usage

**KPI – Metric numerator**

Energy (megajoules)

**KPI – Metric denominator (intensity targets only)**

Per square meter

**Base year**

2006

**Start year**

2014

**Target year**

2020

**KPI in baseline year**

1561

**KPI in target year**

1170

**% achieved in reporting year**

88

**Target Status**

Underway

**Please explain**

REGIONAL INTENSITY TARGET 2: ASIA PACIFIC

**Part of emissions target**

Int2

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

---

**Target**

Energy usage

**KPI – Metric numerator**

Energy (megajoules)

**KPI – Metric denominator (intensity targets only)**

Per square meter

**Base year**

2006

**Start year**

2014

**Target year**

2020

**KPI in baseline year**

1483

**KPI in target year**

1112

**% achieved in reporting year**

70

---

**Target Status**

Underway

**Please explain**

REGIONAL INTENSITY TARGET 3: EUROPE, AFRICA, MIDDLE EAST AND SOUTHWEST ASIA

**Part of emissions target**

Int3

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**C4.3****(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a****(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

|                           | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|-----------------------|--|
| Under investigation       | 17                    | 2190   |
| To be implemented*        | 44                    | 6966   |
| Implementation commenced* | 21                    | 4123   |
| Implemented*              | 115                   | 6835   |
| Not to be implemented     | 0                     | 0  |

**C4.3b****(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.****Initiative type**

Low-carbon energy installation

**Description of initiative**

Solar PV

**Estimated annual CO2e savings (metric tonnes CO2e)**

145

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

42842

**Investment required (unit currency – as specified in C0.4)**

112500

**Payback period**

4 - 10 years

**Estimated lifetime of the initiative**

21-30 years

**Comment**

Two hotels in India and one in China installed rooftop solar PV and/or rooftop solar thermal systems during 2018. Including installation at these three properties, there are now 27 Hyatt hotels are sourcing power from onsite renewable energy such as solar, wind and geothermal. Because installation of low carbon energy sources is a relatively new effort, we do not yet have robust data to estimate the useful lifetime of the equipment; however, it is likely that the lifetime will be about 20 years.

---

**Initiative type**

Energy efficiency: Building services

**Description of initiative**

HVAC

**Estimated annual CO2e savings (metric tonnes CO2e)**

1522

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

511050

**Investment required (unit currency – as specified in C0.4)**

4456681

**Payback period**

4 - 10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

We replace HVAC equipment in hotels as they age; and while these investments are part of scheduled updates, they often give us the opportunity to invest in more efficient equipment. In addition, HVAC-related controls and equipment are updated as needed or when efficiency gains can be made. Based on reported information, we have identified 27 completed HVAC projects completed in 2018. Payback period is estimated based on previous experience/observed median payback periods rather than based on the available information for reported projects. Estimated lifetime of equipment varies greatly and is based on the equipment's depreciation timeline as well as useful lifetime. A preventative maintenance program is in place at Hyatt hotels in order to extend the useful lifetime of designated equipment as much as possible. Additional information was available for 44% of these projects, which is reflected in the reported totals in this row, and data provided represents investments made by Hyatt and Hyatt hotel owners.

---

**Initiative type**

Energy efficiency: Building services

**Description of initiative**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

3596

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

1026973

**Investment required (unit currency – as specified in C0.4)**

2318587

**Payback period**

---

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Based on reported information, we have identified 56 completed lighting projects across our portfolio in 2018. Payback period is estimated based on previous experience/observed median payback periods rather than based on the available information for reported projects. Estimated lifetime of equipment varies greatly and is based on the equipment's depreciation timeline as well as useful lifetime. Lighting equipment in areas that require constant use (e.g., emergency lighting) would have a shorter life cycle as a result. Additional information was available for 79% of these projects, which is reflected in the reported totals in this row, and data provided represents investments made by Hyatt and Hyatt hotel owners.

---

**Initiative type**

Energy efficiency: Building services

**Description of initiative**

Building controls

**Estimated annual CO2e savings (metric tonnes CO2e)**

1502

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

557181

**Investment required (unit currency – as specified in C0.4)**

1319050

**Payback period**

4 - 10 years

**Estimated lifetime of the initiative**

16-20 years

**Comment**

Example initiatives include energy management systems to help monitor and control building operations and centrally controlled guestroom thermostats that enable hotels to implement greater temperature setbacks in unsold rooms compared to relying solely on occupancy sensor-controlled thermostats. Based on reported information, we have identified 15 completed building control projects completed in 2018. Payback period is estimated based on previous experience/observed median payback periods rather than based on the available information for reported projects. Estimated lifetime of equipment varies greatly and is based on the equipment's depreciation timeline as well as useful lifetime. A preventative maintenance program is in place at Hyatt hotels in order to extend the useful lifetime of designated equipment as much as possible. Additional information was available for 60% of these projects, which is reflected in the reported totals in this row, and data provided represents investments made by Hyatt and Hyatt hotel owners.

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**Initiative type**

Energy efficiency: Building services

**Description of initiative**

Other, please specify (Kitchen/laundry equipment, other)

**Estimated annual CO2e savings (metric tonnes CO2e)**

69

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

419694

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**Investment required (unit currency – as specified in C0.4)**

1042409

**Payback period**

4 - 10 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

We replace kitchen and laundry equipment in hotels as they age; and while many of these investments are part of scheduled updates, they often give us the opportunity to invest in more efficient equipment. Beyond replacing older equipment, many Hyatt hotels have upgraded kitchen hood exhaust controls, which enable the exhaust fans to modulate as needed, saving energy associated with running the fans. In addition, because the make-up air is controlled only as needed, less energy is used to condition the incoming air. Based on reported information, there were 13 identified projects to enhance kitchen and laundry energy efficiency, among other general efficiency upgrades, completed in 2018. Payback period is estimated based on previous experience/observed median payback periods rather than based on the available information for reported projects. Estimated lifetime of equipment varies greatly and is based on the equipment's depreciation timeline as well as useful lifetime. A preventative maintenance program is in place at Hyatt hotels in order to extend the lifetime of designated equipment as much as possible. Additional information was available for 38% of these projects, which is reflected in the reported totals in this row, and data provided represents investments made by Hyatt and Hyatt hotel owners.

**C4.3c****(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

| Method  | Comment  |
|---|--|
| Financial optimization calculations               | Many of our managed full service hotels have leveraged onsite energy audits, retro-commissioning studies, and/or third party guidance to identify high yielding/short payback initiatives that will enable them to maximize actions and potential investment dollars. In addition, we use Hyatt EcoTrack (our utility tracking and management database) and vendors to forecast energy use and understand future energy trends, which help prioritize investment areas.  |
| Compliance with regulatory requirements/standards | While most emission reduction activities are voluntary in the hospitality industry, in some cases there may be regulatory requirements that drive investments. Examples of regulatory requirements are: Local energy standards, carbon reduction regulations, and phase-outs of specific technologies. In these cases, new investments are integrated into the annual capital expenditure planning.  |
| Employee engagement                               | With regard to driving efficiency and emission reduction projects, our colleagues frequently identify new opportunities and develop the business case to receive investment funds. Associate engagement is particularly important in a business structure like ours, given a diverse ownership structure. We engage our colleagues by setting regional 2020 targets and providing tools that empower our Engineering and Operations Teams, who play a critical role in securing investment funds for new projects.   |
| Internal incentives/recognition programs          | The annual goals described in Section 1.3 for Directors of Engineering at properties, the regional Vice President and Directors of Engineering and Sustainability, and the Director of Environmental Affairs drive associates to identify opportunities to reduce energy consumption. Emissions reductions are also incentivized through the Thrive Leaderships Awards, an annual program through which the Company awards hotels demonstrating leadership in advancing corporate responsibility initiatives – including outstanding climate change impact reductions. In addition, hotels are frequently recognized for their successful initiatives and accomplishments on Hyatt's intranet site (Hyattconnect), our corporate responsibility report, and newsletters and other communication platforms. Our CEO refers to accomplishments at various hotels in external and internal presentations. |

**C4.5****(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

Managed properties

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (GHG Protocols)

**% revenue from low carbon product(s) in the reporting year**

56

**Comment**

As a result of Hyatt's ongoing efforts to reduce emissions from hotels, our hotel owners have the potential to reduce part of their Scope 1 and 2 emissions. We estimate avoided emissions for hotel owners of approximately 500,000 MTCO<sub>2</sub>e from 2006 to 2018. Hyatt's climate change mitigation strategies (which include energy-efficient design and construction guidelines and operations and procurement practices) enable our hotel owners to directly avoid a portion of their GHG emissions. These practices reduce Hyatt's Scope 1 and 2 emissions at our hotels within our operational control, which directly translates into reducing the Scope 1 and 2 emissions of the hotel owners who have financial control over these properties. As a result of our ongoing efforts, hotel owners could potentially avoid a portion of their GHG emissions by selecting Hyatt as the hotel management Company over similar companies without a commitment to reduce carbon emissions and fewer efficiency practices. Hyatt's efficiency measures also help reduce our guests' GHG emissions when they travel; however, the GHG emissions of our guests would be considered as Scope 3 emissions. Our estimated amount of emissions avoided is based on the following assumptions and methodologies: (1) Reduction in GHG emissions by region during the reporting period since baseline years; (2) Hotels and the square meters of space managed by Hyatt remains the same from baseline year to current year (2018) using the average space of the start and end year; (3) Use of emission factors and global warming potentials from sources presented in Questions C7 and C8. We also encourage and provide resources to help third-party franchisees to reduce their Scope 1 and 2 emissions; however, we count these emissions as Hyatt's Scope 3 emissions.

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## C5. Emissions methodology

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### C5.1

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**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**

January 1 2006

**Base year end**

December 31 2006

**Base year emissions (metric tons CO2e)**

232229

**Comment**

**Scope 2 (location-based)**

**Base year start**

January 1 2006

**Base year end**

December 31 2006

**Base year emissions (metric tons CO2e)**

1169188

**Comment**

**Scope 2 (market-based)**

**Base year start**

January 1 2006

**Base year end**

December 31 2006

**Base year emissions (metric tons CO2e)**

1169188

**Comment**

**C5.2**

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**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**C6. Emissions data**

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**C6.1**

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

283766

**Start date**

January 1 2018

**End date**

December 31 2018

**Comment**

C6.2

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

To align with new GHG Protocol Scope 2 accounting guidance, we have evaluated opportunities to develop necessary measurements to account for both market-based and location-based Scope 2 emissions data. Some of our hotels voluntarily purchase renewable energy and renewable energy certificates, and we are able to make adjustments to our market-based Scope 2 emissions based on this information as provided by hotels in our portfolio. As a company with over 850 properties operating in 60 countries, we are not able to leverage utility-specific emission factors in a practical manner at this time. Additionally, availability of emission factor data from utilities continues to be a challenge. These adjustments are reflected in the market-based Scope 2 emissions reported in our CDP Climate Change Information Request response.

C6.3

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

1309478

**Scope 2, market-based (if applicable)**

1274334

**Start date**

January 1 2018

**End date**

December 31 2018

**Comment**

Hyatt's reported Scope 2 market-based emissions figure reflects our best estimate based on available data for renewable energy purchases within our portfolio.

C6.4

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

## C6.4a

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**(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

**Source**

Hotels not yet in company-wide database

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

There is an expected timeframe for new hotels to set up EcoTrack accounts after opening. While some hotels are not yet set up to enter monthly data in our system, we estimate that the emissions from these sources total about 2% of our emissions based on room counts and the number of months these hotels operated in 2018.

---

**Source**

Non-hotel properties, including offices

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

Hyatt's office space and non-hotel properties were not included in this reporting, as they constitute a small portion of our total physical and carbon footprint.

---

**Source**

PFCs, HFCs, and SF6

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

**Explain why this source is excluded**

Emissions from refrigeration or air conditioning equipment for HFCs are typically not material compared to our total emissions and are also a challenge to collect uniformly across our hotels. We have begun tracking major individual leakages of refrigerants in our database for the purpose of reporting environmental metrics to clients following the Hotel Carbon Measurement Initiative (HCMI) guidance. However, according to a study published by the Cornell University's Center for Hospitality Research, while fugitive emissions from refrigerant leakages could be significant at the hotel-level, they would likely not meet a materiality threshold of 1% for an entire portfolio at the Company reporting level. PFCs and SF6 are not found in hotels.

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**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.****Purchased goods and services****Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Explanation**

Although emissions from our supply chain are relevant, at this time Hyatt is not collecting Scope 3 emissions from purchased goods and services given the complexity of this task in a global, highly decentralized organization and pending the further development of methodologies for calculation and extrapolation.

**Capital goods****Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Explanation**

At this time, Hyatt is not collecting Scope 3 emissions from capital goods given the complexity of this task in a global highly-decentralized organization and pending the further development of methodologies for calculation and extrapolation.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Explanation**

As a hospitality company, we do not believe any applicable fuel- and energy-related emissions (not included in Scope 1 or 2) meets the threshold of relevancy at this time.

## Upstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

We currently prioritize initiatives that will reduce our upstream transportation and distribution emissions; however, we do not assess these emissions due to challenges in collecting this data.

## Waste generated in operations

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

We track the amount of waste and recycling generated at our managed hotels and prioritize measures that will help reduce our waste and associated emissions. We currently do not, however calculate the actual emissions from our waste.

## Business travel

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Hyatt continues to investigate opportunities to improve the tracking of emissions related to corporate business travel.

## Employee commuting

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Many of our hotels provide associates with bike racks and encourage carpooling in applicable regions; however, we do not currently assess the emissions related to employee commuting due to the challenges in collecting this data.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Emissions from Hyatt's upstream leased assets are included in our Scope 1 and 2 emissions reported above since we have operational control over these leased assets, such as hotel buildings and vehicle fleets.

## Downstream transportation and distribution

### Evaluation status

Relevant, not yet calculated

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Downstream risks may include those associated with guests traveling to and from the hotels, however we do not currently assess the emissions related to guest travel.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Because we are in the hospitality industry, we do not sell products that are then processed by other entities.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Emissions associated with the use of sold hotel rooms, meeting spaces, etc., are accounted for in Scope 1 and 2.

## End of life treatment of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

The end of life of hotel buildings is difficult to assess for the hospitality industry. In many cases properties may be sold to other entities for continued use as a hotel or other purposes, and the demolition of managed buildings is a rare occurrence.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

We lease retail and restaurant space at many of our hotels. In some cases, particularly if the leased space does not have a material energy footprint, the associated energy use and GHG emissions would be included into Hyatt's aggregate amounts. In other cases, the leases would account for the energy consumption of this space, and we have not assessed this data.

## Franchises

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

418707

### Emissions calculation methodology

For the hotels for which we do not have actual data, emissions per available room were assigned based on the average emissions from similar hotels in the region.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

46

### Explanation

As of December 31, 2018 Hyatt franchised nearly one-third of our total room portfolio. Given that Hyatt does not have direct operational control over these hotels, we historically have had very limited information on their greenhouse gas emissions. In 2015 we launched Hyatt EcoTrack to this segment of our business and began collecting data, and we anticipate a continued increase in the percentage of data coming directly from our franchised hotels. While we do not have direct operational control over these Scope 3 emissions, we believe we can make a positive impact through engaging with our franchisees, and the initiation of the data collection in 2015 has been an important step forward.

## Investments

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

Hyatt owned or leased approximately 10% of its total room portfolio, as of December 31, 2018. These emissions are currently captured in our Scope 1 and 2 emissions boundary. We believe that potential emissions associated with investments, which may include those to develop and construct hotels, are primarily captured within our Scope 1 and 2 emissions boundary. Additional value chain emissions associated with investments would also likely be included within other Scope 3 emissions sources, including those from capital goods, purchased goods and services, and upstream transportation and distribution.

## Other (upstream)

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

No other sources of upstream emissions have been evaluated at this time.

## Other (downstream)

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Explanation

No other sources of downstream emissions have been evaluated at this time.

## C6.7

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### (C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

## C6.7a

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**(C6.7a) Provide the emissions from biologically sequestered carbon relevant to your organization in metric tons CO2.**

**Row 1**

**Emissions from biologically sequestered carbon (metric tons CO2)**

0

**Comment**

Our calculations are based on reported data, and therefore we are likely underreporting this number. We believe that there are Hyatt hotels using fuels that would generate emissions from biologically sequestered carbon that were not reported for 2018.

C6.10

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**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.00014

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

**Metric denominator**

Other, please specify (Revenue for properties as described)

**Metric denominator: Unit total**

**Scope 2 figure used**

Location-based

**% change from previous year**

8.09

**Direction of change**

Decreased

**Reason for change**

The 8.09% decrease reflects a 1.69% decrease in emissions over a 6.97% increase in revenue for properties in our boundary. The decrease in intensity per revenue was in part due to efficiency initiatives, including those reported in Question C4.3b. Change in intensity normalized by revenue can be heavily impacted by changes in our portfolio mix. As demonstrated in Question C7.9, Hyatt's aggregate emissions changed as a result of hotel openings and closing. Each hotel's revenue stream is influenced by brand, onsite restaurants and other market conditions and factors. We have defined the boundary of the numerator as emissions from hotels with a full year of data. The denominator value is determined based on the hotels included in the numerator. This enables us to make this metric more representative of performance. Note that "revenue" used for the denominator is the sum of the revenue generated at each Hyatt managed hotel, which reflects the boundary of our report. This is a different value than the revenue reported in Hyatt's Form 10-K, which instead is reflective of the fees that Hyatt Hotels Corporation receives from hotels.

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**Intensity figure**

0.03075

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

**Metric denominator**

Other, please specify (Guest nights)

**Metric denominator: Unit total**

**Scope 2 figure used**

Location-based

**% change from previous year**

5.9

**Direction of change**

Decreased

**Reason for change**

The 5.90% decrease reflects a 1.69% decrease in emissions over a 4.47% increase in the number of guest nights for properties in our boundary. The decrease in intensity per guest night was in part due to efficiency initiatives, including those reported in Question C4.3b. Change in intensity normalized by guest nights can be heavily impacted by changes in our portfolio mix. As demonstrated in C7.9, Hyatt's aggregate emissions changed as a result of hotel openings and closing. Each hotel's guest nights are influenced by brand, onsite restaurants, market, etc. We have defined the boundary of the numerator as emissions from hotels with a full year of data. The denominator value is determined based on the hotels included in the numerator.

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## C7. Emissions breakdowns

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### C7.1

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**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

**C7.1a**

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**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

| Greenhouse gas | Scope 1 emissions (metric tons of CO2e) | GWP Reference                                  |
|----------------|---|--|
| CO2            | 283760                                  | IPCC Second Assessment Report (SAR - 100 year) |
| CH4            | 5                                       | IPCC Second Assessment Report (SAR - 100 year) |
| N2O            | 1                                       | IPCC Second Assessment Report (SAR - 100 year) |

**C7.2**

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**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

| Country/Region                                       | Scope 1 emissions (metric tons CO2e) |
|--|--------------------------------------|
| United States of America                             | 114870                               |
| China  | 49108                                |
| India  | 20762                                |
| Republic of Korea                                    | 9746                                 |
| Australia  | 6711                                 |
| Indonesia  | 3249                                 |
| Mexico   | 7323                                 |
| Canada   | 3169                                 |
| United Arab Emirates                                 | 5934                                 |
| Japan  | 5037                                 |
| United Kingdom of Great Britain and Northern Ireland | 2563                                 |
| France   | 1261                                 |
| Germany  | 183                                  |
| Other, please specify (Rest of World)                | 53850                                |

**C7.3**

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**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

**C7.3a**

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**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

| Business division        | Scope 1 emissions (metric ton CO2e) |
|--------------------------|-------------------------------------|
| Full Service Hotels      | 277843                              |
| US Select Service Hotels | 5923                                |

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

| Country/Region                                       | Scope 2, location-based (metric tons CO2e) | Scope 2, market-based (metric tons CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|--|--|--|--|--|
| United States of America                             | 385748                                     | 380792                                   | 1032882  | 11594  |
| China  | 262275                                     | 262275                                   | 492047   | 438  |
| India  | 128814                                     | 100022                                   | 176916   | 37003  |
| Republic of Korea                                    | 28818                                      | 28818                                    | 59163  | 0  |
| Australia  | 27903                                      | 27903                                    | 36623  | 0  |
| Indonesia  | 23864                                      | 23864                                    | 32592  | 0  |
| Mexico   | 19854                                      | 19854                                    | 42678  | 56   |
| Canada   | 9086                                       | 9082                                     | 43715  | 411  |
| United Arab Emirates                                 | 68739                                      | 68739                                    | 146872   | 1729   |
| Japan  | 38886                                      | 38886                                    | 106621   | 0  |
| United Kingdom of Great Britain and Northern Ireland | 3595                                       | 3595                                     | 12834  | 0  |
| France   | 5353                                       | 5353                                     | 44761  | 0  |
| Germany  | 13495                                      | 13495                                    | 38293  | 0  |
| Other, please specify (Rest of World)                | 293048                                     | 291656                                   | 669918   | 2211   |

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

### C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

| Business division        | Scope 2, location-based emissions (metric tons CO2e) | Scope 2, market-based emissions (metric tons CO2e) |
|--------------------------|--|--|
| Full Service Hotels      | 1286772  | 1251628  |
| US Select Service Hotels | 22706  | 22706  |

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

### C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

|   | Change in emissions (metric tons CO2e) | Direction of change | Emissions value (percentage) | Please explain calculation   |
|---|--|---------------------|------------------------------|--|
| Change in renewable energy consumption  | 434                                    | Decreased           | 0.03                         | As renewable energy installations, credits and power purchase agreements become more available and economically attractive, we have seen a gradual increase in the number of hotels installing onsite renewable systems and/or purchasing instruments to offset their emissions. The numerator used to calculate the percent change from previous year (2017) is -434 MT CO2e and the denominator used is Hyatt's 2017 Scope 1 and Scope 2 location-based emissions of 1,606,091 MT CO2e.  |
| Other emissions reduction activities    | 122568                                 | Decreased           | 7.63                         | Within a group of comparable hotels, there was a 7.63% reduction in emission in 2018 compared to Hyatt's 2017 absolute emissions. The numerator used in the calculation is -122,568 MT CO2e (which includes reported projects in Question C4.3b) and the denominator used is Hyatt's 2017 Scope 1 and Scope 2 location-based emissions of 1,606,091 MT CO2e. Other variables beyond reduction efforts, such as business levels, weather, and updates in emission factors also factor into the change. Because cooling degree days were higher in 2018 compared to 2017, we expect that the percent change reflective of emission reduction activities would in fact be higher. |
| Divestment                              | 0                                      | No change           | 0                            | The sale and acquisition of owned hotels are included in "changes in boundary" along with changes in Hyatt's managed hotels.   |
| Acquisitions                            | 0                                      | No change           | 0                            | The sale and acquisition of owned hotels are included in "changes in boundary" along with changes in Hyatt's managed hotels.   |
| Mergers                                 | 0                                      | No change           | 0                            | Not applicable to Hyatt  |
| Change in output                        | 0                                      | No change           | 0                            | We have not identified any potential isolated increases or decreased associated with a change in output.   |
| Change in methodology                   | 0                                      | No change           | 0                            | Hyatt's methodology has remained the same; however, we update our emission factors along with updates released from eGrid and the Canada National Inventory Report. For 2018 data, we updated to the most current emission factor sets available to us, which include Canada National Inventory Report 2016 (1990-2014), International Energy Agency (IEA) 2018 v1.00, and US Environmental Protection Agency eGRID (Sub Region & US Average) - 2016 (Released Feb 2018) v1.2.   |
| Change in boundary                      | 110155                                 | Increased           | 6.86                         | Each year new Hyatt hotels open, and existing Hyatt hotels are closed, de-flagged or transition to franchise. Hyatt's growth in countries such as China and India where emission factors are relatively higher also impacts the Company's absolute emissions. The estimated changes in 2018 emissions that resulted from these transitions is an increase of 6.86%. The numerator used in the calculation is 110,155 MT CO2e and the denominator used is Hyatt's 2017 Scope 1 and Scope 2 location-based emissions of 1,606,091 MT CO2e.   |
| Change in physical operating conditions | 0                                      | No change           | 0                            | No change in our emissions can be reported as a result of change in physical operating conditions. While weather patterns can impact hotel's heating and cooling needs, it is difficult to aggregate the impact at the global level. However, in the United States where the majority of Hyatt properties are located, a higher number of cooling degree days were observed. Because of our global operations and the array of factors influencing our emissions, impact associated with physical conditions would be captured along with our reduction activities as mentioned in the first row of this table.  |
| Unidentified                            | 0                                      | No change           | 0                            | No "unidentified" sources were determined to have impacting Hyatt's GHG emissions compared to the previous year, beyond the emissions reduction activities and change in boundary identified above and occupancy and weather-related changes mentioned that are difficult to quantify at this time.  |
| Other                                   | 0                                      | No change           | 0                            | No other sources identified during the reporting year.   |

**C7.9b**

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

**C8. Energy**

**C8.1**

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 5% but less than or equal to 10%

**C8.2****(C8.2) Select which energy-related activities your organization has undertaken.**

|  | Indicate whether your organization undertakes this energy-related activity |
|--|--|
| Consumption of fuel (excluding feedstocks)         | Yes  |
| Consumption of purchased or acquired electricity   | Yes  |
| Consumption of purchased or acquired heat          | Yes  |
| Consumption of purchased or acquired steam         | Yes  |
| Consumption of purchased or acquired cooling       | Yes  |
| Generation of electricity, heat, steam, or cooling | Yes  |

**C8.2a****(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

|   | Heating value                   | MWh from renewable sources | MWh from non-renewable sources | Total MWh |
|---|---------------------------------|----------------------------|--------------------------------|-----------|
| Consumption of fuel (excluding feedstock)               | Unable to confirm heating value | 0                          | 1432983                        | 1432983   |
| Consumption of purchased or acquired electricity        | <Not Applicable>                | 38571                      | 2341402                        | 2379972   |
| Consumption of purchased or acquired heat               | <Not Applicable>                | 0                          | 64394                          | 64394     |
| Consumption of purchased or acquired steam              | <Not Applicable>                | 0                          | 172219                         | 172219    |
| Consumption of purchased or acquired cooling            | <Not Applicable>                | 0                          | 352692                         | 352692    |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable>                | 5221                       | <Not Applicable>               | 5221      |
| Total energy consumption                                | <Not Applicable>                | 43782                      | 4363690                        | 4407472   |

**C8.2b****(C8.2b) Select the applications of your organization's consumption of fuel.**

|   | Indicate whether your organization undertakes this fuel application |
|---|---|
| Consumption of fuel for the generation of electricity   | Yes   |
| Consumption of fuel for the generation of heat          | Yes   |
| Consumption of fuel for the generation of steam         | Yes   |
| Consumption of fuel for the generation of cooling       | Yes   |
| Consumption of fuel for co-generation or tri-generation | Yes   |

**C8.2c****(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.****Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

1174319

**MWh fuel consumed for self-generation of electricity**

8653

**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam****MWh fuel consumed for self-generation of cooling****MWh fuel consumed for self-cogeneration or self-trigeneration****Comment**

Each hotel property consumes various fuel types to operate the building. While we track consumption of fuel by hotel, in most cases we do not track exactly how the fuel is used at each hotel (e.g., for heating, cooling, generating electricity, etc.)

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**Fuels (excluding feedstocks)**

Propane Gas

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

118728

**MWh fuel consumed for self-generation of electricity****MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam****MWh fuel consumed for self-generation of cooling****MWh fuel consumed for self-cogeneration or self-trigeneration****Comment**

Each hotel property consumes various fuel types to operate the building. While we track consumption of fuel by hotel, in most cases we do not track exactly how the fuel is used at each hotel (e.g., for heating, cooling, generating electricity, etc.)

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**Fuels (excluding feedstocks)**

Fuel Oil Number 2

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

99005

**MWh fuel consumed for self-generation of electricity**

40789

**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam****MWh fuel consumed for self-generation of cooling****MWh fuel consumed for self-cogeneration or self-trigeneration****Comment**

Each hotel property consumes various fuel types to operate the building. While we track consumption of fuel by hotel, in most cases we do not track exactly how the fuel is used at each hotel (e.g., for heating, cooling, generating electricity, etc.)

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**Fuels (excluding feedstocks)**

Fuel Oil Number 5

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**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

13155

**MWh fuel consumed for self-generation of electricity****MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam****MWh fuel consumed for self-generation of cooling****MWh fuel consumed for self-cogeneration or self-trigeneration****Comment**

Each hotel property consumes various fuel types to operate the building. While we track consumption of fuel by hotel, in most cases we do not track exactly how the fuel is used at each hotel (e.g., for heating, cooling, generating electricity, etc.)

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**Fuels (excluding feedstocks)**

Motor Gasoline

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

22762

**MWh fuel consumed for self-generation of electricity****MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam****MWh fuel consumed for self-generation of cooling****MWh fuel consumed for self-cogeneration or self-trigeneration****Comment**

Each hotel property consumes various fuel types to operate the building. While we track consumption of fuel by hotel, in most cases we do not track exactly how the fuel is used at each hotel (e.g., for heating, cooling, generating electricity, etc.)

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**Fuels (excluding feedstocks)**

Butane

**Heating value**

Unable to confirm heating value

**Total fuel MWh consumed by the organization**

5013

**MWh fuel consumed for self-generation of electricity****MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam****MWh fuel consumed for self-generation of cooling****MWh fuel consumed for self-cogeneration or self-trigeneration****Comment**

Each hotel property consumes various fuel types to operate the building. While we track consumption of fuel by hotel, in most cases we do not track exactly how the fuel is used at each hotel (e.g., for heating, cooling, generating electricity, etc.)

---

**Fuels (excluding feedstocks)**

Biodiesel

**Heating value**

Unable to confirm heating value

---

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-generation of cooling**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Comment**

Each hotel property consumes various fuel types to operate the building. While we track consumption of fuel by hotel, in most cases we do not track exactly how the fuel is used at each hotel (e.g., for heating, cooling, generating electricity, etc.). We believe that there are Hyatt hotels using fuels that would generate emissions from biologically sequestered carbon that were not reported for 2018.

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**C8.2d**

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**(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

**Biodiesel**

**Emission factor**

20.83

**Unit**

lb CO2 per gallon

**Emission factor source**

Climate Leaders (2014) - Global

**Comment**

Emissions factor unchanged from prior reporting year

**Butane**

**Emission factor**

134.99

**Unit**

lb CO2e per million Btu

**Emission factor source**

Climate Leaders (2014) - Global

**Comment**

Emissions factor unchanged from prior reporting year

**Fuel Oil Number 2**

**Emission factor**

153.54

**Unit**

lb CO2 per million Btu

**Emission factor source**

2015 Climate Registry Default Emissions Factors - Released April 2015 - Global

**Comment**

Emissions factor unchanged from prior reporting year

**Fuel Oil Number 5****Emission factor**

151.4

**Unit**

lb CO2 per million Btu

**Emission factor source**

North American Climate Registry (2014) - Global

**Comment**

Emissions factor unchanged from prior reporting year

**Motor Gasoline****Emission factor**

19.36

**Unit**

lb CO2 per gallon

**Emission factor source**

Climate Leaders (2014) - Global

**Comment**

Emissions factor unchanged from prior reporting year

**Natural Gas****Emission factor**

110.26

**Unit**

lb CO2e per million Btu

**Emission factor source**

Climate Leaders (2014) – Global

**Comment**

Emissions factor unchanged from prior reporting year

**Propane Gas****Emission factor**

131.04

**Unit**

lb CO2 per million Btu

**Emission factor source**

Climate Leaders (2014) – Global

**Comment**

Emissions factor unchanged from prior reporting year

**C8.2e**

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(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

|             | Total Gross generation (MWh) | Generation that is consumed by the organization (MWh) | Gross generation from renewable sources (MWh) | Generation from renewable sources that is consumed by the organization (MWh) |
|-------------|------------------------------|---|---|--|
| Electricity | 19347                        | 19347   | 1827  | 1827   |
| Heat        |                              |   |   |  |
| Steam       |                              |   |   |  |
| Cooling     |                              |   |   |  |

C8.2f

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**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

**Basis for applying a low-carbon emission factor**

Energy attribute certificates, Renewable Energy Certificates (RECs)

**Low-carbon technology type**

Solar PV

Wind

**Region of consumption of low-carbon electricity, heat, steam or cooling**

North America

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

9660

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

0

**Comment**

A group of hotels in the United States purchase renewable energy credits. We estimate an emissions factor of zero, based on nominal emissions associated with the purchased renewable energy.

---

**Basis for applying a low-carbon emission factor**

Power Purchase Agreement (PPA) without energy attribute certificates

**Low-carbon technology type**

Wind

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Other, please specify (Multiple locations)

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

38571

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

0

**Comment**

A group of hotels, India, Canada and The Netherlands purchase renewable energy through power purchase agreements. We estimate an emissions factor of zero, based on nominal emissions associated with the purchased renewable energy.

---

**Basis for applying a low-carbon emission factor**

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

**Low-carbon technology type**

Solar PV

Other low-carbon technology, please specify (Solar Thermal)

**Region of consumption of low-carbon electricity, heat, steam or cooling**

Other, please specify (Multiple Locations)

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

5211

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

0

**Comment**

Hyatt does not own all of the properties that we manage. Low carbon technology could be owned by the hotel owner, and not necessarily by Hyatt. An example of low carbon heat generation is the solar water heater at Hyatt Regency Aruba Resort Spa and Casino, which generates over 450 MWH each year. Solar power is also generated onsite through a solar photovoltaic system at Hyatt Regency Maui Resort and Spa. We utilize an emissions factor of zero due to nominal emissions associated with the technology.

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## C9. Additional metrics

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### C9.1

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**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**

Energy usage

**Metric value**

1203

**Metric numerator**

Megajoules

**Metric denominator (intensity metric only)**

Square Meters

**% change from previous year**

1

**Direction of change**

Decreased

**Please explain**

Energy data is based on reported information from managed hotels in a comparable goals group in our three regions: (1) Americas, (2) Asia Pacific and (3) Europe, Africa, Middle East and South-West Asia. This decrease in energy intensity is due to a number of factors including hotel-level efficiency measures. Many hotels have conducted onsite energy audits to prioritize capital investments. Properties have also installed utility monitoring systems, which enable them to monitor energy use in real time, detect abnormalities immediately, and identify conservation opportunities. Hyatt hotels also have preventative maintenance programs in place, which enable properties to ensure equipment is operating optimally, and that the building is equipped to handle a range of environmental conditions.

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## C10. Verification

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### C10.1

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**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

|  | Verification/assurance status            |
|--|--|
| Scope 1                                  | No third-party verification or assurance |
| Scope 2 (location-based or market-based) | No third-party verification or assurance |
| Scope 3                                  | No third-party verification or assurance |

### C10.2

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**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

### C11.3

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**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

## C12. Engagement

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### C12.1

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

### C12.1a

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Compliance & onboarding

**Details of engagement**

Climate change is integrated into supplier evaluation processes

**% of suppliers by number**

99

**% total procurement spend (direct and indirect)**

99

**% Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

We have focused our efforts in North America where we have centralized purchasing. Of the food and beverage and operating supplies we source within the United States, Canada, and the Caribbean, nearly all of our contracts have an environmental policy in place.

**Impact of engagement, including measures of success**

By requesting this information, we are highlighting to current and potential suppliers the importance of sustainability and signaling that environmental considerations are an important factor in the Company's decision making process. We are also encouraging suppliers to take sustainability into consideration within their own businesses. To learn more about Hyatt's responsible sourcing efforts, visit HyattThrive.com.

**Comment**

Hyatt has a global Supplier Code of Conduct, which establishes Hyatt's expectation for suppliers around social, governance, and environmental principles. The code plays an important role in ensuring that our business partners adhere to similar values as Hyatt's, including proper management of the environmental impacts of their business. Hyatt's Supplier Code of Conduct (and environmental standards) are publicly available at: <https://www.hyatt.com/Hyatt-Supplier-Code-of-Conduct.pdf>.

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**C12.1b**

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**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Other – please provide information in column 5

**% of customers by number**

100

**% Scope 3 emissions as reported in C6.5**

0

**Please explain the rationale for selecting this group of customers and scope of engagement**

We engage all guests by placing conserve cards in guestrooms that allow guests to reuse their towels and linens if they wish, and by making information about Hyatt's sustainability efforts and initiatives publicly available on HyattThrive.com. We strive to help our guests easily identify environmentally conscious hotels. For example, Hyatt provided feedback for TripAdvisor's GreenLeaders Program, which provides a platform for sharing hotels' environmental efforts with guests and many Hyatt hotels in the US have been participating in this platform. Furthermore, Hyatt hotels around the world identify certifications that best meet the needs of their local market. For corporate clients, Hyatt contributed to the development of the Hotel Carbon Measurement Initiative (HCMI) led by ITP. Hotels are able to provide data to clients following this standard.

**Impact of engagement, including measures of success**

This engagement can help our hotels cut down on energy and water consumption, and also allows our guests to actively contribute to our conservation measures. Engagement with customers is one of numerous factors that have helped us to reduce GHG intensity in our Americas, Asia Pacific, and Europe, Africa, Middle East and Southwest-Asia regions by 30%, 26% and 35%, respectively, compared to our baseline year of 2006.

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## C12.1c

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### **(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.**

Hyatt engages with a range of stakeholders across our value chain, including our hotel owners and developers and franchise operators.

**HOTEL OWNERS AND DEVELOPERS:** Hyatt's commitment to environmental sustainability as part of our corporate responsibility strategy is directly shared with owners and developers. Hyatt's Sustainable Design Guidelines are reviewed with these stakeholders during the development process. Even after a hotel opens, we continue to engage with hotel owners by identifying impactful capital expenditure projects. In cases where an organization owns multiple Hyatt hotels, we work with them to prioritize funding and projects.

Hyatt is an inaugural industry partner of the Hotel Owners for Tomorrow (HOT) Coalition, which is focused on hotel owners in Asia and encourages ownership companies to commit to five actions focused on increasing the sustainability of their hotels. These commitments include incorporating sustainability in investment decisions, evaluating renewable energy projects, monitoring environmental performance, supporting brand efforts and sharing best practices.

**FRANCHISE OPERATORS:** Hyatt's franchise properties are operated by other business entities. The emissions at these properties are part of Hyatt's Scope 3 emissions since we do not have operational control over this segment. However, we provide resources and guidance materials to help third-party franchisees to reduce their Scope 1 and 2 emissions. Additionally, we collect emissions data from these hotels in Hyatt EcoTrack where possible, and support them in providing carbon information to stakeholders such as corporate customers.

## C12.3

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### **(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations  
Other

## C12.3b

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### **(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## C12.3c

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**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

American Hotel and Lodging Association (AHLA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Within the context of climate change, AHLA strives to advance the industry's efforts and best practices, and commitments. Specifically AHLA provides a variety of resources and information. For additional information on AHLA's green initiatives, please visit: <https://www.ahla.com/resources/green-products-programs> Information on AHLA's public policy positions and efforts can be found at: <https://www.ahla.com/advocacy>

**How have you influenced, or are you attempting to influence their position?**

Hyatt supports the AHLA through membership and participation in the Sustainability Committee. In addition to promoting sustainability best practices across the industry, the committee works on projects like addressing food waste in the hospitality sector.

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**Trade association**

World Travel and Tourism Council (WTTC)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Within the context of climate change, WTTC strives to advance the industry's efforts, best practices, and commitments. Climate change is explicitly part of the WTTC's Sustainable Growth objectives, one of the three priority areas for the WTTC. Additional detail can be found at: <https://www.wttc.org/priorities/sustainable-growth/>

**How have you influenced, or are you attempting to influence their position?**

Hyatt's President and CEO is a WTTC Council member. Additionally, Hyatt's Environmental Sustainability team has engaged with WTTC through a working group that produced the Hotel Carbon Measurement Initiative. Identifying with clients regarding the lack of consistent methodology in how hotels were reporting carbon emissions information, Hyatt (in conjunction with Marriott International and Fairmont Hotels and Resorts) took the lead to define and develop a proposal to support greater industry alignment and transparency around this issue. This proposal led to an actionable collaboration with more than 20 different hotel companies around the world, the International Tourism Partnership, Cornell University Center for Hospitality Research, and KPMG. Feedback from a variety of stakeholders, including the World Resources Institute, also informed the collaboration.

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**C12.3e**

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**(C12.3e) Provide details of the other engagement activities that you undertake.**

Hyatt currently engages with the following organizations that produce public work on climate change:

**CORNELL CENTER FOR HOSPITALITY RESEARCH:** Hyatt supports Cornell University's Center for Hospitality Research. Additionally, Hyatt has participated in the inaugural and subsequent years of the Hotel Sustainability Benchmarking Index, which is the industry's most widely recognized collaborative benchmarking effort. This is a significant first step, given that the industry has not had a strong and transparent source for benchmarking hotel carbon, energy and water data. Our support for this organization aligns with our own climate change strategy by providing us deeper insight into our impacts and enabling us to elevate our transparency around climate change to external stakeholders.

**INTERNATIONAL TOURISM PARTNERSHIP (ITP):** Hyatt supports the ITP through membership and participation in a number of sustainability-related working groups. One of the notable outcomes of our support for this organization is the Hotel Carbon Measurement Initiative (HCMI), in collaboration with the World Trade and Travel Council. Additionally, Hyatt has supported ITP's work to develop industry-level carbon and water goals that support the UN Sustainable Development Goals.

**PAULSON INSTITUTE:** Hyatt is a sponsor of The Paulson Institute, whose mission is "to advance global environmental protection and sustainable economic growth in the United States and China, while fostering broader understanding between the two countries". Our support of this program aligns with our own climate change strategy because of its local focus. It is also important to note that Hyatt is expanding its presence in key locations in China, and the country is considered a critical region for the Company. Since 2013, Hyatt has been a leading sponsor of the Paulson Institute's China Mayors Training Program, an initiative that brings Chinese Mayors to the U.S. for a two-week immersion with the goal of teaching cutting-edge sustainable urban approaches.

**HOTEL OWNERS FOR TOMORROW:** In 2016, Hyatt became an inaugural industry partner of the Hotel Owners for Tomorrow (HOT) Coalition, which is focused on hotel owners in Asia and encourages ownership companies to commit to five actions focused on increasing the sustainability of their hotels. These commitments include incorporating sustainability in investment decisions, evaluating renewable energy projects, monitoring environmental performance, supporting brand efforts and sharing best practices. As a signatory, Hyatt participated in a roundtable workshop with other coalition members in an effort to raise awareness and elevate collaboration with owners in Asia.

**C12.3f**

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Hyatt currently engages indirectly on climate change policy through trade associations or NGO partners rather than direct involvement such as lobbying. Our processes to ensure that indirect activities are consistent with our overall climate change strategy are as follows: (1) Any relevant and new support for an association or initiatives are identified by functional or regional representatives and raised to the environmental sustainability department to ensure consistency with the Company strategy; (2) Any issues raised would be escalated to the executive level by the Director of Environmental Affairs; and (3) We utilize our annual disclosures to the CDP Climate Change program to assess whether the public policy positions of trade associations with which Hyatt has an affiliation are consistent with our own climate change strategy.

**C12.4**

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

2018 10-K.pdf

**Page/Section reference**

Page 25 and Page 40

**Content elements**

Governance

Risks & opportunities

**Comment**

Climate change is specifically referenced as a risk related to the hospitality industry and a potential regulatory risk factor.

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

2018-Environmental-Data-Totals.pdf

2018-2019-CR-Highlights-Hyatt.pdf

**Page/Section reference**

2018-2019-CR-Highlights -Hyatt Page 4; 2018-Environmental-Data-Totals (only one page)

**Content elements**

Strategy

Emission targets

Other metrics

**Comment**

GHG and energy data, in addition to strategies to reduce GHG emissions and energy consumption, are reported in Hyatt's Corporate Responsibility Reporting.

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Our Planet-Hyatt.PNG

**Page/Section reference**

Webpage

**Content elements**

Governance

Strategy

Risks & opportunities

**Comment**

We provide further information about our environmental programs on our corporate responsibility website, HyattThrive.com.

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**C14. Signoff**

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## C-FI

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**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### Forward-Looking Statements

Forward-Looking Statements in this report, which are not historical facts, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Our actual results, performance or achievements may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain.

Factors that may cause our actual results, performance or achievements to differ materially from current expectations include, among others, the rate and the pace of economic recovery following economic downturns; levels of spending in business and leisure segments as well as consumer confidence; declines in occupancy and average daily rate; the seasonal and cyclical nature of the real estate and hospitality businesses; changes in distribution arrangements, such as through internet travel intermediaries; changes in the tastes and preferences of our customers; the financial condition of, and our relationships with, third-party property owners, franchisees, and hospitality venture partners; the possible inability of third-party owners, franchisees, or development partners to access capital necessary to fund current operations or implement our plans for growth; risks associated with potential acquisitions and dispositions and the introduction of new brand concepts; the timing of acquisitions and dispositions, and our ability to successfully integrate completed acquisitions with existing operations; our ability to successfully execute on our strategy to expand our management and franchising business while at the same time reducing our real estate asset base within targeted timeframes and at expected values; changes in the competitive environment in our industry, including as a result of industry consolidation, and the markets where we operate; our ability to successfully grow the World of Hyatt loyalty program; cyber incidents and information technology failures; and other risks discussed in the Company's filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K, which filings are available from the U.S. Securities and Exchange Commission. These factors are not necessarily all of the important factors that could cause our actual results, performance or achievements to differ materially from those expressed in or implied by any of our forward-looking statements.

We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this report. We undertake no obligation to update publicly any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

## C14.1

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**(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

|       | Job title                         | Corresponding job category |
|-------|-----------------------------------|----------------------------|
| Row 1 | Director of Environmental Affairs | Business unit manager      |