

# Supply Chain Stewardship Position Statement



Hyatt's purpose is to care for people so they can be their best. This purpose guides our business practices, including our environmental, social, governance initiatives described on [Hyatt.com/WorldOfCare](https://www.hyatt.com/WorldOfCare).

We recognize that working with our direct and indirect Suppliers is important for executing on our purpose, including our safety and wellbeing commitment; helping to protect the environment, human rights, and animal welfare; and for supporting inclusion and diversity. Hyatt and Hyatt hotels strive to work with suppliers that demonstrate stewardship in these areas in addition to aligning with the principles articulated in Hyatt's Supplier Code of Conduct. We do this by working with diverse suppliers, setting responsible sourcing goals, developing product standards, and incorporating responsible sourcing principles in our supplier evaluation processes as part of our own sustainability journey.

We also recognize that the most significant environmental and social impacts often happen upstream from our direct suppliers' operations, and therefore the effectiveness of any supply chain strategy depends on the ability of our suppliers to work with their own suppliers. In order for us to gain better visibility into the supply chain, transparency among these parties is encouraged through public disclosures, labeling, appropriate responses to requests, or third-party certifications.

This Supply Chain Stewardship Position Statement ("Statement") serves as a tool to provide clarity on important impact areas and to help define our preferred sustainability criteria for Suppliers. The list of issues and best practices below is not comprehensive and the applicability of a particular item will vary based on the type of products or services provided by a supplier. This document will be updated periodically as new information becomes available. Please refer to [Hyatt.com/WorldOfCare/Statements](https://www.hyatt.com/WorldOfCare/Statements) for the most recent version.

## **HUMAN RIGHTS**

Even where not yet mandated by law, the supplier should strive to advance best practices around workers' rights, health and safety, fair compensation, and diversity. The supplier should implement mechanisms to monitor for potential human rights violations within their supply chain, and contribute toward protecting the welfare of workers and local or indigenous people. Effective strategies include aligning with recognized ethical trade principles, confirmed, where applicable, through credible third party certifications.

## **CLIMATE CHANGE**

Suppliers should strive to have continuous improvement plans in place to reduce impacts to climate change, including tracking and reporting greenhouse gas emissions, and setting goals aligned with climate science. Additionally, Suppliers should strive to assess, manage and disclose risks related to climate change that may impact business continuity. Examples include logistics impacts due to increases in extreme weather events, raw material availability, and rising costs of inputs.

## **DEFORESTATION**

Suppliers of products known to be linked to deforestation (for example, beef and cattle products, palm oil, timber, coffee, cocoa, rubber, soy including soy used for animal feed) should strive to demonstrate time-bound public goals and action plans to prevent deforestation associated with their operations and raw material sourcing practices. Best practices include gaining third party certifications such as the Forest Stewardship Council, Rainforest Alliance, and the Roundtable for Sustainable Palm Oil.

## **WATER RESOURCES**

Suppliers should strive to mitigate impacts on water resources associated with their operations and supply chain, including conservation measures, protection against flooding, reducing impact on water quality, and ensuring accessibility to water for local communities. Effective strategies follow principles such as those outlined by the Alliance for Water Stewardship.

## **PRODUCT AND PACKAGING STEWARDHIP**

Suppliers should strive to address sustainability holistically so as to avoid unintended tradeoffs involving environmental or social impact across material sourcing, production, transportation and disposal. When relevant, suppliers should strive to use Lifecycle Assessments (LCAs) in accordance with ISO 14040 and ISO 14044. Suppliers should also demonstrate transparency into the origins of the raw materials and responsible management systems in place for production stages to address environmental impact (e.g., ISO14001), quality (e.g., ISO9001), and social/labor safeguards (e.g., SAI SA8000). Supplier sustainability statements that address a Supplier's efforts on this issue must be supported by adequate substantiation.

## **ANIMAL WELFARE**

Suppliers should aspire to the Farm Animal Welfare Council's Five Freedoms for animals from birth through slaughter: 1) Freedom from Hunger and Thirst – by ready access to fresh water and a diet to maintain full health and vigor; 2) Freedom from Discomfort – by providing an appropriate environment including shelter and a comfortable resting area; 3) Freedom from Pain, Injury or Disease – by prevention or rapid diagnosis and treatment; 4) Freedom to Express Normal Behavior – by providing sufficient space, proper facilities and company of the animal's own kind; and 5) Freedom from Fear and Distress – by ensuring conditions and treatment which avoid mental suffering.

Suppliers should implement humane practices throughout the animal's life, and additionally address category-specific animal welfare practices, including the following:

- **Eggs:** Hens are cage-free, in support of Hyatt's commitment to work with all managed and franchised hotels globally to source cage-free eggs, with a goal of sourcing 100% cage-free shell and egg products globally by the end of 2025.
- **Broiler Chicken:** Responsible breeds are selected in addition to the implementation of practices that address welfare issues associated with stocking density, housing, and processing
- **Down and Feathers:** Down and feathers are not removed from live birds
- **Pork:** The use of gestation crates is avoided by transitioning to group houses, and ideally to crate-free farms.

Best practices include an outcomes-based approach and third party certifications. Example standards and certifications include the Better Chicken Commitment, the European Chicken Commitment, the Responsible Down Certification, the Global Sustainable Beef Roundtable, the Global Animal Partnership, Certified Humane, Animal Welfare Approved, and the Royal Society for Prevention of Cruelty to Animals.

## **Animal Testing**

Suppliers of beauty and personal care products should strive to obtain third party certification that products are not tested on animals.

## **ANTIBIOTICS**

Suppliers should strive toward the responsible use of antibiotics as one of the ways of aligning with the One Health approach, which recognizes the interconnections across human health, animal health, and planetary health.<sup>1</sup> Suppliers should strive to administer antibiotics to animals only as medically needed as deemed by veterinarians, and reduce the use of antibiotics that are medically important to humans and public health.

## **MATERIALS OF CONCERN**

Suppliers should strive to have responsible chemicals management procedures to protect workers, end users and the environment from harm resulting from chemicals used in all stages of production. Suppliers should strive to reduce or eliminate chemicals of concern through procedures that take into account exposure pathways, human health impacts, and the availability of alternative materials. Suppliers should identify chemicals of concern using independent, science-based, multi-stakeholder working groups for each product category (e.g., the International Living Future Institute Red List for building materials or Environmental Working Group's Unacceptable List for general consumer products).

## **BIODIVERSITY**

Suppliers should strive to protect biodiversity of relevant habitats and ecosystems from impacts resulting from a Supplier's direct operations and their extended supply chain.

## **Ecosystems**

Suppliers should strive to ensure sourcing activities do not adversely impact ecosystems, by, for example: protecting biodiversity, adopting a management plan to protect native wildlife and plants, and confirming no operations in the supply chain are associated with deformation or destruction of High Conservation Value areas (HCVs) as defined by the High Conservation Value Resource Network. Raw materials should not be sourced from protected areas categories I-IV as defined by the International Union for Conservation of Nature (IUCN), World Heritage Sites, wetlands on the Ramsar List, and areas converted from High Carbon Stock forests.

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<sup>1</sup> More information on the One Health approach is available from many sources, including the World Health Organization (available at: <https://www.who.int/westernpacific/news/q-a-detail/one-health>) and the United States Centers for Disease Control and Prevention (available at: <https://www.cdc.gov/onehealth/basics/index.html>).

## **Endangered and Trade-Restricted Species**

In addition to the expectations set forth in the Supplier Code of Conduct, Suppliers should strive to eliminate impact on species listed by IUCN as Endangered or Critically Endangered, or species listed in regional red lists. The status of species are subject to change; therefore suppliers are expected to stay current with status of endangered and trade-restricted species relevant to their supply chain and operations.

## **Seafood**

Suppliers should strive to provide seafood that is sustainably produced and responsibly sourced. Hyatt prioritizes seafood from fisheries or farms that are Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC) certified. We also encourage seafood from comprehensive improvement projects in transition to MSC and ASC, or are green listed items on regional WWF seafood guides, Naturland certified, Global Aquaculture BAP (2 stars or higher) certified, Iceland Responsible Fisheries, or GlobalGAP certified. Shark fin is banned at Hyatt hotels. Suppliers are encouraged to utilize strategies that drive science-based improvements supported by time-bound milestones and transparency of progress, and closely monitor data including species scientific name, farmed or wild origins, fishery or farm certification number, chain of custody certification number, improvement project name, green rating scheme and score, Food and Agriculture Organization fishing area code, Exclusive Economic Zone of fishing or farm country, fishing gear type, farming production method, primary processor, country of processing, and the product's direct supplier.

## **WASTE**

Suppliers should strive to implement comprehensive waste management practices with continuous improvement metrics in place. Suppliers are encouraged to prioritize waste prevention, and then maximize recycling, composting, and reuse of waste streams whenever possible. Suppliers should ensure that hazardous waste streams are handled according to applicable laws. For purposes of this statement, hazardous waste includes: many types of electronic waste (e-waste), medical waste, and universal waste such as paints and equipment fluids. Safeguards should be in place such that entities in the supply chain adhere to the Basel Convention and transboundary movement of hazardous waste is restricted.

## **Circular Economy**

Suppliers should strive to incorporate circular economy principles through product and packaging design and stakeholder engagement.

## **Packaging**

Suppliers should strive to reduce non-essential packaging layers and volume. Suppliers are encouraged to use strategies that include design-for-recycling and recovery guidelines such as those provided by the Association of Plastic Recyclers (APR) in the United States or ISO packaging standards (e.g., ISO 18601 through 18606). Suppliers are further encouraged to use packing materials that are commonly recyclable and are made of post-consumer recycled content, or that are commonly compostable in the location to which it is delivered.

## **Plastic**

Suppliers should strive to address environmental impacts related to plastic using a holistic and transparent approach as described throughout this Statement. Suppliers should strive to discontinue the use of polystyrene (EPS) and Polyvinyl Chlorine (PVC) and favor plastics that are more conducive to recycling.

## **Microplastic Pollution**

Plastic microbeads, "oxo-biodegradable" plastic, "oxo-degradable" plastic, or additives for the purported purpose of increasing biodegradability of petroleum-based plastics are not to be used except in locations with existing country-level regulatory strategy to support such use.

## **Construction Waste**

Suppliers involved in any construction work should strive to have best practices in place to contain debris, airborne dust, soil erosion, and waterway sedimentation, as well as to recycle materials.

"Hyatt" is used in this document to refer to Hyatt Hotels Corporation and its affiliates.

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