Risk Factors Comparison 2024-02-07 to 2023-02-09 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

In addition to the other information in this Annual Report on Form 10- K, the following risk factors should be considered carefully in evaluating our company and our business. A summary of the principal factors that create risk in investing in our securities and might cause actual results to differ from expectations is set forth below: • We are subject to the business, financial and operating risks inherent to the hospitality industry, any of which could reduce our revenues and limit opportunities for growth; • Macroeconomic **conditions, public health concerns, geopolitical activity** and other factors beyond our control can adversely affect and reduce demand for our products and services ~~; • The COVID- 19 pandemic negatively affected our business, financial condition and results of operations and COVID- 19 or other outbreaks of contagious diseases or other adverse public health developments may negatively affect future results~~ ; • Because we operate in a highly competitive industry, our revenues or profits could be harmed if we are unable to compete effectively; • Our business is subject to risks related to doing business with third- party property owners that could adversely affect our reputation, operational results or prospects for growth; • Failures in, material damage to or interruptions in our information technology systems, software or websites, including as a result of cyber- attacks on our systems or systems operated by third parties that provide operational and technical services to us, costs associated with protecting the integrity and security of personal data and other sensitive information and difficulties in updating our existing software or developing or implementing new software could have a material adverse effect on our business or results of operations; • The growth of internet reservation channels could adversely affect our business and profitability; • Because we derive a portion of our revenues from operations outside the United States (" U. S."), the risks of doing business internationally could lower our revenues, increase our costs, reduce our profits or disrupt our business; • Labor shortages **or the loss of key senior management personnel** could restrict our ability to operate our properties or grow our business or result in increased labor costs that could adversely affect our results of operations; • Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to environmental, social and governance (" ESG") matters, that could **increase costs or** expose us to ~~numerous~~ **reputational and other** risks; and • Our substantial indebtedness and other contractual obligations could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry and our ability to pay our debts, and could require us to divert our cash flows from operations to make required debt or interest payments. These risk factors do not identify all risks that we face, and our business, financial condition and results of operations could also be affected by factors, events or uncertainties that are not presently known to us or that we currently do not consider to present material risks. Terms Used and Basis of Presentation in this Annual Report on Form 10- K Except where the context requires otherwise, references in this Annual Report on Form 10- K to" Hilton,"" the Company,"" we,"" us" and" our" refer to Hilton Worldwide Holdings Inc., together with all of its consolidated subsidiaries. Except where the context requires otherwise, references to our" properties" refer to the hotels, resorts and timeshare properties that are managed, franchised, owned or leased by us, while references to" hotels" exclude timeshare properties. On January 3, 2017, we completed the spin- offs of a portfolio of hotels and resorts, as well as our timeshare business, into two independent, publicly traded companies: Park Hotels & Resorts Inc. (" Park") and Hilton Grand Vacations Inc. (" HGV"), respectively, (the" spin- offs"). Hilton did not retain any interest in Park or HGV, but did enter into long- term management and franchise contracts with Park for the portfolio of hotels and resorts that it held at the time of the spin- offs and a 100- year license agreement with HGV for the timeshare business. Refer to" Part II — Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Key Business and Financial Metrics Used by Management" for additional information on our financial and performance metrics. Social Media We use our website at ~~newsroom~~ **stories** . hilton. com, our Facebook page at facebook. com / hiltonnewsroom and our corporate **X (formerly** Twitter **)** account at twitter. com / hiltonnewsroom as channels of distribution of company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, our filings with the U. S. Securities and Exchange Commission (the" SEC") and our webcasts. The contents of our website and social media channels are not, however, part of this report. Item 1. Business Overview Hilton is one of the largest hospitality companies in the world, with 7, ~~165~~ **530** properties comprising 1, ~~127~~ **182** , ~~430~~ **937** rooms in ~~123~~ **126** countries and territories as of December 31, ~~2022~~ **2023** . Founded in 1919, Hilton has been an innovator in the industry for more than 100 years, driven by the vision of founder Conrad Hilton ~~,~~" to fill the earth with the light and warmth of hospitality." Our premier brand portfolio includes ~~: our~~ luxury ~~hotel brands~~ , ~~Waldorf Astoria Hotels & Resorts, LXR Hotels & Resorts and Conrad Hotels & Resorts; our~~ lifestyle ~~hotel brands~~ , ~~Canopy by Hilton, Curio Collection by Hilton, Tapestry Collection by Hilton, Tempo by Hilton and Motto by Hilton; our~~ full service ~~hotel brands~~ , ~~Signia by Hilton, Hilton Hotels & Resorts and DoubleTree by Hilton; our~~ focused service ~~hotel brands, Hilton Garden Inn, Hampton by Hilton~~ and ~~Tru by Hilton; our~~ all- suites hotel brands, **as well as** ~~Embassy Suites by Hilton, Homewood Suites by Hilton and Home2 Suites by Hilton; our new premium economy brand, Spark by Hilton, launched in January 2023; and~~ our timeshare ~~brand~~ **brands** ~~, Hilton Grand Vacations~~ . As of December 31, ~~2022~~ **2023** , we had ~~152~~ **180** million members in our award- winning guest loyalty program, Hilton Honors, a 19 percent increase from December 31, ~~2021~~ **2022** ; refer to" — Our Brand Portfolio" and" — Our Guest Loyalty Program" below for additional information on our brands, including Hilton Honors. ~~The COVID- 19 pandemic significantly affected the global economy and strained the hospitality industry beginning in 2020. Since the beginning of the pandemic, the pervasiveness and severity of travel restrictions and stay- at- home directives have varied by country and state; however, as of December 31, 2022, most of the countries we operate in had eased or completely lifted such restrictions. While~~

~~the pandemic negatively affected certain of our results for the years ended December 31, 2022 and 2021, we have experienced strong signs of recovery since early 2021, with comparable system- wide RevPAR in the third and fourth quarters of 2022 exceeding levels achieved in the same periods in 2019. Although all periods included in our consolidated financial statements presented in this Form 10- K were impacted by the COVID- 19 pandemic, none of these periods are considered comparable, and no periods affected by the pandemic are expected to be comparable to future periods.~~ We operate our business through: (i) a management and franchise segment ~~;~~ and (ii) an ownership segment, each of which is reported as a segment based on (a) delivering a similar set of products and services and (b) being managed separately given its distinct economic characteristics. The management and franchise segment includes all of the hotels we manage for third- party owners, as well as all franchised hotels that license our intellectual property (" IP"), including our brand names, trademarks and service marks, and ~~where~~ **to which** we provide other contracted services ~~to third- party owners~~, but the day- to- day services of the hotels are operated or managed by someone other than us. Revenues from this segment include: (i) management and franchise fees charged to third- party hotel owners; (ii) licensing fees from our strategic partners, including co- branded credit card providers, and HGV ~~for the right to use our IP~~; and (iii) fees for managing hotels in our ownership segment. The ownership segment primarily derives revenues from nightly hotel room sales, food and beverage sales and other services at our consolidated owned and leased hotels. For more information regarding our segments, refer to" — Our Business — Management and Franchise" and" — Our Business — Ownership" below. In addition to our current hotel portfolio, we are focused on the growth of our business by expanding our global hotel network through our development pipeline, which represents hotels that we expect to add to our system in the future. The following table summarizes our development activity: As of or for the Year Ended December 31, ~~2022HotelsRooms~~ **2023HotelsRooms** (1) Hotel ~~systemOpenings355~~ - **systemOpenings395** ~~58~~ **62** , ~~200~~ **900** Net additions (2) ~~308 48~~ **353 53** , ~~300~~ **100** Development ~~pipeline~~ **pipelineAdditions994 130, 200 Count as of period end** (3) ~~Additions664 89, 900 Count as of period end~~ (4) ~~2~~ **3** , ~~821 416~~ **274 462** , 400 _____________ (1) Rounded to the nearest hundred. (2) Represents room additions, net of rooms removed from our system **. Net** ~~, during the period, which contributed to net~~ unit growth for the year ended December 31, ~~2022~~ **2023** ~~of~~ **was** 4. ~~7~~ **9** percent. (3) **The** ~~Hotels~~ **hotels** in our ~~system~~ **development pipeline** were under development throughout 118 countries and territories, including 30 countries and territories where we ~~did~~ **had** ~~not~~ - **no** ~~currently have any~~ existing hotels. (4) ~~In~~ **Of the total rooms in** our development pipeline, **216** ~~as of December 31~~ , **600** ~~2022, 205, 400 of the rooms~~ were under construction and ~~243~~ **259** , **800** ~~500 of the rooms~~ were located outside of the U. S. Nearly all of the rooms in our development pipeline will be in our management and franchise segment **upon opening** . We do not consider any individual development project to be material to us. ~~Overall~~ **We continue to drive customer loyalty** , ~~we believe that~~ **including participation in our Hilton Honors guest loyalty program, through: (i)** our experience in the hospitality industry, which spans more than a century of customer service and entrepreneurship, and continues to evolve to meet the tastes, preferences and demands of our ~~hotel~~ guests; **(ii)** our strong, well- defined brands that operate throughout the hospitality industry chain scales; **(iii)** our diverse, inclusive workforce, built to focus on providing exceptional customer experiences; and **(iv)** our commercial service offerings ~~will continue to drive customer loyalty, including participation in our Hilton Honors guest loyalty program~~. We believe that satisfied customers will generate additional business at our properties, yielding strong overall hotel performance for us and our hotel owners. Strong results at our existing properties will encourage further development of additional hotels under our brands and conversions of existing hotels to our brands with both (i) owners who currently have properties in our system and (ii) new owners who sign management or franchise contracts with us in the future, which further supports our growth and future financial performance. We believe that our existing hotel system and development pipeline, which will require minimal capital investment from us, positions us to further improve **and grow** our business, allocate capital effectively and meet our customers' demands and preferences in the future. The goal of each of our brands is to deliver exceptional customer experiences and superior operating performance. December 31, ~~2022Brand~~ **2023** (1) ~~Chain~~ **Brand (1)** ~~ScaleCountries~~ ----- **Countries** / TerritoriesPropertiesRoomsPercentage of Total RoomsSelected Competitors (~~1~~ **2**) ~~Luxury17349~~ **17359** , ~~4010~~ - **8400** . 8 % Four Seasons, Mandarin Oriental, Peninsula, Ritz **-** Carlton, Rosewood Hotels & Resorts, St. ~~RegisLuxury8111~~ **Regis9131** , ~~4120~~ **7740** . 1 % Leading Hotels of the World, Legend Preferred Hotels & Resorts, **Belmond** ~~Small Luxury Hotels of The World~~ , The Luxury ~~CollectionLuxury234516~~ ------ **Collection234716** , ~~2101~~ **9501** . 5 % ~~Fairmont,~~ Intercontinental, JW Marriott, Park Hyatt, **Sofitel11406** ~~SofitelUpper Upscale10386~~ , ~~6160~~ **9400** . 6 % ~~25hours~~ **Kimpton, Thompson** Hotels, ~~Hyatt Centric~~ **W Hotels** , ~~Kimpton~~ **Virgin Hotels** , ~~Le Meridien~~ **The Hoxton131** , **7000** ~~Thompson HotelsUpper Upscale121, 8140~~ . ~~2~~ **1** % **JW Marriott,** Grand Hyatt, **Fairmont** ~~JW MarriottUpper Upscale94604224~~ , ~~37019~~ **Intercontinental, Omni97613226, 01519** . ~~9~~ **1** % Hyatt Regency, Marriott, Omni, Sheraton, **Westin3816131** ~~WestinUpper Upscale3413826~~ , ~~6672~~ **0002** . ~~4~~ **6** % Autograph Collection, ~~Design Hotels, Destination Hotels,~~ The Unbound ~~CollectionUpscale51660150~~ **Collection** , ~~15713~~ **Independent Hotels, MGallery, Kimpton55677154, 70813** . ~~3~~ **1** % ~~Courtyard by~~ Marriott, Crowne Plaza, Delta, Holiday Inn, Radisson, Sheraton, ~~WyndhamUpscale139511~~ **Wyndham1612514** , ~~1111~~ **7191** . ~~0~~ **2** % Joie de Vivre, Tribute ~~PortfolioUpper~~ ----- **Portfolio** ~~Upscale626360~~ , ~~9285~~ **Graduate Hotels, Kimpton, Hotel Indigo, Ascend, Trademark726761, 8445** . ~~4~~ **2** % Hyatt Regency, Marriott, Sheraton, ~~WestinUpscale~~ **Westin116610. 1 % AC Hotels, Aloft Hotels, Cambria, Hotel Indigo, Hyatt Centric361, 4940. 1 % CitizenM, Generator, The Hoxton, Moxy, Yotel, MAMA Shelter, POD, TRIBE Hotels, Ace Hotels621, 010149, 13012. 6 % Aloft, Courtyard by Marriott, Four Points, Holiday Inn, Hyatt Place382, 971327, 69027. 7 % Comfort Suites, Courtyard by Marriott, Fairfield Inn, Holiday Inn Express, Springhill Suites425324, 7552. 1 % Best Western, Comfort Inn, La Quinta, Sleep Inn, Wingate, Avid189150. 1 % Quality Inn, Baymont, Travelodge, Howard Johnson, Super 8, Days Inn453861, 6245. 2 % Element, Hyatt House, Residence Inn, Staybridge Suites365270, 4366. 0 % TownePlace Suites, Candlewood Suites, Hyatt Studios** — — — — % **Candlewood** ~~AC Hotels, Aloft, Cambria, Hotel IndigoUpper Midscale351, 0940. 1 % CitizenM, Freehand, Generator, Hoxton, Moxy, tommie, YotelUpscale57971143, 34212. 7 % Aloft, Courtyard by Marriott, Four Points, Holiday Inn, Hyatt PlaceUpper Midscale362, 863312, 04327. 7 % Comfort~~ Suites, **Everhome** ~~Courtyard by Marriott, Fairfield Inn, Holiday Inn Express, Springhill SuitesMidscale423523, 0222. 0 %~~

~~Avid, Best Western, Comfort Inn &~~ Suites, ~~La Quinta~~ **Stay Apt Suites** , ~~Quality Inn~~ **ECHO Suites** , ~~Sleep Inn~~ **Extended Stay America Premiere Suites89216** , **1091** ~~Wingate by WyndhamUpscale453561, 2895~~ . 4 % ~~Element, Hyatt House, Residence Inn, Staybridge SuitesUpper Midscale357661, 3525. 4 % Candlewood Suites, Comfort Suites, TownePlace SuitesTimeshare (2) 88013, 7031. 2 % Bluegreen Vacations,~~ Disney Vacation Club, Holiday Inn Club Vacations, Marriott Vacations Worldwide, Travel & Leisure Co. **____________** (1) ~~The table above excludes~~ **Excludes** ~~10~~ **18** unbranded properties with ~~2~~ **4** , ~~899~~ **633** rooms, representing approximately 0. ~~3~~ **4** percent of total rooms **.** ~~, as well as our new premium economy brand, Spark by~~ Hilton **Grand Vacations is inclusive of Hilton Club** , ~~which launched in January 2023~~ **Hilton Grand Vacations Club and Hilton Vacation Club** . ~~Also, the~~ **(2) These** selected competitors exclude lesser- known regional competitors ~~. (2) HGV has the exclusive right to use our Hilton Grand Vacations brand, subject to the terms of a license agreement with us~~ . Waldorf Astoria Hotels & Resorts: ~~What began as~~ **Waldorf Astoria Hotels & Resorts is a luxury brand with** an **award- winning** ~~iconic hotel in New York City is today a global~~ portfolio of iconic properties ~~in sought- out destinations. Each Waldorf Astoria property provides a unique sense of place~~ with a relentless commitment to ~~personalized~~ **elegant** service, ~~sophisticated accommodations, once~~ - **one** - ~~in~~ **of** - a- ~~lifetime~~ **kind** experiences and **award winning** culinary expertise **in landmark destinations around the world** ~~, enabling guests to create unforgettable moments~~ . ~~In addition,~~ Waldorf Astoria ~~boasts~~ **hotels deliver an effortless experience seamlessly, creating** a **true sense** ~~residential portfolio that provides the comfort~~ of ~~a private home combined with~~ **place for guests through stunning architecture, Peacock Alley** luxury **bedding, refined art collections, Michelin- starred dining concepts and elevated in- room** amenities ~~and service synonymous with the brand~~ . LXR Hotels & Resorts: ~~Found in alluring destinations,~~ LXR Hotels & Resorts is a **hand- picked** collection of independent **and spirited** luxury properties ~~that each represent~~ **located on five continents celebrating** ~~their~~ -- **the timeless pursuit of personal adventure** ~~unique location and offer a singular travel experience native to its place, history and tradition~~ . **Found in alluring destinations and city centers,** LXR connects legendary properties into an exclusive network of hotels that are set apart by **individual design,** an unrivaled commitment to personalized service and elegant, yet locally immersive **,** experiences for ~~their~~ guests ~~. Each hotel in the collection features its own pedigree, story and character that is steeped in the originality of its locale and provides a luxurious base of exploration for the intrigued, yet discerning, adventurer~~ . Conrad Hotels & Resorts: ~~Spanning~~ **A luxury brand that spans** five continents, Conrad Hotels & Resorts ~~has created~~ **creates** a seamless connection between bold design, impactful experiences and curated contemporary art to inspire the conscientious traveler. **Found in major urban centers and resort destinations,** Conrad is a place where guests are empowered to explore through intuitive service and experiences that authentically connect them with local culture. ~~In addition, the brand also features an expanding residential portfolio combining sophisticated design, best- in- class amenities and purposeful service in inspiring destinations.~~ Canopy by Hilton: Canopy by Hilton is **an upper upscale brand that delivers elevated, boutique hotel experiences that celebrate the best of the neighborhood. Inviting, sophisticated design, bespoke food and beverage and crafted touchpoints deliver** a ~~vibrant boutique lifestyle brand, providing guests a place in the neighborhood to relax and recharge with simple, guest- directed service, comfortable spaces, an energizing atmosphere and thoughtful local~~ **locally inspired, high- end** ~~choices. Each hotel is designed as a natural extension of its neighborhood~~ and **welcoming stay** ~~delivers a fresh approach to hospitality and the guest experience~~ . Signia by Hilton: Signia by Hilton is a **an upper upscale brand with a** portfolio of ~~premier~~ **exceptional** hotels in **gateway cities** ~~highly sought- after urban~~ and resort destinations **around the world. Each Signia by Hilton property infuses sophistication into every stay** , offering **top tier meetings** ~~sophisticated business and leisure travelers an~~ **and** ~~elevated hotel experience combined with~~ **event spaces, a vibrant atmosphere,** exceptional ~~full-~~ **amenities and personalized** service ~~amenities and premium meetings and events spaces~~ **catering to the needs of today' s global traveler** . Hilton Hotels & Resorts: For more than 100 years, Hilton Hotels & Resorts, Hilton' s flagship brand and one of the most globally recognized hotel brands, has set the benchmark for hospitality around the world, providing new product innovations and services to meet guests' evolving needs. With hotels on six continents, Hilton Hotels & Resorts properties are located in sought- after destinations and offer exceptional travel experiences to every guest. Hilton Hotels & Resorts are **upper upscale,** full service properties that feature advanced meeting and event spaces and services ~~;~~ **,** award- winning restaurants ~~;~~ and mindful fitness ~~/~~ **and** wellness facilities. Curio Collection by Hilton: Curio Collection by Hilton is **an upper upscale brand with** a global portfolio of **individually remarkable hotels hand- picked to immerse guests in** one- of- a- kind **moments in sought- after destinations. Each** ~~hotels~~ - **hotel in** ~~and resorts handpicked for their~~ -- **the** ~~distinct character.~~ Curio Collection **evokes a bespoke story through distinctive architecture and design** ~~properties offer guests the ability to experience independent hotels that offer authentic~~ , **world- class food and beverage and** curated experiences ~~through local offerings and elevated amenities, while providing the benefits of Hilton and its award- winning guest loyalty program Hilton Honors~~ . DoubleTree by Hilton: DoubleTree by Hilton is a ~~fast- growing,~~ global portfolio of upscale hotels. For more than 50 years, DoubleTree **by Hilton** has maintained its philosophy of making guests feel welcome through contemporary accommodations and thoughtful amenities, including diverse food and beverage experiences, state- of- the- art fitness offerings and meetings and event spaces. Whether traveling for business or leisure, every guest is welcomed with the signature, warm DoubleTree chocolate chip cookie at check in, a hallmark of the brand' s hospitable service. Tapestry Collection by Hilton: Tapestry Collection by Hilton is **an upper upscale brand with** a portfolio of original hotels that offer guests unique style and vibrant personality, encouraging travelers to ~~make an authentic connection~~ --- **connect** to their destination **and enjoy authentic off- the- beaten- path experiences** . While each property is unique, every Tapestry Collection **by Hilton** property is united by the reliability that comes with the Hilton name ~~, in addition to the benefits of the award- winning Hilton Honors program~~ . Embassy Suites by Hilton: Embassy Suites by Hilton offers ~~both leisure and business travelers~~ an approachable, **upper** upscale experience with **dedicated** ~~best- in- class~~ customer service that anticipates travelers' needs and delivers what matters most to them. ~~All guests are welcomed with a~~ **The full service, upper upscale brand offers both leisure and business travelers** spacious two- room ~~suite~~ **suites** with separate **bedroom** ~~areas to work~~ and ~~play~~ **living room space** , free made- to- order breakfast each morning ~~and~~ **,** complimentary drinks and snacks **at an evening reception** every night **, flexible meetings and events spaces and 24- hour fitness centers** . Tempo by Hilton: Tempo by Hilton is ~~a~~ **an upscale,** stylish and contemporary lifestyle hotel brand ~~with more than 20 properties under development. Thoughtfully~~ designed **for the ambitious traveler looking to maintain a sense of balance** and ~~uplifting,~~ **momentum.** Tempo by Hilton ~~is dedicated to exceeding the expectations of the ambitious~~ **offers re- imagined guest rooms designed with well- being in mind** , **dynamic communal** ~~modern traveler by offering accommodations and public~~ spaces **for collaboration or focused** ~~to help guests relax and recharge, including an open lobby concept with dedicated spaces to lounge,~~ work ~~and dine~~ , **healthy cafe- style dining** ~~as well as premium culinary options~~ , ~~such as~~ a ~~casual breakfast cafe and~~ **leading- edge beverage program** ~~an~~ **and next** ~~inviting coffee experience. Each Tempo by Hilton experience will include well~~ - **level** ~~being offerings, state- of- the- art~~ fitness facilities ~~and programs, flexible meeting and working spaces and more~~ . Motto by Hilton: Motto by Hilton is an **upper midscale brand with an** urban, lifestyle **feel** ~~hotel brand~~ designed to help guests live like a local in prime locations globally. Motto by Hilton caters to travelers looking for **dynamic** ~~one- of- a- kind~~ experiences by bringing together the best elements of a lifestyle hotel — **cleverly compact guestrooms,** centrally located **destinations** ~~urban locations~~ , modern design, **and locally inspired** ~~the best of the neighborhood~~ food and beverage ~~and~~ **to make each hotel** a ~~local vibe~~ **launchpad to the city** . Motto by Hilton delivers a flexible and innovative hospitality experience through elements like first- of- its- kind connecting rooms for ~~group travel~~ **up to nine rooms** , ~~vibrant~~ **lively** communal spaces ~~with access to check- in~~ and a coffee house and bar for work and social use by guests and locals alike. Hilton Garden Inn: Hilton Garden Inn is an award- winning **, upscale** brand where guests find an open, inviting atmosphere with warm, glowing service and simple, thoughtful touches that allow them to socialize and unwind. As a recognized leader in food and beverage offerings, Hilton Garden Inn caters to guests' dining needs by serving cooked- to- order breakfast and offering handcrafted cocktails, shareable small plates and full meals at its on- site restaurants and bars. Flexible meeting space, free Wi- Fi, wireless printing and fitness centers are offered to help guests stay productive. Hampton by Hilton: Hampton by Hilton is our largest brand and includes both Hampton Inn and Hampton Inn & Suites hotels, with properties located on four continents. Recognized as a leading upper midscale brand in the lodging industry, Hampton has been ranked the # 1 lodging brand to franchise by Entrepreneur for ~~14~~ **15** consecutive years. Hampton by Hilton hotels around the world provide guests high- quality and thoughtfully designed accommodations, friendly and authentic service and value- added amenities, like complimentary hot breakfast and free Wi- Fi, all backed by the 100 % Hampton Guarantee. Tru by Hilton: Tru by Hilton is a game- changing **, midscale** hotel brand where guests don' t have to compromise between a consistent, fun and affordable hotel stay. Spirited, simplified and grounded in value, Tru by Hilton is designed for cross- generational appeal, with a large, reimagined public space where guests can work, play, lounge and eat. Efficiently designed modern guest rooms feature a rolling desk, oversized windows for natural light and bright, spacious bathrooms. Guests can enjoy complimentary amenities, including a build- your- own ~~" Top It" hot~~ breakfast, a multifunctional fitness center and fast Wi- Fi. Premium snacks, light meal options and single- serve wine and beer are available for purchase at the 24 / 7 Eat. & Sip. market. ~~Tru~~ **Spark** by Hilton **: Spark by Hilton is a premium economy hotel brand at the intersection of value and consistency. Spark by Hilton provides a reliable and comfortable stay at a hotel with friendly service for every guest** , **all at an accessible price. Offering simple design with splashes of color and cheer, Spark by Hilton hotels provide a welcoming sense of arrival with colorful exterior statement walls and inspiring artwork. The public spaces provide multi- functional seating, from communal tables to rocking chairs, and guest rooms are comfortable and relaxing with simple, streamlined furniture. Travelers can enjoy complimentary breakfast with premium coffee and a signature bagel bar. Spark by Hilton opened its first hotel in 2023, less than one year after its** ~~launched~~ -- **launch** ~~in 2016~~ **, and, as of December 31, 2023** , had over ~~230 hotels~~ **140 properties** in ~~the~~ **our development** pipeline ~~as of December 31, 2022~~ . Homewood Suites by Hilton: Homewood Suites by Hilton is ~~the~~ **an** upscale **, award- winning, all- suites,** extended- stay hotel brand that delivers the comforts of home ~~for guests~~ **. This** ~~and~~ **brand** ~~their pets. Homewood Suites by Hilton~~ offers inviting, generous- sized suites featuring separate living and sleeping areas and fully equipped kitchens with full- size refrigerators for guests seeking home- like accommodations when traveling for extended or quick overnight stays. Additional value- driven amenities include complimentary Wi- Fi and free breakfast. Home2 Suites by Hilton: Home2 Suites by Hilton is **an upper midscale, all- suites, award- winning extended- stay hotel concept offering stylish accommodations with flexible guest room configurations and home- like amenities for cost- conscious guests. With** a ~~dynamic and savvy~~ **commitment to environmentally friendly products** ~~brand~~ -- **and** ~~designed to make guests~~ **hotel operations, Home2 Suites by Hilton offers complimentary hotel breakfast, innovative** and **customizable guestroom** ~~their pets feel at home regardless of their length of stay. Our forward- thinking design~~ **designs** ~~strikes the perfect balance of being modern and playful~~ , **laundry** ~~while at the same time remaining functional~~ and ~~comfortable. Our flexible~~ **fitness areas, free Wi- Fi, multiple outdoor** spaces **, expansive** ~~empower guests to maintain their lifestyle with just the right benefits of home and stylish nods to their spirit of adventure. We are committed to empowering our guests by supporting sustainable communities~~ **community spaces** ~~. By packaging amenities~~ and **pet- friendly** ~~services that enable wellness and environmental~~ **environments** ~~health, we create value where it matters for our guests, our communities and our planet~~ . ~~Spark~~ **LivSmart Studios** by Hilton: **LivSmart Studios** ~~The newest addition to the Hilton portfolio, Spark~~ by Hilton is a ~~premium economy~~ **midscale, long- stay** hotel brand ~~at the intersection of value and~~ **for guests looking for comfortable apartment- style accommodations for 20 nights or more. Offering simplicity,** consistency ~~.~~ ~~Spark~~ **and convenience, LivSmart Studios** by Hilton ~~provides~~ **will create** a ~~reliable~~ **space where guests can seamlessly maintain their daily routines while also immersing themselves in the local community. The hotel will feature a streamlined public area filled with natural light that includes a simple retail market, a large guest laundry room and a state- of- the- art fitness center. There will also be a spacious outdoor gathering area, which includes a fire pit, grills,** and comfortable **seating for guests looking to connect. Guest studio suites will include a fully equipped kitchen with a full- sized refrigerator, dishwasher, microwave and two- burner cooktop, along with ample storage options for the long-** stay ~~with friendly service for every guest, all at an accessible price. Offering simple design with splashes of color and cheer, Spark~~

~~by Hilton hotels provide a welcoming sense of arrival with colorful exterior statement walls and inspiring artwork. The public spaces provide multi- functional seating, from communal tables to rocking chairs, and guest rooms are comfortable and relaxing with simple, streamlined furniture. Travelers~~ **traveler** ~~can enjoy complimentary breakfast with premium coffee and a signature bagel bar~~. Hilton Grand Vacations: ~~A~~ **Our timeshare brands, including Hilton Club, Hilton Grand Vacations Club and Hilton Vacation Club, are** premier vacation ownership ~~brand~~ **brands** ~~, Hilton Grand Vacations is~~ known for delivering a consistently exceptional standard of service, maximum flexibility for ~~owners~~ **members** and guests and elegant, family- friendly resorts in desirable locations around the world. Signature elements include spacious, well- appointed accommodations and resorts with extensive on- site amenities. A special points- based reservation system gives owners the flexibility to vacation when, where and how they prefer **. HGV has the exclusive right to use our timeshare brands, subject to the terms of a long-term license agreement with us**. Hilton Honors is our award- winning guest loyalty program that supports our portfolio of brands. The program generates significant repeat business by rewarding guests with points for each stay at our properties, which are then redeemable for free or discounted room nights at our properties and other goods and services. Hilton Honors members can also use points earned to transact with many strategic partners, including credit card providers, such as American Express, airlines, rail and car rental companies, Amazon, Lyft and others. Hilton Honors members who book through preferred Hilton channels also have access to instant benefits, including a flexible payment slider that allows members to choose nearly any combination of points and money to book a stay, an exclusive member discount and free standard Wi- Fi. Members also have access to contactless technology exclusively through the Hilton Honors app, where members can check in, choose their room and access their room using Digital Key. The program provides targeted marketing, promotions and customized guest experiences to ~~152~~ **180** million members. Affiliation with our loyalty program encourages members to allocate more of their travel spend to our hotels. The percentage of travel spend we capture from loyalty members increases as they move up the tiers of our program. The program is funded by contributions from eligible revenues generated by Hilton Honors members and collected from properties in our system, as well as our strategic partnerships. The funds collected by the Hilton Honors program are subsequently applied to reimburse hotels and strategic partners for Hilton Honors points redemptions by loyalty members and to pay for administrative expenses and marketing initiatives that support the program. As of December 31, ~~2022~~ **2023**, our **existing** system included the following properties and rooms, by type, brand and region: Owned / Leased (1) ManagedFranchisedTotalPropertiesRoomsPropertiesRoomsPropertiesRoomsPropertiesRoomsWaldorf Astoria Hotels & ResortsU. S. — — 12 4, ~~489~~ **598** — — 12 4, ~~489~~ **598** Americas (excluding U. S.) — — 3 ~~425~~ **422** — — 3 ~~425~~ **422** Europe2 463 4 898 — — 6 1, 361 Middle East and Africa — — ~~7 1~~ **8 2**, ~~867~~ **200** — — ~~7 1~~ **8 2**, ~~867~~ **200** Asia Pacific — — 6 1, 259 — — 6 1, 259 LXR Hotels & ResortsU. S. — — — — 3 522 3 522 Americas (excluding U. S.) — — — — 1 76 1 76 Europe — — 1 70 1 307 2 377 Middle East and Africa — — ~~1 41~~ **2 331** 3 282 ~~4 323~~ **5 613** Asia Pacific — — ~~— —~~ **1 72** 1 114 ~~1 114~~ **2 186** Conrad Hotels & ResortsU. S. — — 6 2, 227 2 1, 730 8 3, 957 Americas (excluding U. S.) — — 3 787 — — 3 787 Europe — — 4 1, 155 1 107 5 1, 262 Middle East and Africa1 614 4 1, 689 — — 5 2, 303 Asia Pacific1 164 ~~22~~ **24** 7, ~~078~~ **818** 1 659 ~~24 7~~ **26 8**, ~~901~~ **641** Canopy by HiltonU. S. — — — — 26 4, 490 26 4, 490 Americas (excluding U. S.) — — 2 272 ~~— — 2 272~~ **1 184 3 456** Europe — — 1 123 ~~4 917~~ 5 1, ~~040~~ **058 6 1, 181** Middle East and Africa — — 1 200 — — 1 200 Asia Pacific — — 4 ~~614~~ **613** — — 4 ~~614~~ **613** Signia by HiltonU. S. — — ~~2~~ **3** 1, ~~814~~ **700** — — ~~2~~ **3** 1, ~~814~~ **700** Hilton Hotels & ResortsU. S. — — ~~60~~ **59** 44, ~~578 186~~ **970 187** 58, ~~188~~ **623** 246 ~~102~~ **103**, ~~766~~ **593** Americas (excluding U. S.) 1 405 ~~30~~ **31** 11, ~~559 24~~ **749 25** 7, ~~241 55~~ **238 57** 19, ~~205~~ **392** ~~Europe38~~ **Europe37** 11, ~~262~~ **141 43 14, 792** 46 ~~15, 580 43~~ 11, ~~280 127 38~~ **984 126 37**, ~~122~~ **917** Middle East and Africa4 1, 705 39 13, ~~668 4 1~~ **386 6 2**, ~~738 47~~ **096 49** 17, ~~111~~ **187** Asia Pacific5 2, 999 ~~115~~ **119** 40, ~~610 9 3~~ **705 11 4**, ~~557 129~~ **222 135** 47, ~~166~~ **926** Curio Collection by HiltonU. S. — — ~~10~~ **11** 4, ~~000 64 14~~ **984 68 13**, ~~003 74~~ **683 79** 18, ~~003~~ **667** Americas (excluding U. S.) — — 2 99 ~~17~~ **20** 2, ~~196 19~~ **870 22** 2, ~~295~~ **969** Europe — — 6 516 **36** ~~27 3, 534 33~~ 4, ~~050~~ **941 42 5, 457** Middle East and Africa — — ~~4 741~~ **5 1, 104 3 912 8** 2 ~~557 6 1~~, ~~298~~ **016** Asia Pacific — — ~~4 773 2 248~~ 6 1, ~~021~~ **153 4 738 10 1, 891** DoubleTree by HiltonU. S. — — 31 10, ~~397 348 79~~ **105 354 80**, ~~122 379 89~~ **206 385 90**, ~~519~~ **311** Americas (excluding U. S.) — — 3 587 ~~39~~ **38** 7, ~~822 42~~ **695 41** 8, ~~409~~ **282** Europe — — ~~14 3~~ **17 4**, ~~580~~ **211** 109 ~~18, 610 123 22, 190~~ **19, 161 126 23, 372** Middle East and Africa — — 19 ~~4~~ **5**, ~~939~~ **225** 6 ~~825~~ **1, 118** 25 ~~5~~ **6**, ~~764~~ **343** Asia Pacific — — ~~83 22~~ **90 24**, ~~174 8~~ **050 10** 2, ~~101 91 24~~ **350 100 26**, **400 Tapestry** ~~275 (continued on next page) Owned / Leased (1) ManagedFranchisedTotalPropertiesRoomsPropertiesRoomsPropertiesRoomsPropertiesRoomsTapestry~~ Collection by HiltonU. S. — — ~~— — 78 9~~ **1 124 99 12**, ~~382 78 9~~ **088 100 12**, ~~382~~ **212** Americas (excluding U. S.) — — 1 138 ~~7 740 8 878~~ **9 1, 122 10 1, 260** Europe — — — — ~~6 360 6 360~~ **11 640 11 640** Middle East and Africa — — 1 50 — — 1 50 Asia Pacific — — ~~1 266~~ **2 382** 1 175 ~~2 441 Embassy~~ **3 557 (continued on next page) Owned / Leased (1) ManagedFranchisedTotalPropertiesRoomsPropertiesRoomsPropertiesRoomsPropertiesRoomsEmbassy** Suites by HiltonU. S. — — ~~38 10~~ **37 9**, ~~121 216 48~~ **943 220 49**, ~~653 254 58~~ **417 257 59**, ~~774~~ **360** Americas (excluding U. S.) — — 2 ~~354 6~~ **504 7** 1, ~~649 8~~ **829 9** 2, ~~003~~ **333** Middle East and Africa — — — — 1 151 1 151 **Tempo by HiltonU. S. — — 1 661 — — 1 661** Motto by HiltonU. S. — — — — ~~3 871 3 871~~ **4 1, 271 4 1, 271** Americas (excluding U. S.) — — — — 1 115 1 115 Europe — — — — 1 108 1 108 Hilton Garden InnU. S. — — **5 602 741** ~~6 689 737 101, 796 743~~ 102, ~~485~~ **153 746 102, 755** Americas (excluding U. S.) — — 13 1, **968** ~~992 51 7, 664 64 9, 656~~ - **56 8, 506 69 10, 474** Europe — — ~~18 3, 486 61 9, 849 79~~ 13 **2**, ~~335~~ **533 74 11, 598 87 14, 131** Middle East and Africa — — 17 3, 555 ~~3 474 20~~ 4 **648 21 4**, ~~029~~ **203** Asia Pacific — — **69** ~~58 12, 688 7 1, 149~~ - **14** ~~65 13~~, **535 18 3, 032** ~~837~~ - **87 17, 567** Hampton by HiltonU. S. — — ~~23~~ **17** 2, ~~986~~ **296** 2, ~~309 228~~ **343 232**, ~~576~~ **636** 2, ~~332 231~~ **360 234**, ~~562~~ **932** Americas (excluding U. S.) — — ~~12~~ **11** 1, **442** ~~537 115 13~~ **123 14**, ~~931 127 15~~ **896 134 16**, ~~468~~ **338** Europe — — ~~16 2, 697 109 16, 965 125~~ 19 **3**, ~~662~~ **181 114 17, 951 133 21, 132** Middle East and Africa — — 5 1, 459 — — 5 1, 459 Asia Pacific — — — — ~~274 43~~ **339 53**, ~~892 274 43~~ **829 339 53**, ~~892~~ **829** Tru by HiltonU. S. — — — — ~~231 22~~ **248 24**, ~~569 231 22~~ **181 248 24**, ~~569~~ **181** Americas (excluding U. S.) — — — — ~~4 453 4 453~~ **5 574 5 574 Spark by HiltonU. S. — — — — 8 915 8 915** Homewood Suites by HiltonU. S. — — **8 999 503** ~~9 1, 131 499~~ 57, ~~064 508~~ **531 511** 58, ~~195~~ **530** Americas (excluding U. S.) — — 3 406 24 2, 688 27 3, 094 Home2 Suites by HiltonU. S. — — 2 210 ~~545 57~~

593 62 , ~~080 547 57~~ **269 595 62** , ~~290~~ **479** Americas (excluding U. S.) — — — — ~~7 753 7 753~~ **10 1, 041 10 1, 041** Asia Pacific — — — — ~~22 3~~ **47 6** , ~~309 22 3~~ **916 47 6** , ~~309~~ **916** Other — — **3 1, 414 15 3, 219 18** 4 **, 633 Total hotels51 17, 491 800 250, 472 6, 587 898, 865 7, 438** 1, **166** ~~463 6 1~~ , **828** ~~436 10 2, 899 Total hotels52 17, 612 778 244, 037 6, 255 852, 078 7, 085 1, 113, 727~~ Hilton Grand Vacations **(2)** — — — — ~~80 13~~ **92 16** , ~~703 80 13~~ **109 92 16** , ~~703~~ **109** Total ~~system52~~ **system51** 17, ~~612 778 244~~ **491 800 250** , ~~037~~ **472** 6, ~~335 865~~ **679 914** , ~~781~~ **974** 7, ~~165~~ **530** 1, ~~127~~ **182** , ~~430~~ **937** (1) Includes hotels owned or leased by entities in which we own a noncontrolling financial interest. **(2) Includes properties under our timeshare brands including Hilton Club, Hilton Grand Vacations Club and Hilton Vacation Club.** We manage hotels and license our brands through our management and franchise segment ~~, which included 778 managed hotels and 6, 255 franchised hotels consisting of 1, 096, 115 total rooms, as of December 31, 2022~~ . This segment generates its revenue primarily from fees charged to hotel owners under management and franchise contracts, as well as from fees associated with license agreements. We grow our management and franchise business by attracting owners to become a part of our system and participate in our commercial services to support their properties. Our management and franchise contracts provide significant return on investment for us as **we earn and collect** fees ~~are earned and paid~~ . Hotel Management Our core management services consist of operating hotels under management contracts for the benefit of third parties who either own or lease the hotels and the associated personal property. Often, particularly in the U. S., we employ the individuals working at these locations. Terms of our management contracts vary, but our fees generally consist of a base management fee, which is generally based on a percentage of the hotel' s monthly gross **operating** revenue, and, when applicable, an incentive management fee, which is generally based on a percentage of the hotel' s operating profits, normally over a one ~~-~~ **calendar** year ~~calendar~~ period, and, in some cases, may be subject to a stated return threshold to the hotel owner. In general, the owner pays all operating and other expenses and reimburses **any of** our out- of- pocket expenses. In turn, our managerial discretion typically is subject to approval by the owner in certain major areas, including the approval of annual operating and capital expenditure budgets and the appointment of certain key personnel. Additionally, the owners generally pay ~~a~~ monthly program ~~fee~~ **fees** based on the underlying hotel' s sales or usage, as reimbursement for the costs related to our: (i) advertising and marketing programs; (ii) internet, technology and reservation systems; and (iii) quality assurance programs. Owners are also responsible for various other fees and charges, including payments for participation in our Hilton Honors guest loyalty program, training, consultation and procurement of certain goods and services. As of December 31, ~~2022~~ **2023** , we managed ~~778~~ **800** hotels with ~~244~~ **250** , ~~037~~ **472** rooms, which does not include hotels in our ownership segment. The initial terms of our management contracts are typically 20 to 30 years. In certain cases, we are both the franchisor and manager of the hotel, when we enter into a franchise contract in addition to the management contract, and, in these cases, we classify the hotel as managed in our system. Extension options for our management contracts are negotiated and vary, but typically are more prevalent in full service hotels. Generally, these contracts contain one or two extension options that are for either five or 10 years and can be exercised at our or the hotel owner' s option or by mutual agreement, as specified by the contract. Some of our management contracts provide early termination rights to hotel owners upon certain events, including the failure to meet certain financial or performance criteria. Performance test measures typically are based upon the hotel' s performance individually and / or in comparison to specified competitive hotels. We often have an optional cure right to pay an amount equal to the performance shortfall over a specified period, although in some cases our cure rights are limited. Franchising We license our IP, including our brand names, trademarks and service marks, and our operating systems to hotel owners under franchise contracts. We do not own, manage or operate franchised properties, do not employ the individuals working at these properties and do not have any legal responsibility for the employees or the liabilities associated with operating these properties. We conduct periodic inspections of our franchised hotels to ensure that brand standards that we establish are maintained. For newly franchised hotels, including both new construction and conversions of existing hotels outside of our system, we approve the location, as well as the plans for the facilities, to ensure the hotels meet our brand standards. For existing franchised hotels, we provide franchisees with property improvement plans that must be completed to keep the hotels in compliance with our brand standards, so that they can remain in our hotel system. ~~IP.~~ Each franchisee pays us an application,initiation or other fee in conjunction with the inception of a franchise contract.Franchisees also pay a royalty fee,generally based on a percentage of the hotel' s monthly gross room revenue and,in some cases,may also include a percentage of gross food and beverage revenues and other revenues,as applicable.Additionally, ~~the franchisees~~ **franchised properties** generally pay ~~a~~ monthly program ~~fee~~ **fees** based on the underlying ~~hotel~~ **property** ' s sales or usage,as reimbursement for the costs related to our:(i) advertising and marketing programs;(ii) internet,technology and reservation systems;and (iii) quality assurance programs. ~~Franchisees~~ **They** are also responsible for various other fees and charges,including payments for participation in our Hilton Honors guest loyalty program,training,consultation and procurement of certain goods **and services.** We also earn license fees from license agreements with strategic partners, including co- branded credit card providers, and HGV for the use of our IP....... and procurement of certain goods and services . As of December 31, ~~2022~~ **2023** , we franchised 6, ~~335~~ **679** hotels and resorts, including timeshare properties, with ~~865~~ **914** , ~~781~~ **974** rooms. Our franchise contracts typically have initial terms of approximately 20 years for new hotels and approximately 10 to 20 years for hotels converting from hotels outside of our system. At the expiration of the initial term, we may have a contractual right or obligation to relicense the hotel to the franchisee for an additional term generally ranging from 10 to 15 years. We have the right to terminate a franchise contract upon specified events of default, including nonpayment of fees or noncompliance with brand standards. If a franchise contract is terminated by us because of a franchisee' s default, the franchisee is contractually required to pay us liquidated damages. As a hotel owner and lessee, we focus on maximizing cost efficiency and profitability of the portfolio by, among other things, maximizing hotel revenues, implementing cost- effective labor management practices and systems and reducing fixed costs. Through our disciplined approach to hotel and asset management, we develop and execute on strategic plans for each of our hotels to enhance their competitive position and ~~, at many of our hotels,~~ we invest in renovating guest rooms and public spaces and adding or enhancing meeting and retail space ~~to~~ **for properties where we believe such**

investments will improve profitability. As of December 31, ~~2022~~ **2023**, the **ownership** segment included ~~52~~ **51** hotels totaling 17, ~~612~~ **491** rooms, comprising ~~45~~ **44** hotels that we leased, two hotels that were each leased by a consolidated variable interest entity (" VIE") and five hotels owned or leased by unconsolidated affiliates. Environmental, Social and Governance Hilton strives to create long- term value for all of our stakeholders **and strengthen the resilience of our business while also advancing responsible travel and tourism globally** through ~~: (i) our resilient business model; (ii)~~ our ESG **strategy, which is grounded in** ~~efforts to support the long- term viability of~~ our **Travel** ~~business; and (iii) our more than 100- year history of filling the earth~~ with **Purpose goals** ~~the light and warmth of hospitality and making the world a better place through travel and connection~~. As one of the world' s largest hospitality companies, ~~we recognize~~ Hilton ~~has a~~ **recognizes its** responsibility to ~~protect the planet~~ **create positive environmental** and ~~support the~~ **social impact across our operations, supply chain and** communities ~~we serve~~ to ensure our hotel ~~destinations~~ **properties and surrounding communities** remain vibrant and resilient for generations of travelers to come. ~~Hilton is committed to driving responsible travel and tourism globally and furthering positive environmental and social impact across our operations and communities through our ESG strategy, Travel with Purpose. We believe that the need for responsible leadership commensurate with our global scale will continue to be of great importance in the years to come. In 2022, Hilton was named to the Dow Jones Sustainability Indices (" DJSI") for the sixth consecutive year, scoring in the 100th percentile in our industry, reflecting Hilton' s significant investment in building a leading ESG strategy.~~ We continue to make progress ~~in~~ **towards** our ~~ESG commitments and~~ **Travel With Purpose 2030 Goals**, **including** ~~in 2022, refreshed our ESG strategic framework to focus and communicate our ESG strategy across all three ESG pillars~~: (i) environmental — aiming toward a net zero future with well- defined targets for watts (carbon and energy), water and waste; (ii) social — supporting and advancing careers, communities and responsible conduct; and (iii) governance — advancing and measuring our goals with a focus on integrity and transparency **through our company policies** and ~~leveraging~~ **reporting mechanisms, our external partnerships and** our public affairs ~~and advocacy~~ work ~~, our partnerships~~ **. Hilton was named to both the World** and ~~our policies~~ **North America Dow Jones Sustainability Indices (" DJSI") for the seventh consecutive year** and **was recognized by IR Magazine with " Best ESG** ~~reporting~~ **Reporting** ~~. As part of the~~ **– Large Cap " in 2023 and earned a** 2022 ~~update to our~~ **" Gold Medal " sustainability rating from EcoVadis, reflecting third- party recognition of Hilton' s** ESG **efforts** ~~strategic framework, we launched new environmental and social impact goals, including updated emissions reduction targets~~. Our ~~updated~~ 2030 Goals align with the global Sustainable Development Goals (" SDGs") adopted by the United Nations in 2015 and are guided by our evaluation of the social and environmental issues that are critical to **the** ~~our business and our~~ long- term success **of our business**. Further, our ESG efforts are supported by a ~~robust~~ governance structure ~~,~~ **that is** designed to ensure **the** ~~our ESG~~ objectives are an important part of our business and strategic priorities as we work towards our 2030 Goals. Our ~~Chief ESG Officer reports directly to our Chief Executive Officer, and our~~ executive committee receives at least quarterly updates on our ESG programs and progress ~~towards~~ **on** our 2030 Goals. The Nominating & ESG Committee, one of the three standing committees of Hilton' s board of directors, **also** receives quarterly reports on **this** progress ~~toward our 2030 Goals~~, reviews and assesses our ~~ESG~~ **related** strategy and makes recommendations to the board and management as appropriate. The board of directors also receives annual updates on progress towards our 2030 Goals. ~~Significant ESG risks, including risks related to climate change, natural disasters, supply chain disruption, health and safety and ethics, fraud and corruption are integrated in Hilton' s Enterprise Risk Management program as part of Hilton' s annual Enterprise Risk assessment process. The results of this process are reviewed by our executive committee and our board of directors, including the Audit Committee, to inform enterprise- wide strategic planning.~~ We ~~also~~ engage with stakeholders ~~on an ongoing basis to refine and enhance our strategy,~~ to help align our **ESG** programs with the issues that matter the most to **them in the context of** our business ~~and stakeholders~~. As part of this effort, we **have** completed **an** ~~a thorough~~ ESG materiality assessment ~~in 2020~~, leveraging guidance from the Global Reporting Initiative (" GRI"), Sustainability Accounting Standards Board (" SASB") and the World Economic Forum. **We determined** ~~Of the more than~~ **that** ~~200 ESG issues considered,~~ our stakeholders were most focused on ~~the following:~~ climate action; employee development and well- being; ~~diversity, equity and~~ - **an** ~~inclusion~~ **inclusive culture** ~~(" DE & I")~~; employee and guest health, safety and security; human rights; and ethical business practices and regulatory compliance. **These are topics aligned** ~~We used the results of this materiality assessment to advance our Travel~~ with **our significant** ~~Purpose strategy in alignment with organizational priorities, inform management of~~ ESG risks **, which are integrated in Hilton' s Enterprise Risk Management program** and **are reviewed by** ~~drive long- term value for~~ our **executive** ~~business and our stakeholders. We remain committed~~ **committee** ~~to reducing our carbon~~ and **board of directors, including** ~~other~~ -- **the Audit Committee** ~~greenhouse gas emissions in line with climate science. We evaluate our climate change risks and report annually on our ESG performance~~, **to inform enterprise** ~~with our reporting prepared in accordance with the GRI standards, while integrating the recommendations of the SASB and the Task Force on Climate~~ - **wide strategic planning** ~~related Financial Disclosures (" TCFD")~~. LightStay, our proprietary and award- winning ESG management system, ~~is aligned~~ **aligns** with the criteria of the Global Sustainable Tourism Council (" GSTC") and is used to measure, manage and report many of Hilton' s key environmental and social performance metrics, including, ~~but not limited to,~~ carbon emissions, energy, water, waste, volunteer hours, in- kind donations and efficiency projects. ~~Our hotels use LightStay~~ **It provides owners with visibility into utility performance and allows Hilton** to ~~track~~ **analyze** and report **collective progress toward** ~~environmental and social impact data, assess performance and recognize performance improvement opportunities and achievements. We recognize that~~ achieving ~~meaningful progress towards~~ our 2030 Goals **while delivering meaningful data** ~~and the SDGs requires collaboration across a wide range of partners and external stakeholders, including the Sustainable Hospitality Alliance (" SHA"), an~~ **and** ~~organization that represents the hotel industry' s collective efforts to support and protect destinations and communities for future generations. Hilton leaders continue to engage with SHA and its membership and have participated in recent efforts to advance the Hotel Carbon Measurement Initiative and the Hotel Water Measurement Initiative methodologies, which are designed to enable the industry to more consistently measure and report~~ **reporting to our customers** ~~on carbon emissions and water~~

~~consumption in hotels~~ . The Hilton Global Foundation ~~(formerly known as the Hilton Effect Foundation), which was launched in 2019,~~ supports nonprofits and local community organizations that serve as partners to amplify our **positive** environmental and social impact around the world. The Hilton Global Foundation is our primary international philanthropic arm and is registered as a U. S.- based 501 (c) (3) charitable organization. ~~In 2022, we launched the Hilton UK Foundation to support Hilton' s mission to support a sustainable future in the UK. Hilton has a long history of partnering with organizations in the UK whose environmental and social priorities align with Hilton' s, and we expect to continue these partnerships through the work of the Hilton UK Foundation. The Hilton Global Foundation and Hilton UK Foundation are collectively referred to as the Foundation. In 2022, the Foundation awarded more than $ 2 million in grants to organizations supporting destination stewardship, climate action, career development and community resilience. Since 2019, the Foundation has awarded more than $ 8 million in grants to more than 130 nongovernmental and community- based organizations.~~ Environmental Impact **We remain committed to reducing greenhouse gas emissions in line with climate science** ~~In 2022, we reevaluated our environmental impact 2030 Goals and set more ambitious targets~~ . Hilton was the first ~~major~~ **global** hospitality company to set science- based targets **in 2018** that were ~~approved~~ **validated** by the Science Based Targets initiative (" SBTi") ~~and~~ **, in our effort to reduce carbon emissions in line with** the ~~first major hotel~~ **goals outlined in the Paris Climate Agreement. As climate science has continued to evolve, we reevaluated our environmental impact 2030 Goals** ~~brand~~ -- **and** ~~to obtain revalidation by SBTi~~ **set more ambitious targets in 2022** . In ~~June~~ 2022, SBTi verified our near- term targets (1. 5 ° C by 2030) ~~, which are in alignment with our updated environmental 2030 Goals~~ to cut **carbon** emissions intensity of our managed hotel portfolio by 75 percent and of our franchised hotel portfolio by 56 percent, with 2008 as our baseline. We continue to work toward our 2030 Goal of reducing water and waste intensity at the hotels we operate, including those that are owned, leased and managed, by 50 percent, with 2008 as our baseline. To achieve our reduction targets **, in 2022** , we partnered with a global leader in the field of sustainability and energy procurement to help map out a phased implementation strategy to help us make informed decisions and chart a path to achieving our energy reduction goals **. To further strengthen our commitment to climate action, we have invested in two Fifth Wall Climate Technology Funds to accelerate the adoption of innovative decarbonization technologies** . Although we believe that our environmental impact 2030 Goals are ambitious yet attainable, there can be no assurance that we will be able to meet them. As climate science continues to evolve we may further refine our environmental impact 2030 Goals. **We evaluate our climate change risks and report annually on our progress, with our reporting prepared in accordance with the GRI standards, while integrating the recommendations of the SASB and the Task Force on Climate- related Financial Disclosures (" TCFD").** In ~~2022~~ **2023** , we continued **to make steady progress towards our 2030 Goals by engaging in partnerships and creating resources that will help facilitate sustainable development and meeting our customers evolving needs, including, but not limited to: (i) announcing our plans to install up to 20, 000 Tesla Universal Wall Connectors at 2, 000 hotels beginning in 2024 across North America; (ii) launching an LED lighting program in line with our LED global brand standard, to help make** the **transition to LED lighting easier and more cost- effective for owners; and (iii) developing sustainable design checklists for new construction, renovation, and conversion projects, as well as guidance on** ~~certification~~ - **electrification** ~~of our~~ **and retrofits. Our** portfolio of ~~hotels~~ **properties are certified** to ISO 9001 (Quality), ISO 14001 (Environmental) and ISO 50001 (Energy) standards, which marks ~~11~~ **12** years of **certification** ~~our properties certified~~ to ISO 14001 and ISO 9001 and ~~eight~~ **nine** years for ISO 50001. Further, in alignment with our science- based targets, we continue to take steps to increase our sourcing of renewable energy at our hotels around the world. In the Europe, Middle East and Africa (" EMEA") region, ~~one third~~ **nearly 30 percent** of the hotels we operated **, which includes our owned and leased hotels** , as well as our Watford and Glasgow corporate offices, were supplied with 100 percent renewable energy during ~~2022~~ **2023** . In the U. S., we continue to have a renewable energy option for our managed hotels. Additionally, ~~we provide our customers with the opportunity to make their meetings and events sustainable~~ through our Meet with Purpose offering, **we partner with our corporate customers to quantify and plan sustainable meetings by providing them with reporting that projects carbon emissions for their event, as well as options to reduce those emissions. For any remaining unavoidable emissions, Hilton offers customers the opportunity to purchase high quality, verified Gold Standard or Verified Carbon Standard carbon offsets from** a ~~program launched to help customers gather responsibly, incorporate food donations into their~~ - **third party to address** ~~programs and positively impact their~~ -- **the environmental footprint** ~~destinations, or offset their meeting through our carbon neutral meeting offering at select participating hotels~~ . We continued our focus on our food waste reduction and food donation initiatives, with many of our managed hotels in the U. S. and EMEA piloting donation programs and analytical software to help reduce food waste and associated costs ~~. We also operate a soap recycling program, with over 5, 500 of our hotels partnered with soap recycling organizations to donate soap bars and other unused supplies from our hotels to those in need, consistent with our effort to reduce waste~~ . We have made progress on our commitment to reduce single use plastics at our hotels, offering **a** Digital ~~Keys~~ - **Key option** at more than 80 percent of our hotels and ~~requiring~~ **, in 2023, we required** all hotels to comply with the adoption of bulk amenities ~~by 2023. In 2022, the Foundation partnered with organizations~~ , such as **soap** ~~the Global Water Challenge~~ , **shampoo** ~~One Tree Planted~~ and **conditioner** ~~the Ocean Conservancy, that are making a positive impact~~ in our ~~communities and on the environment. Specifically, the Foundation works with partners that advance: (i) climate action with initiatives that combat urgent climate change and its impact, reducing carbon footprint, energy, water and waste; and (ii) destination stewardship with initiatives that improve travel destinations and positively impact the environment, including conducting clean up, conservation and preservation activities. We primarily generate carbon emissions from the operation of our hotels~~ - **hotel rooms** ~~. During 2022, our hotels continued to recover from the impact of the COVID- 19 pandemic and occupancy at our owned, leased and managed properties exceeded 2021 levels, and, by the second half of 2022, it approached 2019 levels. As such, we experienced a year- over- year increase in consumption of energy, water and waste in 2022 in- line with the year- over- year increase in occupancy. However, this consumption, on both a per square meter and absolute basis, remained below 2019 levels, and we remain on track~~

~~to achieve our updated 2030 Goals~~ . We have achieved the following reductions in environmental impact since 2008: Percent Reduction Achieved Since 2008 (1) ~~Reduction in water~~ **Water consumption per square meter (2) 26 % Landfilled waste per square meter (2) 64 Carbon dioxide emissions per square meter (2) 45 Energy** consumption per square meter (2) 33 ~~% Reduction in landfilled waste per square meter (2) 65 Reduction in carbon dioxide emissions per square meter (2) 47 Energy consumption per square meter (2) 36~~ (1) Reflects data as of December 31, ~~2022~~ **2023** that has been reviewed by an independent third party. (2) Reflects performance across Hilton' s owned, leased and managed properties, which totaled approximately ~~28~~ **29** . ~~4~~ **8** million square meters as of December 31, ~~2022~~ **2023** . Although consumption and waste ~~generation~~ **per square meter** were higher in **2023 than in** 2022 **and** ~~than in~~ 2021 ~~and 2020~~ , correlated with the increase in occupancy resulting from our recovery from the COVID- 19 pandemic, they remain **below 2019 levels. We primarily generate carbon emissions from the operation of our hotels. The increases in occupancy at our hotels during the years ended December 31, 2023, 2022 and 2021, including the recovery from the COVID- 19 pandemic, were directly correlated with and impacted the consumption of energy, water and waste at our hotels during these periods, resulting in increases in our environmental impact measures. Additionally, we added new properties, on a net basis, that were operated by us during these periods, which also directly impacted our measures with regard to absolute consumption. However, our consumption generally remained** below 2019 levels. The data in the following tables, which have been reviewed by an independent third party, reflect the key sustainability metrics **that we emphasize** for **the hotels we operate** ~~our managed, owned and leased properties~~ , as well as ~~recommendations of~~ **metrics recommended by** the SASB within their Hotel & Lodging and Restaurant Standards: Year Ended December 31, **Metric202320222021Energy** ~~Metric2022 (1) 2021 (1) 2020 (1) 2019 (1) Energy~~ managementTotal energy consumed, in gigajoules per square meter0. **900.** 860. ~~810. 721. 03Percent~~ **81Percent** total energy from grid ~~electricity56~~ **electricity57 . 0 % 56** . 7 % 56. 3 ~~% 56. 3 % 53. 8~~ % Carbon emissionsTotal emissions (Scope 1 and 2 **(1)**), in metric tons CO2e per square ~~meter~~ **meter0 . 0860** ~~(2) 0~~ . 0830. ~~0790. 0690. 101Water~~ - **079Water** managementAmount withdrawn, in cubic meters per square ~~meter1~~ **meter2 . 141** . 941. ~~791. 552. 35Amount~~ **79Amount** consumed, in cubic meters per square meter0. **5360.** 4850. **447Percent** ~~4470. 3880. 586Percent~~ in regions with high or extremely high baseline water stress (~~3~~ **2**) 39 % ~~37~~ **39** % 37 ~~% 32~~ % Waste managementAmount generated, in metric tons per square meter0. **00560.** 00510. ~~00420. 00390. 0080Percent~~ **0042Percent** diverted from landfills (~~4~~ **3**) **39. 2 %** 35. 7 % 32. 0 ~~% 33. 9 % 34. 8~~ % Year Ended December 31, Absolute Consumption (~~5~~ **4**) **202320222021Total** ~~2022 (1) 2021 (1) 2020 (1) 2019 (1) Total~~ energy consumed, in million ~~gigajoules24~~ **gigajoules26 . 824** . 522. ~~217. 824. 6Direct~~ **2Direct** emissions (Scope 1), in million metric tons CO2e0. **490.** 450. ~~420. 330. 48Indirect~~ **42Indirect** emissions (Scope 2 **(1)**), in million metric tons ~~CO2e~~ **CO2e2 . 081** ~~(2) 1~~ . 901. **76Water** ~~761. 391. 93Water~~ withdrawn, in million cubic meters (m3) **64.** ~~55~~ **055** . 149 ~~. 138. 756~~ . 1Water consumed, in million cubic meters (m3) **16.** ~~13~~ **013** . 812. ~~39. 714. 0Waste~~ **3Waste** generated, in million metric tons0. **170.** 140. ~~110~~ - **11** ~~. 100. 19~~ (1 ~~) The decreases in consumption reflected in these measures during the year ended December 31, 2020 and then the increases in consumption reflected in these measures, if applicable, during the years ended December 31, 2021 and 2022 were primarily attributable to the reduction in occupancy as a result of the COVID- 19 pandemic during 2020, followed by Hilton' s recovery from the impact of the pandemic during 2021 and 2022 and the related increases in occupancy. During the year ended December 31, 2020, the hotel operations at approximately 380 of our managed, owned and leased hotels were completely or partially suspended for some period of time, while only approximately 120 had suspended operations for some period of time during 2021. Substantially all of our hotels had re- opened by the end of 2021 and have remained open and operating since then. The changes in occupancy and the number of hotel suspensions were directly correlated with and impacted the consumption of energy, water and waste at our hotels around the world. (2~~) Scope 2 market- based emissions as defined by The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). (~~3~~ **2**) Water stress as defined by the World Resources Institute ~~(" WRI")~~ . Represents the percentage (by square meter) of owned, leased and managed hotels ~~,~~ in regions with baseline water stress, that have high or extremely high baseline water stress. (~~4~~ **3**) Amount of waste not diverted from landfills in metric tons per square meter was 0. **0034, 0.** 0033 ~~,~~ **and** 0. 0029 ~~, 0. 0026 and 0. 0052~~ for the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021, **respectively** ~~2020 and 2019. Although the amount was higher in 2022 than in 2021 and 2020, correlated with the increase in the amount of waste generated resulting from our recovery from the COVID- 19 pandemic, it remained below 2019 levels~~ . (~~5~~ **4**) Total floor area of Hilton' s owned, leased and managed properties, for which absolute consumption is reflected, was **29. 8 million square meters,** 28. 4 million square meters ~~,~~ **and** 27. 5 million square meters ~~, 24. 9 million square meters and 23. 9 million square meters~~ as of December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~, 2020 and 2019~~ , respectively. Absolute consumption increased during the **periods** ~~years ended December 31, 2022 and 2021~~ due to ~~our~~ increased floor area and increased occupancy **at our hotels** , as described above. Social Impact With a presence in ~~123~~ **126** countries and territories, we use our global scale to **be an engine of opportunity by** ~~focus~~ **focusing** on creating learning and career growth opportunities, positively impacting our communities and promoting responsible, inclusive conduct across our value chain **operations** ~~, all with consideration for human rights and DE & I~~ . **Our** ~~As such, in 2022, we updated our~~ social impact 2030 Goals **include** ~~to the following~~ : (i) ~~to provide~~ **providing** 5 million learning and career growth opportunities for our employees and our communities with a focus on underrepresented groups; (ii) ~~to meaningfully impact~~ **impacting** 20 million community members **through local support, disaster relief and economic opportunities** ; and (iii) ~~to promote~~ **promoting** responsible, inclusive conduct across 100 percent of our value chain operations. ~~We used these goals to guide our social impact initiatives in 2022.~~ Through ~~our~~ **the Hilton Global** Foundation, we partner with the International Youth Foundation by providing our Passport to Success Concierge program, an online course that is free to youth around the globe who are interested in building the core skills for a career in travel and tourism. Since its launch in ~~August~~ 2021, over ~~22~~ **57** , 000 youth and Hilton employees have accessed the program through ~~2022~~ **2023** . ~~We~~ **Further, we** partner with organizations around the globe supporting **hospitality** career development ~~including Jobs~~ **. The Hilton UK Foundation made its inaugural grants in 2023 to organizations that create learning and career growth opportunities** for ~~America' s Graduates~~ **individuals with learning disabilities** , **previously incarcerated**

individuals ~~Travis Early College High School Hospitality College, The Punlaan School~~ and **underserved youth** ~~R. O. L. E. Foundation~~. Hilton also remains committed to combating human trafficking, and we require all hotel- based employees to complete an annual training on identifying signs of trafficking. We partner with ~~expert~~ organizations **such as** ~~, including Vital Voices,~~ It' s a Penalty and **PACT (formerly** ECPAT **)** , to help prevent **trafficking** ~~and mitigate such risks, including at an industry level~~ through the Sustainable Hospitality Alliance, World Travel and Tourism Council, American Hotel & Lodging Association **(" AHLA")** and United Kingdom (" U. K.") Stop Slavery Hotel Industry Network. The **Hilton Global** Foundation **has committed** ~~furthered these efforts by committing~~ to **support** ~~grant $ 500, 000 in total over the next three years to~~ the AHLA Foundation' s No Room for Trafficking (" NRFT") Survivor Fund, **which** ~~starting in 2023. The NRFT Survivor Fund~~ aims to equip community- based organizations ~~with the resources~~ to engage and support trafficking survivors ~~– from direct financial support of their short- term, baseline needs to career- related support~~ . **During** ~~Further, we have reached more than 35, 000 refugees since 2015 through volunteering, in- kind donations, purchasing, training, shelter and employment. In addition, in 2022~~ **2023** ~~, in partnership with # HospitalityHelps and the United Nations High Commissioner for Refugees (a UN Refugee Agency), we supported the Ukraine refugee crisis by providing accommodations to more than 42, 000 refugees seeking shelter across our EMEA region. Further~~ , Hilton ~~is part of the Tent Coalition for Refugees (" Tent") in the U. S.~~ and ~~Canada, and in 2022, we expanded our hiring commitment in partnership with Tent to hire 1, 500 refugees in the U. S. over the next three~~ -- **the** ~~years. During 2022,~~ Hilton **Global** ~~and the~~ Foundation supported our hotel teams and surrounding communities through disasters and crises, including ~~Hurricane Ian and~~ the ~~Ukraine refugee~~ **Türkiye and Morocco earthquakes, Canada and Maui Wildfires and the Middle Eastern humanitarian** crisis. This ~~approach~~ included donating to organizations at the frontlines of the crises, supporting the delivery of meals, medical care and other basic needs, as well as support for the families of impacted employees through Hilton' s third- party operated Team Member Assistance Fund (" TMAF"). ~~In August 2022,~~ Hilton ~~expanded its~~ **' s** TMAF **also** ~~program to provide further assistance to its employees. In addition to continuing to support~~ **supports** ~~Team Members following disasters, the expanded program enables the TMAF to support~~ employees experiencing undue financial hardship due to unexpected personal circumstances and larger crisis situations. Hilton employees, as well as individuals working at managed and franchised hotels who are not employed by Hilton, can apply for financial assistance when impacted by disaster and extreme hardship. In ~~2022~~ **2023** , the TMAF provided assistance grants to **over 3** ~~more than 1~~ , 400 individuals **. During 2023, our employees around the world reported approximately 377, 000 volunteer hours in their local communities, including during our Travel with Purpose Week, an annual week of volunteering** . In addition to collaboration across our industry and within the business community, we are focused on achieving change by leveraging the scale of our supply chain. **To that end** ~~We remain committed to embedding robust due diligence across our supply chain and partnering with suppliers to advance positive impact in our communities. Furthermore~~ , ~~by leveraging~~ our ~~size and scale, we also aim to expand local sourcing from small businesses and strengthen business with diverse suppliers. Through our award- winning~~ Supplier Diversity Program ~~, we engage~~ **engages** women-, minority-, veteran-, disabled- and LGTBQ owned businesses in sourcing opportunities across **the** Hilton **organization** ~~in all categories. During 2022, our employees around the world reported nearly 345, 000 volunteer hours in their local communities, including during our Travel with Purpose Week, an annual week of volunteering focused on destination stewardship, including beach cleanups, tree planting, trash pickup and clothing donations~~ . Human Capital Management As of December 31, ~~2022~~ **2023** , we employed or managed approximately ~~159~~ **178** , 000 individuals ~~working~~ at our owned, leased and managed ~~properties~~ **hotels** and corporate offices. There were ~~an~~ **approximately 288, 000** additional ~~259, 000~~ individuals employed by third- party owners working at our franchised properties. **Our** ~~We strive to be the most hospitable company in the world, and we believe that an effective~~ human capital management ~~strategy is an essential component of that effort. Our~~ strategy focuses on attracting, developing and retaining the best talent in the industry, and our executive committee reviews talent strategy and succession plans on a quarterly basis to assess current and future talent needs. We want to build a strong employee- centered culture that creates connectivity, camaraderie and trust among all employees, which then supports our employees to deliver positive experiences to guests at our hotels. ~~Attracting~~ **Hilton' s commitment to building strong culture through** ~~and~~ - **an** ~~retaining talent remains~~ **unwavering focus on creating** a ~~leading area of focus~~ **workplace that is inclusive** , **offers strong growth opportunities and is driven by purpose was recognized by Fortune magazine and Great Place to Work and earned Hilton the top spot** as ~~competition for talent across industries remains strong~~ **their 2023 # 1 World' s Best Workplace** . While our hiring levels in ~~2022~~ **2023** were higher than they were before the onset of the COVID- 19 pandemic ~~, we have been affected by global~~ **and recruiting volume is normalizing in regions where the** labor ~~shortages~~ **market has recovered from the pandemic** , ~~making it more difficult to recruit~~ **recruiting** ~~talent~~ **challenges continue in select regions and for select roles** . **We** ~~In response, we~~ continue to review our compensation policies to maintain competitiveness and ~~we have invested~~ -- **invest** in employee **benefits** programs and ~~offerings and enhanced~~ - **enhance** our recruiting strategies to tap into new pools of talent. Our workforce should represent the communities where...... to promote positive, inclusive behaviors. Thrive at Hilton **Our** ~~Thrive at Hilton is our value proposition designed to enable employees to grow and flourish in both their professional and personal lives. To make that happen, we offer programs designed to provide our employees with tools to excel in their roles. We offer a range of benefits and programs to help our employees thrive at work and at home. Such~~ benefits and programs include paid time off, parental leave, adoption assistance, subsidized health insurance, education assistance and flexible work arrangements ~~, including remote work opportunities for our corporate employees,~~ and Go Hilton ~~Travel~~ **travel** programs, which make discounted rooms available to hotel and corporate employees, as well as their families and friends. **Our** ~~We strive to provide~~ medical and mental health care ~~that is convenient, accessible and affordable for our employees. Our~~ programs include ~~: • Care for All —~~ a global platform ~~launched in 2022~~ focused on caregiving that provides resources for employee self- care, as well as enabling employees to care for others, including sick, disabled or elderly family members, children and pets **;** ~~. This benefit is also extended to employees' families and friends. • Wellthy —~~ a ~~caregiving~~ concierge service **supporting eligible** ~~which provides assistance to~~ employees **with** ~~working through the~~ logistical and administrative tasks related to ~~care~~ **caregiving; education** , **training and resources on substance use disorders to** ~~such as finding the right in- home aide, contesting medical bills, evaluating care providers or finding care options for veterans for~~ eligible employees **;** ~~in the U. S., U. K. and~~ - **an** ~~Ireland. •~~ Employee Assistance Program **;** ~~– offers free~~ and **parental** ~~confidential services, such as counseling~~ and ~~recommending~~ **bereavement leave and education** resources **for expecting** ~~to find services such as child~~ and **new** ~~eldercare, legal advice and apartment~~ --- **parents** ~~hunting and relocation~~ . We regularly survey our employees to **monitor** ~~gauge the level~~ **levels** of ~~job satisfaction~~ **engagement, trust,** and ~~effective relationships with~~ management **effectiveness** , among other ~~things~~ **targeted topics,** and use their feedback to inspire program enhancements and new offerings. We strive to maximize employee retention and minimize attrition with these and other measures. Approximately ~~35~~ **32** percent of our U. S. employees have been with Hilton for at least 10 years. ~~of 2027~~ **Inclusive Culture We are committed to an equitable and inclusive workforce that embraces all ages,gender,sexual orientation,nationalities,ethnicities,disabilities,military and veteran status,cultures and viewpoints** .Our leaders are committed to our diversity and inclusion efforts,and we hold them accountable through our organizational objectives that measure their performance against our commitments.As of December 31, ~~2022~~ **2023** ,the global workforce that we employ or manage was **approximately** 43 percent women.Globally,corporate leadership was ~~40~~ **approximately 42** percent women and hotel leadership was ~~25~~ **approximately 24** percent women.As of December 31, ~~2022~~ **2023** ,in the U.S.,our workforce was **approximately** 72 percent ethnically diverse,with U.S.corporate leadership being ~~19~~ **approximately 20** percent ethnically diverse and U.S.hotel leadership being ~~23~~ **approximately 29** percent ethnically diverse.As of December 31, ~~2022~~ **2023** ,our board of directors,excluding management directors,was 50 percent women and 25 percent ethnically diverse. ~~Hilton has a long legacy of supporting the military dating back to our founder,Conrad Hilton,a World War I veteran.Since the launch of our Operation Opportunity program in 2015,we have hired more than 35,000 veterans,spouses,caregivers and dependents.Veterans and their spouses are valuable assets for our company as they bring a unique set of highly transferable skills,experience and values.~~ As part of our commitment to an inclusive environment,we offer ~~the following resources to our employees:•~~ Team Member Resource Groups ~~(~~ **to provide support and offer networking and development opportunities,Pathway Programs to help foster economic mobility for historically underrepresented talent and support diversity efforts across our organization and annual trainings on unconscious bias,inclusive culture,preventing human trafficking and anti-harassment.** Compensation and Benefits Hilton offers competitive pay and benefits to its employees, including a variety of compensation programs and comprehensive benefit programs. ~~Hilton has hired consulting firms to independently evaluate the effectiveness of executive compensation and benefit programs and utilized their feedback to further our commitment to deliver competitive levels of compensation and benefits.~~ We regularly review gender and diversity pay parity among our employees as part of our ongoing talent processes. **Through** ~~We also want~~ our ~~employees to share in our success and, as a result of employee feedback, we offer an~~ employee stock purchase plan ~~(" ESPP") for eligible employees in the U. S., U. K. and United Arab Emirates. Through our ESPP~~ , eligible employees can purchase Hilton stock through after- tax payroll deductions at a 15 percent discount from the market stock price ~~and benefit from the hard work they put into making Hilton a success~~ . As of December 31, ~~2022~~ **2023** , approximately 30 percent of people employed or managed by us globally and approximately 40 percent of people working in the U. S. were covered by various collective bargaining agreements that generally address pay rates, working hours, other terms and conditions of employment, certain employee benefits and orderly settlement of labor disputes. Development and Training Our career development approach emphasizes customized experiences so that employees can follow a training and career path best suited to their goals ~~. Hilton University, our global learning platform, gives employees access to a robust library of learning resources. We partner with leading educational institutions and content providers across the globe to deliver high-quality, relevant content to our employees,~~ including a wide array of general business, industry or function- specific technical skills and leadership development courses and programs ~~. Our Hilton University platform, Job Skills Hubs and LinkedIn Learnings Playlists provide flexible, accessible learning designed to help our employees learn and grow. Our employees have the opportunity to grow their leadership skills and careers through our Lead @ Hilton framework, which is designed to develop leaders throughout their careers and features the Hilton Leaders Teaching Leaders video series, as well as content from partners such as Cornell University and Harvard University. Curriculums curated for varying levels of experience aim to provide foundational tools, as well as coaching, mentoring and wellness resources~~ . Our GM Academy curriculum is centered on nine core General Manager (" GM") business capabilities, some of which include leadership and people management, asset management, customer engagement and commercial performance. Additionally, Hilton' s Signature Leadership Development programs focus on building effective leaders across the enterprise to grow our leadership bench strength. These programs provide opportunities for participants to develop key ~~capabilities~~ **competencies** , network with and learn from senior leaders and enhance ~~leadership and~~ business acumen ~~. In 2022, we launched our partnership with Guild Education to provide our U. S. employees with a continuing education platform to help them pursue and attain their educational goals debt- free. Through this partnership, employees have access to a wide variety of educational credentials from leading universities and learning providers including high school completion, English language learning, college degrees and professional certifications. Awards and Recognition We have consistently been recognized for our Hilton culture, and our awards for 2022 included: Following our placement as # 1 in 2021, an induction into DiversityInc' s Hall of Fame for the Top Companies for Diversity, Military Times Best for Vets # 14 (Overall) and # 1 (Hospitality), Military Friendly Employer with Gold distinction, Veteran Magazine Best of the Best Veteran Friendly Company, Great Place to Work Institute (" GPTW") # 2 World' s Best Workplace, GPTW & Fortune # 2 Best Place to Work in the U. S., GPTW & Fortune # 1 Best Place to Work for Women in the U. S. (for the fourth consecutive year) and GPTW & Fortune # 1 Best Place to Work in six countries (Austria, China, Ireland, Peru, Turkiye and Uruguay). Additionally, we received a 100 percent rating in the Corporate Equality Index from the Human Rights Campaign for our commitment to corporate policies, practices and benefits pertinent to LGBTQ employees for the ninth consecutive year~~ . Governance, Ethics and Regulatory Compliance As a core underpinning of our entire organization, our ethics and compliance program is overseen by our board of directors, which expects all Hilton employees to conduct themselves at ~~high~~ **the highest** standards with respect to all ethics and compliance matters. Our Code of Conduct establishes a set of global business principles, with our compliance organization, training, risk management and monitoring activities tailored to address unique risks by geography, business line, function and level. Our Code of Conduct is supported by ~~a~~ robust ~~set of~~ compliance policies addressing risk areas such as corruption, trade sanctions, insider trading, privacy, confidential information, antitrust and escalation of concerns. Our legal and compliance training program, which is an annual requirement for all of our employees, ~~provides the ability to convey~~ **conveys** ~~a~~ consistent ~~set of~~ compliance standards across the organization in formats designed to target different knowledge levels, learning styles and functional needs. Our annual training calendar includes mandatory training and supplemental training that is supported by company- wide awareness campaigns highlighting Hilton- specific risks and scenarios ~~. We also use passive communication channels, including electronic bulletin board screens in the employee break room areas of our hotels, and internal newsletters, including a publication that highlights real Hilton Hotline matters and their resolutions~~ . In governing the physical safety of our properties and teams, to help ensure the safety and security of our employees and guests, we constantly monitor threats and incidents around the world through online tools and external networks and partnerships; support our properties globally with crisis alert communications, crisis plans and area crisis teams; provide employees with safety and security training resources; and conduct safety and security audits annually using a risk- based approach. Our legal compliance team administers a third- party risk management program so that we understand the qualifications, reputation and associations of third parties with whom we transact, particularly third parties who interface with government officials and third parties who act in Hilton' s name, such as owners of our hotels. The third- party risk management program includes due diligence, education materials for third parties, ongoing monitoring of relationships and appropriate contract audit and termination rights. Our legal compliance team also monitors ~~EthicsPoint,~~ a comprehensive and confidential reporting tool to assist management and employees **in** ~~address~~ **addressing** fraud, abuse and other misconduct in the workplace. The Audit Committee of our board of directors receives regular updates from our legal compliance team **on third- party risk and information from our confidential reporting tool** . Competition We encounter active and robust competition as a hotel and resort manager, franchisor, owner and lessee. Competition in the hospitality industry is based on several criteria, generally including: the attractiveness of the facility; location; level of service; quality of accommodations; amenities; food and beverage options and outlets; public and meeting spaces and other guest services; consistency of service; room rate; brand reputation; and the ability to earn and redeem loyalty program points through a global system. Our properties and brands compete with other hotels, resorts, motels, inns and other accommodation rental services in their respective geographic markets or customer segments, including facilities owned by local interests, individuals, national and international chains, institutions, investment and pension funds and real estate investment trusts (" REITs"). We believe that our ~~position~~ **capabilities** as a multi- branded manager, franchisor, owner and lessee of hotels with an associated global, system- wide guest loyalty **program** and commercial platform helps us continue to maintain our position as one of the largest and most geographically diverse hospitality companies in the world. Our principal competitors include other branded and independent hotel operating companies, national and international hotel brands and ownership companies. While local and independent brand competitors vary, on a global scale, our primary competitors are Accor S. A., Choice Hotels International, Hongkong and Shanghai Hotels, Hyatt Hotels Corporation, Intercontinental Hotel Group, Marriott International, Radisson Hotel Group and Wyndham Hotels & Resorts. Seasonality The hospitality industry is seasonal in nature. The periods during which our properties experience higher or lower levels of demand vary from property to property, depending principally upon their location, type of property and competitive mix within the specific location. ~~While results were less predictable as a result of COVID- 19 and related travel restrictions, based~~ **Based** on historical results, we generally expect our revenues to be lower in the first quarter of each year than in each of the three subsequent quarters. Cyclicality The hospitality industry is cyclical, and demand generally follows, on a lagged basis, key macroeconomic indicators. There is a history of increases and decreases in the development and supply of and demand for hotel rooms, occupancy levels and room rates realized by hotel owners through economic cycles. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel, including personnel costs, rent, property taxes, insurance and utilities, tend to be more fixed than variable. As a result of such fixed costs, in a negative economic environment, the rate of decline in earnings can be higher than the rate of decline in revenues ~~. In 2020, we and our hotel owners experienced a downturn in the current industry cycle driven by the COVID- 19 pandemic, which continued into the beginning of 2021. However, the level of travel in 2021 and 2022 recovered substantially when compared to that of 2020, and in the third and fourth quarters of 2022, such performance exceeded performance for the same periods in 2019~~ . Intellectual Property In the highly competitive hospitality industry in which we operate, trademarks, service marks, trade names, logos and patents are very important to the success of our business. We have a significant number of trademarks, service marks, trade names, logos, patents and pending registrations and expend significant resources each year on surveillance, registration and protection of our IP, which we believe has become synonymous in the hospitality industry with a reputation for excellence in service and authentic hospitality. Government Regulation Our business is subject to various foreign and U. S. federal and state laws and regulations, including laws and regulations that govern the offer and sale of franchises, many of which impose substantive requirements on franchise contracts and require that certain materials be registered before franchises can be offered or sold in a particular jurisdiction. In addition, a number of states regulate the activities of hospitality properties and restaurants, including safety and health standards, as well as the sale of liquor at such properties, by requiring licensing, registration, disclosure statements and compliance with specific standards of conduct. Operators of hospitality properties also are subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions and work permit requirements. Our franchisees are responsible for their own compliance with laws, including with respect to their employees, minimum wage requirements, overtime, working conditions and work permit requirements. Compliance with, or changes in, these laws could reduce the revenue and profitability of our properties and could otherwise adversely affect our operations. We also manage hotels with casino gaming operations as part of or adjacent to the hotels. However, with the exception of casinos at certain properties in Puerto Rico and Egypt, third parties manage and operate the casinos. We hold and maintain the casino gaming license and manage the casinos located in Puerto Rico and Egypt and employ third- party compliance consultants and service providers. As a result, our business operations at these facilities are subject to the licensing and regulatory control of the local regulatory agency responsible for gaming licenses and operations in those jurisdictions. For additional information on government regulation, including environmental regulations and requirements, refer to" Part I — Item 1A. Risk Factors." Insurance U. S. **managed** hotels ~~that we~~ **and foreign** ~~manage~~ **managed and franchised hotels** are permitted to participate in certain of our insurance programs by mutual agreement with ~~our~~ **the** hotel owners ~~. If~~ **; however, if they do** not ~~participating~~ **participate** in our **insurance** programs, **the** hotel owners must purchase insurance programs consistent with our requirements. Generally, U. S. franchised hotels are not permitted to participate in our insurance programs, but rather **the hotel owners** must purchase insurance programs consistent with our requirements. ~~Foreign managed and franchised hotels are generally required to participate in certain of our insurance programs.~~ In addition, our management and franchise contracts typically include provisions requiring the **hotel** owner ~~of any hotel~~ to indemnify us against losses arising from the design, development and operation of such hotel. Most of our insurance policies are written with self- insured retentions or deductibles that are common in the insurance market for similar risks, and we believe such risks are prudent for us to assume. Our third- party insurance policies provide coverage for claim amounts that exceed our self- insurance retentions or deductible obligations. We maintain insurance coverage for general liability, property, business interruption, terrorism and other risks with respect to our business for all of our owned and leased hotels, and we maintain workers' compensation or equivalent coverage for all of our employees. We also are self- insured for health coverages for some of our U. S. and Puerto Rico employees, which include those working at our corporate operations and managed hotels, with ~~purchased~~ **third- party** insurance protection for costs over specified thresholds ~~. In general, our insurance provides coverage related to any claims or losses arising out of the design, development and operation of our hotels~~ . Where You Can Find More Information We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC' s website at www. sec. gov. Our SEC filings are also available free of charge on our website at ir. hilton. com as soon as reasonably practicable after they are filed with or furnished to the SEC. Our website and the information contained on or connected to that site are not incorporated into this Annual Report on Form 10- K. Item 1A. Risk Factors Risks Related to Our Industry We are subject to the business, financial and operating risks inherent to the hospitality industry, any of which could reduce our revenues and limit opportunities for growth. Our business is subject to a number of business, financial and operating risks inherent to the hospitality industry, including: • significant competition from multiple hospitality providers in all parts of the world; • **changes in the supply and demand for hotel services, including rooms, food and beverage and other products and services; •** the financial condition of ~~third- party property owners, developers~~ and ~~joint venture partners; •~~ relationships with third- party property owners, developers and joint venture partners, including the risk that owners may terminate **or fail to comply with** our management, franchise or joint venture contracts; • decreases in the frequency of business travel that may result from alternatives to in- person meetings, including virtual meetings hosted online or over private teleconferencing networks; • decreases in the availability and / or increases in the cost of capital necessary for us and third- party hotel owners to fund investments, capital expenditures and service debt obligations; • ~~changes~~ **increases** in operating costs, including employee compensation and benefits, energy, insurance, food and beverage and other supplies **; • significant increases in cost for health care coverage for employees and potential government regulation with respect to health care coverage** ; • increases in costs due to inflation or other factors that may not be fully offset by increases in revenues in our business, as well as increases in overall **consumer** prices ~~and~~ **, including** the prices of our offerings **,** due to inflation, which could weaken consumer demand for travel and the other products we offer and adversely affect our revenues; • changes in taxes and governmental regulations that influence or set wages, prices, interest rates or construction and maintenance procedures and costs; • the costs and administrative burdens associated with complying with applicable laws and regulations; • the costs or desirability of complying with local practices and customs; • ~~significant increases in cost for health care coverage for employees and potential government regulation with respect to health care coverage; •~~ shortages of labor or labor disruptions; • the ability of third- party internet and other travel intermediaries who sell our hotel rooms to guests to attract and retain customers; • the quality of services provided by franchisees, ~~including~~ **as well as their** ability to comply with relevant regulations and contractual requirements relating to a variety of issues including environment, human rights and labor; • delays in or cancellations of planned or future development or refurbishment projects **at hotels in our system** ; • cyclical over- building in the hospitality industry; • changes in desirability of geographic regions of the hotels in our business, geographic concentration of our operations and customers and shortages of desirable locations for development; ~~• changes in the supply and demand for hotel services, including rooms, food and beverage and other products and services;~~ and • the costs required for **environmental** ~~climate change~~ initiatives, including those resulting from regulatory changes or stakeholder or customer expectations. Any of these factors could **(i)** increase our costs or **(ii)** limit or reduce the prices we are able to charge **(a)** third- party hotel owners for providing management and franchise services or **(b)** hotel customers for hospitality products and services, or **(iii)** otherwise affect our ability to maintain existing properties or develop new properties. As a result, any of these factors can reduce our revenues and limit opportunities for growth. Macroeconomic **conditions, public health concerns, geopolitical activity** and other factors beyond our control can adversely affect and reduce demand for our products and services. Macroeconomic **conditions, geopolitical activity, public health concerns** and other factors beyond our control can reduce demand for hospitality products and services, including demand for rooms at our hotels. These factors include, but are not limited to: • changes in general economic conditions, including inflation **, elevated interest rates** , supply chain disruptions, low consumer confidence, increases in unemployment levels and depressed real estate prices resulting from the severity and duration of any downturn in the U. S. or global economy and financial markets; • conditions that negatively shape public perception of travel or result in temporary closures or other disruption at our hotel properties, including travel- related accidents, outbreaks of pandemic or contagious diseases, such as COVID- 19, Ebola, Zika, avian flu, severe acute respiratory syndrome (SARS), H1N1 (swine flu) and Middle East Respiratory Syndrome (MERS); • ~~geo- political~~ **geopolitical** activity, political and social unrest and governmental action and uncertainty resulting from U. S. and global political and social trends and policies, including potential barriers to travel, trade and immigration; • wars, such as Russia' s invasion of Ukraine **and the 2023 escalation of conflict in the Middle East** , political instability or civil unrest, terrorist activities or threats and resulting heightened travel security measures, any of which may foreclose travel to certain locales or decrease the appeal of travel among the general population; • the impact of U. S. Federal government shutdowns and other similar governmental budgetary impasses or reductions; • decreased corporate or government travel- related budgets and spending, as well as cancellations, deferrals or renegotiations of group business, such as industry conventions; • statements, actions or interventions by governmental officials related to travel and corporate travel- related activities and the resulting negative public perception of such travel and activities; • the financial and general business condition of the airline, automotive and other transportation- related industries and its effect on travel, including decreased airline capacity and routes and increased travel costs; • perceived negative impacts of tourism on local cultures, human rights and the environment; • cyber- attacks; • the impact of climate change or availability of natural resources; • natural, climate- related or man- made disasters and extreme weather conditions, including earthquakes, tsunamis, tornadoes, hurricanes, typhoons, floods, wildfires, volcanic eruptions, oil spills and nuclear incidents; • labor shortages, which could restrict our ability to efficiently operate or grow our business and / or increase our costs; • organized labor activities, which could cause a diversion of business from hotels involved in labor negotiations and loss of business for our hotels generally as a result of certain labor tactics; and • other changes in the overall demand for what we offer, including the desirability of particular locations or travel patterns of customers. Any one or more of these factors could limit or reduce overall demand for our products and services or could negatively affect our revenue sources, which could adversely affect our business, financial condition and results of operations. Contraction in the global economy or low levels of economic growth could adversely affect our revenues and profitability, as well as limit or slow our future growth. Consumer demand for our services is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Decreased global or regional demand for hospitality products and services can be especially pronounced during periods of economic contraction or low levels of economic growth, and the recovery period in our industry may lag overall economic improvement. Declines in demand for our products and services due to general economic conditions could negatively affect our business by limiting the amount of fee revenues we are able to generate from our managed and franchised properties and decreasing the revenues and profitability of our owned and leased properties. In addition, many of the expenses associated with our ~~business~~ **services** , including personnel costs, interest, rent, property taxes, insurance and utilities, are relatively fixed. During a period of overall economic weakness, if we are unable to meaningfully decrease these costs as demand for our ~~hotels~~ **services** decreases, our business operations ~~and~~ **,** financial performance ~~and~~ **,** results **and prospects for future growth** may be adversely affected. The COVID- 19 pandemic negatively affected our business, financial condition and results of operations and COVID- 19 or other outbreaks of contagious diseases or other adverse public health developments may negatively affect future results. The COVID- 19 pandemic significantly affected the global economy and strained the hospitality industry due to travel restrictions and advisories, stay- at- home directives, limitations on public gatherings and modified work arrangements, all of which resulted in cancellations and reduced travel around the world, as well as complete and partial suspensions of certain hotel operations. ~~Although distribution of approved vaccines for COVID- 19 continued throughout 2022, access to and acceptance of vaccines has varied across regions and within individual countries. In addition, new strains of the virus have had increased transmissibility, complicating treatment and vaccination programs. As such, the COVID- 19 pandemic had an adverse impact on certain of our results for the year ended December 31, 2022, when compared to prior years, and~~ COVID- 19 or outbreaks of other contagious diseases or other adverse public health developments **could** ~~may continue to~~ negatively affect future results. ~~In particular~~ **As an example** , the ~~continued~~ impact of COVID- 19 and the related restrictions in China ~~have~~ **during 2022** limited demand in that market. The long- term effects of the pandemic on our business and the travel industry at large remain uncertain ~~and will depend on future developments, including, but not limited to, the duration and severity of potential future serious illnesses, if any, the availability and public acceptance of vaccinations and other treatments to combat COVID- 19 and the length of time it takes for demand to stabilize and normal economic and operating conditions to fully resume~~ . The ~~current and~~ uncertain future impact of ~~the~~ COVID- 19 ~~pandemic~~ **or other contagious diseases** , including ~~its~~ **their** effect on the ability or desire of people to travel and use our hotel properties for lodging, food and beverage and other services, may negatively affect our results, operations, outlook, plans, growth, cash flows and liquidity. The steps we took in 2020 **in response to the pandemic** to reduce operating costs for us and our owners, including temporarily reducing compensation, reducing our workforce and furloughing a substantial number of our employees, negatively affected our ability to attract and retain employees. Some hotels ~~have~~ faced challenges **recruiting to full** ~~restaffing~~ -- **staffing** ~~to pre- pandemic~~ levels, which in some cases negatively affected guest experience and loyalty and, in turn, certain hotel results. We could still experience long- term impacts on our operating costs as a result of attempts to counteract future outbreaks of COVID- 19 or other viruses through, for example, **costs incurred to provide necessary** enhanced health and hygiene requirements or other such measures in one or more regions. The COVID- 19 pandemic **also** had a negative impact on our partners, including third- party owners of our properties, third- party service providers, travel agencies, suppliers and other vendors. In particular, third- party owners of our hotels experienced financing difficulties and significant declines in revenues during the pandemic, thereby making it more difficult for them to maintain their hotels and service their indebtedness. Risks Related to Operating Our Business Because we operate in a highly competitive industry, our revenues or profits could be harmed if we are unable to compete effectively. The segments of the hospitality industry in which we operate are subject to intense competition. Our principal competitors are other operators of luxury, full- service and focused- service hotels, including other major hospitality chains with well- established and recognized brands. We also compete against smaller hotel chains, independent and local hotel owners and operators, home and apartment sharing services and timeshare operators. If we are unable to compete successfully, our revenues or profits may decline. Competition for hotel guests We face competition for individual guests, group reservations and conference business at our hotels. We compete for these customers based primarily on brand name recognition and reputation, as well as location, rates for hotel rooms, food and beverage and other services, property size and availability of **guest** rooms and conference and meeting space, **quality of the** accommodations and technology **provided** , **previous** ~~quality of the accommodations,~~ customer **experience and** satisfaction, amenities and the ability to earn and redeem loyalty program points. Our competitors may have greater commercial, financial and marketing resources and more efficient technology platforms, which could allow them to improve their properties and expand and improve their marketing efforts in ways that could affect our ability to compete for guests effectively, or they could offer a type of lodging product that customers find attractive but that we do not offer. Competition for management and franchise contracts We compete to enter into management and franchise contracts. Our ability to compete effectively is based primarily on the value and quality of our management services, brand name recognition and reputation, our access to and willingness to invest capital **or provide other incentives or inducements** , availability of suitable properties ~~in certain~~ **to maintain brand variety across** geographic areas, the overall economic terms of our contracts and the economic advantages to the third- party hotel owner of retaining our management services and / or using our brands. If the properties that we manage or franchise perform less successfully than those of our competitors, if we are unable to offer terms as favorable as those offered by our competitors or if the availability of suitable properties is limited, we may not be able to compete effectively for new management or franchise contracts. Any deterioration in the quality or reputation of our brands could have an adverse effect on our reputation, business, financial condition or results of operations. Our brands are among our most important assets. Our ability to attract and retain guests depends, in part, on the public recognition of our brands and their associated reputation. In addition, the success of our hotel owners' businesses and the amount of payments to us for the assets and services we provide them may depend on the strength and reputation of our brands. If our brands become obsolete or consumers view them as unfashionable, unsustainable or lacking in consistency and quality, we may be unable to attract guests to our hotels and may further be unable to attract or retain our hotel owners **to use our management and franchise services** . Changes in ownership or management practices, perceptions of our ESG practices, perception of guest or employee health or safety, the occurrence of accidents or injuries, cyber- attacks, security breaches, natural disasters, crime, failure of suppliers, franchisees or business partners to comply with relevant regulations and contractual requirements relating to a variety of issues including environmental, human rights and labor, individual guest, owner or employee notoriety or similar events at our hotels and resorts can harm our reputation, create adverse publicity and cause a loss of consumer confidence in our business. Because of the global nature of our brands and the broad expanse of our business and hotel locations, events occurring in one location could negatively affect the reputation and operations of otherwise successful individual locations. In addition, the expansion of social media has compounded the potential scope of negative publicity by increasing the speed and expanse of information dissemination. Many social media platforms publish content immediately and without filtering or verifying the accuracy of that content. A negative incident or the perception of occurrence of a negative incident at one hotel could have far- reaching effects, including lost sales, customer boycotts, loss of development opportunities and employee difficulties. Such incidents have in the past and could in the future subject us to legal actions, including litigation, governmental investigations or penalties, along with the resulting additional adverse publicity. A perceived decline in the quality of our brands or damage to our reputation could adversely affect our business, financial condition and results of operations. Our business is subject to risks related to doing business with third- party property owners that could adversely affect our reputation, operational results or prospects for growth. Unless we maintain good relationships with third- party hotel owners and renew or enter into new management and franchise contracts, we may be unable to maintain or expand our presence and our business, financial condition and results of operations may suffer. Our business depends on our ability to: (i) establish and maintain long- term, positive relationships with third- party hotel owners; and (ii) enter into new, and renew, management and franchise contracts. Although our management and franchise contracts are typically long- term arrangements, hotel owners may be able to terminate the contracts under certain circumstances, including the failure to meet specified financial or performance criteria. Our ability to meet these financial and performance criteria is subject to, among other things, risks common to the overall hospitality industry, including factors outside of our control. In addition, negative ~~management and franchise~~ pricing trends in the industry **for management and franchise and related fees** more broadly could adversely affect our ability to negotiate with hotel owners. If we fail to maintain and renew existing management and franchise contracts or enter into new contracts on favorable terms, we may be unable to expand our presence and our business, and our financial condition and results of operations may suffer. Our business is subject to real estate investment risks for third- party hotel owners that could adversely affect our operational results and our prospects for growth. Growth of our business is affected, and may potentially be limited, by factors influencing real estate development generally, including site availability, financing availability and cost, planning, zoning and other local approvals. In addition, market factors such as projected room occupancy, changes in growth in demand for customers compared to projected supply, geographic area restrictions in management and franchise contracts, costs and availability of construction labor and materials and anticipated room rate structure, if not managed effectively by our third- party hotel owners could adversely affect the growth of our management and franchise business. If our third- party hotel owners are unable to repay or refinance loans secured by properties, or to obtain financing adequate to fund current operations or growth plans, our revenues, profits and capital resources could be reduced and our business could be harmed. Many of our third- party hotel owners ~~pledged~~ - **pledge** their properties as collateral for loans entered into at the time of development, purchase or refinancing. If our third- party hotel owners are unable to repay or refinance maturing indebtedness on favorable terms or at all, which could be more difficult in the current interest rate environment, their lenders could declare a default, accelerate the related debt and repossess the property and we could also be required to make cash payments for any debt that we guarantee **or letters of credit that we have extended** . While we maintain certain contractual protections, repossession could result in the termination of our management or franchise contract or eliminate revenues and cash flows from the property. In addition, the owners of managed and franchised hotels depend on financing to develop or buy and improve hotels and, in some cases, fund operations during down cycles. Our hotel owners' inability to obtain adequate funding or to do so at interest rates that they are willing to accept could materially adversely affect the operation, maintenance and improvement plans of existing hotels, result in the delay or stoppage of the development of our existing development pipeline and limit additional development to further expand our hotel portfolio. Hotel owners with financial difficulties have been and may continue to be unable or unwilling to pay us amounts that we are entitled to under our existing contracts on a timely basis or at all. ~~Unfavorable economic conditions also could affect our ability to enter into management and franchise contracts with potential third- party owners of our hotels, who may be unable to obtain financing or face other delays or cost pressures in developing hotel projects. As a result, some properties in our development pipeline have entered our system later than we anticipated, and new hotels have entered our pipeline at a slower rate than in the past, thereby negatively affecting our overall growth.~~ Likewise, if we or our hotel owners or franchisees are unable to access capital to make physical improvements to our hotels, the quality of our hotels may suffer, which may negatively impact our reputation and guest loyalty, and our performance may suffer as a result. If our third- party property owners fail to make investments necessary to maintain or improve their properties, guest preference for Hilton brands, Hilton' s reputation and performance results could suffer. Substantially all of our management and franchise contracts, as well as our license agreement with HGV, require third- party property owners to comply with quality and reputation standards of our brands, which include requirements related to the physical condition, use of technology, safety standards and appearance of the properties, as well as the service levels provided by hotel employees. These standards may evolve with customer preference, or we may introduce new requirements over time. If our property owners fail to make investments necessary to maintain or improve the properties **and related operations** in accordance with our standards, or based on customer demand more broadly, guest preference for our brands could diminish. In addition, if third- party property owners fail to observe standards or meet their contractual requirements, we may elect to exercise our termination rights, which would eliminate revenues from these properties and cause us to incur expenses related to terminating these contracts. We may be unable to find suitable or offsetting replacements for any individually terminated hotels or broader third- party owner relationships. Contractual and other disagreements with third- party property owners could make us liable to them or result in litigation costs or other expenses or termination of existing management or franchise contracts. Our management and franchise contracts require us and our hotel owners to comply with operational and performance conditions that are subject to interpretation and could result in disagreements. Any dispute with a property owner could **increase our costs** ~~be very expensive for us,~~ even if the outcome is ultimately in our favor. We cannot predict the outcome of any arbitration or litigation, the effect of any negative judgment against us or the amount of any settlement that we may enter into with any third party. Furthermore, specific to our industry, some courts have applied principles of agency law and related fiduciary standards to managers of third- party hotel properties, which means that property owners may assert the right to terminate contracts even where the contracts do not expressly provide for termination. Our fees from any property permitted to be terminated would be eliminated, and accordingly, may negatively affect our results of operations. Some of our existing development pipeline may not be developed into new hotels, which could materially adversely affect our growth prospects. As of December 31, ~~2022~~ **2023** , we had ~~2~~ **3** , ~~821~~ **274** hotels in our development pipeline, which we define as hotels under construction or approved for development under one of our brands. The commitments of owners and developers with whom we have contracts are subject to ~~numerous~~ conditions, and the eventual development and construction of our development pipeline, in particular for hotels not currently under construction, is subject to ~~numerous~~ risks, including, in certain cases, the owner' s or developer' s ability to obtain adequate financing and governmental or regulatory approvals. **Unfavorable economic conditions also could affect our ability to enter into management and franchise contracts with potential third- party owners of our hotels, who may be unable to obtain financing or face other delays or cost pressures in developing hotel projects.** As a result, **some properties** ~~not every hotel~~ in our development pipeline ~~may develop into~~ **have entered our system later than we anticipated, new hotels have entered our pipeline at** a ~~new~~ **slower rate than in the past and some** ~~hotel~~ **hotels** ~~that~~ **under development never** ~~enters~~ - **enter** our system **at all, thereby negatively affecting our overall growth** . New hotel brands or non- hotel branded concepts that we launch in the future may not be as successful as we anticipate, which could have a material adverse effect on our business, financial condition or results of operations. **We** ~~Since 2011, we~~ have launched ~~ten new brands: Home2 Suites by Hilton; Curio Collection by Hilton; Canopy by Hilton; Tru by Hilton; Tapestry Collection by Hilton; Motto by Hilton; LXR Hotels & Resorts; Signia by Hilton; Tempo by Hilton;~~ and ~~, most recently, Spark by Hilton. We~~ may continue to ~~build our portfolio by launching~~ --- **launch** new hotel **products,** ~~and non- hotel~~ brands ~~in the future. In addition, the Hilton Garden Inn, DoubleTree by Hilton~~ and ~~Hampton by Hilton~~ **/ or concepts or execute** ~~brands~~ - **brand expansions** ~~have been expanding~~ into new **markets, including** ~~jurisdictions outside the U. S. over the past several years. We may continue to expand existing brands into new~~ international markets. **These** ~~New hotel~~ products ~~or concepts or brand expansions~~ may not be accepted by hotel owners, franchisees or customers and we cannot guarantee the level of acceptance any new brand will have in the development and consumer marketplaces. If new branded hotel products, non- hotel branded concepts or brand expansions are not as successful as we anticipate, we may not recover the costs we incurred in their development or expansion, which could have a material adverse effect on our business, financial condition and results of operations. The risks resulting from investments in owned and leased real estate could increase our costs, reduce our profits and limit our ability to respond to market conditions. Our investments in owned and leased real property (including through joint ventures) subject us to various risks that may not be applicable to managed or franchised properties, including: • governmental regulations relating to real estate ownership or operations, including tax, environmental, zoning and eminent domain laws; • fluctuations or loss in value of real estate or potential impairments in the value of our assets due to changes in market conditions and expectations of future hotels revenues and costs of operations in the area in which real estate or assets are located; • increased potential civil liability for accidents or other occurrences on owned or leased properties; • the ongoing need for capital improvements and expenditures funded by us to maintain or upgrade properties, some of which were constructed many years ago, and contractual requirements to deliver properties back to landlords in a particular state of repair and condition at the end of a lease term; • construction delays, lack of availability of required construction materials or cost overruns (including labor and materials) related to necessary capital improvements of owned and leased properties; • periodic total or partial closures due to renovations and facility improvements; • risks associated with any mortgage debt, including the possibility of default, fluctuating interest rate levels, particularly in the current interest rate environment, and uncertainties in the availability of replacement financing; • the inability to rebuild a property that has been damaged or destroyed by casualty, including a climate- related weather event, as a result of governmental regulations or other restrictions; • the inability to renew our leases on favorable terms or at all; • our limited ability to influence the decisions and operations of joint ventures in which we have a minority interest; • force majeure events, including earthquakes, tornadoes, hurricanes, wildfires, floods, tsunamis, climate- related weather events, outbreaks of pandemic or contagious diseases or acts of terrorism; • contingent liabilities that exist after we have exited a property; • costs linked to the employment and management of staff to run and operate an owned or leased property; • increased operating costs including energy, insurance, food and beverage, supplies and other operating costs; and • the relative illiquidity of real estate compared to some other assets. The negative effect on profitability and cash flow from declines in revenues is more pronounced in owned and leased properties because we, as the owner or lessee, bear the risk of the costs required to own and operate a hotel. Further, during times of economic distress, declining demand and declining earnings often result in declining asset values, and we or our joint ventures may not be able to sell properties or exit leasing arrangements on favorable terms or at all. Accordingly, we may not be able to adjust our owned and leased property portfolio promptly in response to changes in economic or other conditions. Failures in, material damage to or interruptions in our information technology systems, software or websites, including as a result of cyber- attacks on our systems or systems operated by third parties that provide operational and technical services to us, costs associated with protecting the integrity and security of personal data and other sensitive information and difficulties in updating our existing software or developing or implementing new software could have a material adverse effect on our business or results of operations. We depend heavily upon our information technology systems in the conduct of our business. We develop, own and license or otherwise contract for sophisticated technology systems and services for property management, procurement, finance, human resources, reservations, distribution and the operation of the Hilton Honors guest loyalty program. Such systems are subject to, among other things, damage or interruption from power outages, computer and telecommunications failures, computer viruses, third- party criminal activity including" ransomware" or other malware and natural and man- made disasters. Although we have a cold disaster recovery site in a separate location and cloud backup processes to back up our core reservation, property management, distribution and financial systems, certain of our data center operations are currently located in a single facility or with a single cloud- based provider. Although we continue to renovate and migrate portions of our operations to cloud- based providers while simultaneously building and operating new applications and services with those cloud- based providers, any loss or damage to our primary physical or cloud- based facilities could result in operational disruption and data loss as we transfer production operations to our disaster recovery site or cloud providers. Damage or interruption to our information systems may require a significant investment to update, remediate or replace with alternate systems, and we may suffer interruptions in our operations as a result. In addition, costs and potential problems or interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our systems, including those that may result from our failure to adequately develop, implement and maintain a robust disaster recovery plan and backup systems could severely affect our ability to conduct normal business operations and, as a result, have a material adverse effect on our business operations and financial performance. We rely on third parties for the performance of a significant portion of our information technology functions worldwide. In particular, our loyalty platform, property management, reservation and distribution systems rely on data communications networks and systems operated by unaffiliated third parties and cloud providers. The success of our business depends in part on maintaining our relationships with these third parties and their continuing ability to perform these functions and services in a timely and satisfactory manner. If we experience a loss or disruption in the provision of any of these functions or services, or they are not performed in a satisfactory manner, we may have difficulty in finding alternate providers on terms favorable to us, in a timely manner or at all, and our business could be adversely affected. We rely on certain vendors for traditional software and cloud / software- as- a- service operations to maintain and periodically upgrade many of these systems and applications so that they can continue to support our business. The software programs supporting many of our systems were licensed to us by independent software developers. The inability of these developers or us to continue to maintain and upgrade these information systems and software programs would disrupt or reduce the efficiency of our operations if we were unable to convert to alternate systems in an efficient and timely manner. We are vulnerable to various risks and uncertainties associated with our websites and mobile applications, including changes in required technology interfaces, website and mobile application downtime and other technical failures, unexpected costs and changes and issues as we upgrade our website software and mobile applications. Additional risks include computer malware, changes in applicable federal, state and international regulations, security breaches, legal claims related to our website operations, e- commerce fulfillment and other consumer privacy concerns. Our failure to successfully respond to these risks and uncertainties could reduce website and mobile application sales and have a material adverse effect on our business or results of operations. Cyber- attacks could have a disruptive effect on our business. From time to time we and our third- party service providers experience cyber- attacks, attempted and actual breaches of our or their information technology systems and networks or similar events, which could result in a loss of sensitive business or customer information, systems interruption or the disruption of our operations. The techniques that are used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time, and despite our deployment of cyber- attack prevention and detection techniques, we are accordingly unable to anticipate and prevent all data security incidents. We have in the past been subject to cyber- attacks and expect that we will be subject to additional cyber- attacks in the future and may experience data breaches. Even if we are fully compliant with legal standards and contractual or other requirements, we still may not be able to prevent security breaches involving sensitive data. The sophistication of efforts by hackers to gain unauthorized access to information systems has continued to increase in recent years and may continue to do so **at an accelerating pace as criminals leverage generative artificial intelligence- based technologies and services** . Breaches, thefts, losses or fraudulent uses of customer, employee or company data could cause consumers to lose confidence in the security of our websites, mobile applications, point of sale systems and other information technology systems and, as a result of this loss in confidence, choose not to purchase from us. Such security breaches also could expose us to risks of data loss, business disruption, litigation, fines, regulatory charges and other costs or liabilities, any of which could adversely affect our business **. We are incorporating artificial intelligence technologies into our processes. These technologies may present business, compliance and reputational risks. If we fail to keep pace with rapidly evolving technological developments in artificial intelligence, our competitive position and business results may suffer. The introduction of these technologies, particularly generative AI, into new or existing offerings may also result in new or expanded risks and liabilities, including due to enhanced governmental or regulatory scrutiny, litigation, copyright infringement, compliance issues, ethical concerns, security risks relating to private and / or confidential information, as well as other factors that could adversely affect our business, reputation, and financial results. In addition, it is possible that artificial intelligence and machine learning- technology could, unbeknownst to us, be improperly utilized by employees while carrying out their responsibilities. The use of artificial intelligence can lead to unintended consequences, including generating content that appears correct but is factually inaccurate, misleading or otherwise flawed, or that results in unintended biases and discriminatory outcomes, which could harm our reputation and business and expose us to risks related to inaccuracies or errors in the output of such technologies** . We are exposed to risks and costs associated with protecting the integrity and security of personal data and other sensitive information. We are subject to various risks and costs associated with the collection, handling, storage and transmission of sensitive information, including costs related to compliance with U. S. and foreign data collection and privacy laws and other contractual obligations, as well as risks associated with the compromise of our systems collecting such information. Many jurisdictions, including the European Union (" E. U."), the U. K., China and certain states within the U. S., have passed laws that require companies to meet specific requirements regarding the handling of personal data. We collect internal and customer data, including credit card numbers and other personally identifiable information for a variety of important business purposes, including managing our workforce, providing requested products and services and maintaining guest preferences to enhance customer service and for marketing and promotion purposes. We could be exposed to fines, penalties, restrictions, litigation, reputational harm or other expenses, or other adverse effects on our business, due to failure to protect personal data and other sensitive information or failure to maintain compliance with the various U. S. and foreign data collection and privacy laws or with credit card industry standards or other applicable data security standards. In addition, U. S. states and the federal government have enacted additional laws and regulations to protect consumers against identity theft. These laws and similar laws in other jurisdictions have increased the costs of doing business, and failure on our part to implement appropriate safeguards or to detect and provide prompt notice of unauthorized access as required by some of these laws could subject us to potential claims for damages and other remedies. If we were required to pay any significant amounts in satisfaction of claims under these laws, or if we were forced to cease our business operations for any length of time as a result of our inability to comply fully with any such law, our business, operating results and financial condition could be adversely affected. Failure to keep pace with developments in technology could adversely affect our operations or competitive position. The hospitality industry demands the use of sophisticated technology and systems for property management, brand assurance and compliance, procurement, reservation systems, operation of our guest loyalty programs, distribution of hotel resources to current and future customers and guest amenities. These technologies may require refinements and upgrades, and third parties may cease support of systems that are currently in use. The development and maintenance of these technologies may require significant investment by us. As various systems and technologies become outdated or new technology is required, we may not be able to replace or introduce them as quickly as needed or in a cost- effective and timely manner. In some cases, hotel owners may refuse to upgrade systems or deploy new technology to replace aging or end- of- life software and / or hardware. As a result, our business operations could be disrupted and our competitive position could decline, adversely affecting our financial performance, or we may not achieve the benefits we may have been anticipating from any new technology or system. Because third parties provide us with a number of operational and technical services, third- party security incidents could expose us to liability, harm our reputation, damage our competitiveness and adversely affect our financial performance. Third parties provide us with certain operational and technical services. These third parties may have access to our systems, provide hosting services, or otherwise process data about us or our guests, employees or partners. Any third- party security incident could compromise the integrity or availability of or result in the theft of confidential or otherwise sensitive data, which could negatively impact our operations. Unauthorized access to data and other confidential or proprietary information may be obtained through break- ins, network breaches by unauthorized parties, employee theft or misuse or other misconduct. We rely on the internal processes and controls of third- party software and application vendors to maintain the security of all software code provided to or used by Hilton. Should those vendors fail to secure their products then we are at risk of unintentionally injecting malware into our systems via compromised software code they provide. The occurrence of any of the foregoing could negatively affect our reputation, our competitive position and our financial performance, and we could face lawsuits and potential liability. Delays in service from third- party service providers could expose us to liability, harm our reputation, damage our competitiveness and adversely affect our financial performance. From time to time, we may rely on a single or limited number of suppliers for the provision of various goods or services that we use in the operation of our business. The inability of such third parties to satisfy our or our guests' requirements **or provide such goods and services in a safe and secure manner** could disrupt our business operations or make it more difficult for us to implement our business strategy. If any of these situations were to occur, our reputation could be harmed, we could be subject to third- party liability, including under data protection and privacy laws in certain jurisdictions, **the physical safety of our properties could be impaired** and our financial performance could be negatively affected **. We may seek to expand through acquisitions of and investments in other businesses and properties, or through alliances, and we may also seek to divest some of our properties and other assets. These acquisition and disposition activities may be unsuccessful or divert management' s attention. We may consider strategic and complementary acquisitions of and investments in other hotel or hospitality brands, businesses, properties or other assets. Acquisitions or investments in brands, businesses, properties or assets as well as third- party alliances are subject to risks that could affect our business, including risks related to: • using cash balances and incurring debt; • issuing shares of stock that could dilute the interests of our existing stockholders; • assuming contingent liabilities; or • creating additional expenses. We may not actually realize any anticipated benefits from such acquisitions, investments or alliances. We may also experience challenges from regulatory authorities in connection with our acquisitions and investments, including from antitrust authorities who are increasingly scrutinizing such transactions, and which may lead to unforeseen expenditures or which may block, delay or impose undesirable conditions on our acquisitions and investments. In addition, the success of any acquisition or investment also will depend, in part, on our ability to integrate the acquisition or investment with our existing operations. We also may divest certain properties or assets, and any such divestments may yield lower than expected returns or otherwise fail to achieve the benefits we expect. In some circumstances, sales of properties or other assets may result in losses. Upon sales of properties or assets, we may become subject to contractual indemnity obligations, incur material tax liabilities or, as a result of required debt repayment, face a shortage of liquidity. Finally, any acquisitions, investments or dispositions could demand significant attention from management that would otherwise be available for business operations, which could harm our business** . Failure to comply with marketing and advertising laws, including with regard to direct marketing, could result in fines or place restrictions on our business. We rely on a variety of direct marketing techniques, including telemarketing, email and social media marketing and postal mailings, and we are subject to various laws and regulations in the U. S. and internationally that govern marketing and advertising practices. Any further restrictions in laws and court or agency interpretations of such laws, such as the Telephone Consumer Protection Act of 1991, the Telemarketing Sales Rule, the CAN- SPAM Act of 2003, various U. S. state laws, such as the California Privacy Rights Act, international data protection laws, such as the E. U. General Data Protection Regulation (" GDPR"), and laws limiting the cross- border transfer of data that govern these activities or new laws that become effective in the future could adversely affect current or planned marketing activities and cause us to change our marketing strategy. If this occurs, we may not be able to develop adequate alternative marketing strategies, which could affect our ability to maintain relationships with our customers and acquire new customers. We also obtain access to names of potential customers from travel service providers or other companies, and we market to some individuals on these lists directly or through other companies' marketing materials. If access to these lists were prohibited or otherwise restricted, our ability to develop new customers and introduce them to products could be impaired. The growth of internet reservation channels could adversely affect our business and profitability. A significant percentage of hotel rooms for individual guests are booked through internet travel intermediaries, to whom we commit to pay various commissions and transaction fees for sales of our rooms through their systems. Search engines and peer- to- peer inventory sources also provide online travel services that compete with our business. If these bookings increase, these hospitality intermediaries may be able to obtain higher commissions or other significant concessions from us or our franchisees. These hospitality intermediaries also may reduce bookings at our hotel properties by de-ranking our hotels in search results on their platforms, and other online providers may divert business away from our hotels. Although our contracts with many hospitality intermediaries limit transaction fees for hotels, there can be no assurance that we will be able to renegotiate these contracts upon their expiration with terms as favorable as the provisions that existed before the expiration, replacement or renegotiation. Moreover, hospitality intermediaries generally employ aggressive marketing strategies, including expending significant resources for online and television advertising campaigns to drive consumers to their websites. As a result, consumers may develop brand loyalties to the intermediaries' brands, websites and reservations systems rather than to the Hilton brands and systems. If this happens, our business and profitability may be significantly affected over time as shifting customer loyalties divert bookings away from our websites, which increases costs to hotels in our system. Internet travel intermediaries also have been subject to regulatory scrutiny, particularly in Europe. The outcome of this regulatory activity may affect our ability to compete for direct bookings through our own internet channels. In addition, although internet travel intermediaries have traditionally competed to attract individual leisure consumers or transient business rather than group business for meetings and events, in recent years they have expanded their business to include marketing to group business and also to corporate transient business. If that growth continues, it could both divert group and corporate transient business away from our hotels and also increase our cost of sales for group and corporate transient business. Consolidation of internet travel intermediaries, or the entry of major internet companies into the internet travel bookings business, also could divert bookings away from our websites and increase our hotels' cost of sales. Our reservation system is an important component of our business operations and a disruption to its functioning could have an adverse effect on our performance and results. We manage a global reservation system that communicates reservations to our branded hotels when made by individuals directly, either online, by telephone to our call centers, through devices via our mobile application, or through intermediaries like travel agents, internet travel websites and other distribution channels. The cost, speed, efficacy and efficiency of the reservation system are important aspects of our business and are important considerations of hotel owners in choosing to affiliate with our brands. Any disruption to the continuity of our reservation system, including any failure to maintain or upgrade such system, may adversely affect our ability to serve customers effectively and support reservations at our hotels. The cessation, reduction or taxation of program benefits of our Hilton Honors guest loyalty program could adversely affect the Hilton brands and guest loyalty. We manage the Hilton Honors guest loyalty program for all of the brands that we operate. Program members accumulate points primarily based on eligible stays and hotel charges and redeem the points for a range of benefits including free rooms and other items of value. The program is an important aspect of our business and of the affiliation value for hotel owners under management and franchise contracts. System hotels, including, without limitation, third- party hotels under management and franchise contracts, contribute a percentage of the charges incurred by members of the loyalty program for each stay of a program member. In addition to the accumulation of points for future hotel stays at our brands, Hilton Honors arranges with third parties, such as airlines, other transportation services, online vendors, retailers and credit card companies, to sell Hilton Honors points for the use of their customers and / or to allow Hilton Honors members to use or exchange points for products or services made available to loyalty program members by those third parties. Currently, the program benefits are not taxed as income to members. If the program awards and benefits are materially altered, curtailed or taxed such that a material number of Hilton Honors members choose to no longer participate in the program, our business could be adversely affected. Because we derive a portion of our revenues from operations outside the U. S., the risks of doing business internationally could lower our revenues, increase our costs, reduce our profits or disrupt our business. We currently manage, franchise, own or lease hotels and resorts in ~~123~~ **126** countries and territories around the world. Our rooms outside the U. S. represented approximately **33 percent,** 31 percent ~~,~~ **and** 30 ~~percent and 28~~ percent of our system- wide rooms for the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. We expect that our international operations will continue to account for a material portion of our results. As a result, we are subject to the risks of doing business outside the U. S., including: • rapid changes in governmental, economic or political policy, wars, political or civil unrest, acts of terrorism or the threat of international boycotts or U. S. anti- boycott legislation; • increases in anti- American sentiment and the identification of our licensed brands as an American brand; • recessionary trends or economic instability in international markets; • changes in foreign currency exchange rates or currency restructurings and hyperinflation or deflation in the countries in which we operate; • the effect of disruptions, including the temporary closure of hotel properties, caused by severe weather or climate- related events, natural disasters (including as a result of climate change), outbreak of disease, such as COVID- 19, or other events that make travel to a particular region less attractive or more difficult; • the presence and acceptance of varying levels of business corruption in international markets and the effect of various anti- corruption and other laws; • the imposition of restrictions on currency conversion or the transfer of funds or limitations on our ability to repatriate non- U. S. earnings in a tax- efficient manner; • the ability to comply with or the effect of complying with complex and changing laws, sanctions, regulations and policies of foreign governments that may affect investments or operations, including foreign ownership restrictions, import and export controls, tariffs, embargoes, increases in taxes paid and other changes in applicable tax laws; • the ability to comply with or the effect of complying with developing laws, regulations and policies of foreign governments with respect to human rights, including in the supply chain; • instability or changes in a country' s or region' s economic, regulatory or political conditions, including inflation, recession, interest rate fluctuations and actual or anticipated military or political conflicts or any other change; • political, economic and other uncertainty resulting from the U. K.' s exit from the E. U. (commonly known as" Brexit"), the terms of which could adversely affect our business; • uncertainties as to local laws regarding, and enforcement of, contract and IP rights; • forced nationalization of our properties by local, state or national governments; and • the difficulties involved in managing an organization doing business in many different countries. These factors may adversely affect the revenues earned from our hotels and resorts (as well as the market value of properties that we own or lease) located in international markets. While these factors and the effect of these factors are difficult to predict, any one or more of them could lower our revenues, increase our costs, reduce our profits or disrupt our business operations. Failure to comply with laws and regulations applicable to our international operations may increase costs, reduce profits, limit growth or subject us to broader liability. Our business operations in countries outside the U. S. are subject to a number of laws and regulations, including restrictions imposed by the Foreign Corrupt Practices Act (" FCPA"), as well as trade sanctions administered by the Office of Foreign Assets Control (" OFAC"). Although we have policies in place designed to comply with applicable sanctions, rules and regulations, it is possible that hotels we manage, own or lease in the countries and territories in which we operate may provide services to or receive funds from persons subject to sanctions. Where we have identified potential violations in the past, we have taken appropriate remedial action including filing voluntary disclosures to OFAC. In addition, some of our operations may be subject to the laws and regulations of non- U. S. jurisdictions, including the U. K.' s Bribery Act 2010, which contains significant prohibitions on bribery and other corrupt business activities, and other local anti- corruption laws in the countries and territories in which we conduct operations. If we fail to comply with these laws and regulations, we could be exposed to claims for damages, financial penalties, reputational harm and incarceration of employees or restrictions on our operation or ownership of hotels and other properties, including the termination of management, franchising and ownership rights. In addition, in certain circumstances, the actions of parties affiliated with us (including our owners, joint venture partners, employees and agents) may expose us to liability under the FCPA, U. S. sanctions or other laws. These restrictions could increase costs of operations, reduce profits or cause us to forgo development opportunities that would otherwise support growth. In addition, we are subject to a number of modern slavery, human trafficking and forced labor reporting, training and mandatory due diligence laws in various jurisdictions and expect additional statutory regimes to combat these crimes to be enacted in the future. The impact of these laws, such as the U. K' s Modern Slavery Act 2015 and the German Supply Chain Due Diligence Act, and similar legislation on hotel operations could increase costs of operations and reduce our profits. Collective bargaining activity could disrupt our operations, increase our labor costs or interfere with the ability of our management to focus on executing our business strategies. A significant number of our employees and employees of our hotel owners are covered by collective bargaining agreements and similar agreements, including approximately 30 percent of people employed or managed by us globally. If relationships with our employees or employees of our hotel owners or the unions that represent them become adverse, the properties we manage, franchise, own or lease **have in the past and** could **in the future** experience labor disruptions such as strikes, lockouts, boycotts and public demonstrations. A number of our collective bargaining agreements are in the process of being renegotiated, and, if more employees become unionized, we may be required to negotiate additional collective bargaining agreements in the future. Labor disputes, which may be more likely when collective bargaining agreements are being negotiated, could harm our relationship with our employees or employees of our hotel owners, result in increased regulatory inquiries and enforcement by governmental authorities and deter guests. Further, adverse publicity related to a labor dispute could harm our reputation and reduce customer demand for our services. Labor regulation and the negotiation of new or existing collective bargaining agreements could lead to higher wage and benefit costs, changes in work rules that raise operating expenses, legal costs and limitations on our ability or the ability of our third- party property owners to take cost saving measures during economic downturns. We do not have the ability to influence the negotiations of collective bargaining agreements covering unionized labor employed by third- party property owners. Increased unionization of our workforce, new labor legislation or changes in regulations could disrupt our operations and our ability to promote services expected by customers, reduce our profitability or interfere with the ability of our management to focus on executing our business strategies. Labor shortages **or the loss of key senior management personnel** could restrict our ability to operate our properties or grow our business or result in increased labor costs that could adversely affect our results of operations. Our success depends in large part on our ability to attract, retain, train, manage and engage employees. ~~The COVID- 19 pandemic has negatively affected the labor market for employers. Labor shortages have affected the ability of our hotels to hire or re- hire employees during the ongoing recovery from the downturn caused by the pandemic. Among the factors that caused the labor shortages are the relative reduced appeal of working in the hospitality industry in a downturn, alternatives available in other industries and perceived health and safety concerns.~~ As of December 31, ~~2022~~ **2023** , we employed or managed approximately ~~159~~ **178** , 000 individuals at our **owned, leased and** managed ~~, owned and leased~~ hotels and corporate offices around the world. If we are unable to attract, retain, train, manage and engage skilled individuals, our ability to staff and operate the hotels that we manage, own and lease could be diminished, which could reduce customer satisfaction, and our ability to manage our corporate business could be adversely affected. In addition, the inability of our franchisees to attract, retain, train, manage and engage skilled employees for the franchised hotels could adversely affect the reputation of our brands. Staffing shortages in various parts of the world also could hinder our ability to grow and expand our businesses. Because payroll costs are a major component of the operating expenses at our owned, leased and managed hotels, as well as our franchised hotels, a shortage of skilled labor could also require higher wages that would increase labor costs, which could adversely affect our results of operations and the results of hotels that we manage on behalf of third- party owners. Additionally, an increase in minimum wage rates could increase costs and reduce profits for us and our franchisees, which could, in turn, lower demand from third- party owners to add hotels to our system. **The COVID- 19 pandemic negatively affected the labor market for employers. Labor shortages affected the ability of our hotels to hire or re- hire employees during the ongoing recovery from the downturn caused by the pandemic. Among the factors that caused the labor shortages were the relative reduced appeal of working in the hospitality industry in a downturn, alternatives available in other industries and perceived health and safety concerns.** We also face challenges with respect to retaining corporate employees. If we lost the services of one or more senior executives, this could adversely affect strategic relationships, including relationships with third- party hotel owners, significant customers, joint venture partners and vendors, and limit our ability to execute our business strategies. Any failure to protect our trademarks and other IP could reduce the value of the Hilton brands and harm our business. The recognition and reputation of our brands are important to our success. We have a significant number of trademark registrations in jurisdictions around the world for use in connection with our services, plus at any given time, a number of pending applications for trademarks and other IP. However, those trademark or other IP registrations may not be granted or the steps we take to use, control or protect our trademarks or other IP in the U. S. and other jurisdictions may not always be adequate to prevent third parties from copying or using the trademarks or other IP without authorization. We may also fail to obtain and maintain trademark protection for all of our brands in all jurisdictions. For example, in certain jurisdictions, third parties have registered or otherwise have the right to use certain trademarks that are the same as or similar to our trademarks, which could prevent us from registering trademarks and opening hotels in those jurisdictions. Third parties may also challenge our rights to certain trademarks or oppose our trademark applications. Defending against any such proceedings may be costly, and if unsuccessful, could result in the loss of important IP rights. Obtaining and maintaining trademark protection for multiple brands in multiple jurisdictions is also expensive, and we may therefore elect not to apply for or to maintain certain trademarks. Our IP is also vulnerable to unauthorized copying or use where local law, or lax enforcement of law, may not provide adequate protection. If our trademarks or other IP are improperly used, the value and reputation of the Hilton brands could be harmed. There are times where we may need to resort to litigation to enforce our IP rights. Litigation of this type could be unsuccessful, costly, force us to divert our resources, lead to counterclaims or other claims against us or otherwise harm our business or reputation. In addition, we license certain of our trademarks to third parties. For example, we have granted HGV the right to use certain of our IP in its timeshare business and we grant our franchisees a right to use certain of our IP in connection with their operation of the licensed hotel property. If HGV, a franchisee or other licensee fails to maintain the quality of the goods and services used in connection with the licensed trademarks, our rights to, and the value of, our trademarks could be harmed. Failure to maintain, control and protect our trademarks and other IP could likely adversely affect our ability to attract guests or third- party owners, and could adversely affect our results. In addition, we license the right to use certain IP from unaffiliated third parties, including the right to grant sublicenses to franchisees. If we are unable to use this IP, our ability to generate revenue from such properties may be diminished. Third- party claims that we infringe IP rights of others could subject us to damages and other costs and expenses. Third parties may make claims against us for infringing their patent, trademark, copyright or other IP rights or for misappropriating their trade secrets. We have been and are currently party to a number of such claims and may receive additional claims in the future. Any such claims, even those without merit, could: • be expensive and time consuming to defend, and result in significant damages; • force us to stop using the IP that is being challenged or to stop providing products or services that use the challenged IP; • force us to redesign or rebrand our products or services; • require us to enter into royalty, licensing, co- existence or other contracts to obtain the right to use a third party' s IP; • limit our ability to develop new IP; and • limit the use or the scope of our IP or other rights. In addition, we may be required to indemnify third- party owners of the hotels that we manage for any losses they incur as a result of any infringement claims against them. All necessary royalty, licensing or other contracts may not be available to us on acceptable terms. Any adverse results associated with third- party IP claims could negatively affect our business. Exchange rate fluctuations and foreign exchange hedging arrangements could result in significant foreign currency gains and losses that affect our business results. Conducting business in currencies other than the U. S. dollar (" USD") subjects us to fluctuations in foreign currency exchange rates that could have a negative effect on our financial results. We earn revenues and incur expenses in foreign currencies as part of our operations outside of the U. S. As a result, fluctuations in foreign currency exchange rates may significantly increase the amount of USD required for foreign currency denominated expenses or significantly decrease the USD received from foreign currency denominated revenues. We also have exposure to currency translation risk **for** ~~because, generally,~~ the results of our business outside of the U. S. **that** are reported in local currencies and then translated to USD for inclusion in our consolidated financial statements. As a result, changes between the foreign currency exchange rates and the USD will affect the recorded amounts of our foreign assets, liabilities, revenues and expenses and could have a negative effect on our financial results. Our exposure to foreign currency exchange rate fluctuations will grow if the relative contribution of our operations outside the U. S. increases. To mitigate foreign currency exposure, we ~~may~~ enter into foreign exchange derivatives with financial institutions. However, these derivatives may not eliminate foreign currency exchange rate risk entirely and involve costs and risks of their own in the form of transaction costs, credit requirements, interest rate differentials and counterparty risk. If the insurance that we or our **property** owners carry does not sufficiently cover damage or other potential losses or liabilities to third parties involving properties that we manage, franchise, own or lease, our profits could be reduced. We operate in certain areas where the risk of natural or climate- related disaster or other catastrophic losses exists, and the occasional incidence of such an event could cause substantial damage to us, our **property** owners or the surrounding area. We carry, and / or we require our **property** owners to carry, insurance from solvent insurance carriers that we believe is adequate for foreseeable first- party and third- party losses and with terms and conditions that are reasonable and customary. Nevertheless, market forces beyond our control, such as the natural, climate- related and man- made disasters **and geopolitical events** that occurred in recent years, could limit the scope of the insurance coverage that we and our **property** owners can obtain or may otherwise restrict our or our **property** owners' ability to buy insurance coverage at reasonable rates. We anticipate increased costs of property, general liability and excess liability insurance across the portfolio in ~~2023~~ **2024** due to the significant losses that insurers suffered globally in recent years. In the event of a substantial loss, the insurance coverage that we and / or our **property** owners carry may not be sufficient to pay the full value of our financial obligations, our liabilities or the replacement cost of any lost investment or property. Additionally, certain types of losses may be uninsurable or prohibitively expensive to insure. In addition, other types of losses or risks that we may face could fall outside of the general coverage terms and limits of our policies. ~~The~~ **While Hilton procures a standalone terrorism property damage policy that covers owned and leased hotels and other hotels that choose to participate, the** U. S. Terrorism Risk Insurance Program (the" Program") **also** provides insurance capacity for terrorist acts and is currently authorized through December 31, 2027. If the Program is not extended or renewed upon its expiration in 2027, or if there are changes to the Program that would negatively affect insurance carriers, premiums for terrorism insurance coverage will likely increase and / or the terms of such insurance may be materially amended to increase stated exclusions or to otherwise effectively decrease the scope of coverage available, perhaps to the point where it is effectively unavailable. In some cases, these factors could result in certain losses being **partially or** completely uninsured. As a result, we or **the** owners of ~~hotels~~ **properties** that we manage or franchise could lose some or all of the capital we or they have invested in a property, as well as the anticipated future revenues, profits, management fees or franchise fees from the property. Climate change could adversely affect our business. As an operator and franchisor of ~~hotel~~ **hotels** ~~properties~~ **and resorts** in ~~123~~ **126** countries, we are subject to the physical effects of climate change, including sea level rise, droughts and intensified storms and other weather events. Damage to our hotels resulting from the physical effects of climate change could lower demand for travel to certain locales and affect the performance of certain of our hotels, which could in turn have a negative impact on our results of operations. **Additionally, our competitors may have sustainability initiatives that resonate more with guests and property owners than our initiatives do, which may cause reduced consumer demand at our hotel properties in favor of other brands.** Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to ESG matters, that could **increase costs or** expose us to ~~numerous~~ **reputational and other** risks. We are subject to the evolving rules and regulations with respect to ESG matters of a number of governmental and self- regulatory bodies and organizations, including the SEC, the New York Stock Exchange (" NYSE") ~~and~~ **,** the Financial Accounting Standards Board **, the state of California, and the European Union** , that could make compliance more difficult and uncertain. In addition, regulators, guests, investors, employees and other stakeholders are increasingly focused on ESG matters and related disclosures. These changing rules, regulations and stakeholder expectations have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention to comply with or meet those regulations and expectations. Developing and acting on ESG initiatives and collecting, measuring and reporting ESG related information and metrics can be costly, difficult and time consuming. Further, ESG related information is subject to evolving reporting standards **that continue to be introduced in various states and jurisdictions** ~~, including the SEC' s proposed climate- related reporting requirements~~ . Our ESG initiatives and goals could be difficult and expensive to implement, and we could be criticized for the accuracy, adequacy or completeness of our ESG disclosures. Further, statements about our ESG related initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. In addition, we could be criticized for the scope or nature of such initiatives or goals, or for revisions to these goals. If our ESG- related data, processes and reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our ESG goals on a timely basis, or at all, our reputation and financial results could be adversely affected. Legal and Regulatory Risks Governmental regulation may adversely affect the operation of our properties. In many jurisdictions, the hospitality industry is subject to extensive foreign or U. S. federal, state and local governmental regulations, including those relating to the service of alcoholic beverages, the preparation and sale of food and those relating to building and zoning requirements. We are also subject to licensing and regulation by foreign or U. S. state and local departments relating to health, sanitation, fire and safety standards, and to laws governing our relationships with employees, including minimum wage requirements, overtime, working conditions status and citizenship requirements. These requirements are complex and subject to frequent revision, with changes at the U. S. federal level often accompanying new U. S. presidential administrations. We or our third- party owners may be required to expend funds to meet foreign or U. S. federal, state and local regulations in connection with the construction, continued operation or remodeling of certain of our properties. The failure to meet the requirements of applicable regulations and licensing requirements, or publicity resulting from actual or alleged failures, could have an adverse effect on our results of operations. For instance, in 2010, we entered into a settlement with the U. S. Department of Justice related to compliance with the Americans with Disabilities Act (" ADA"). Although the bulk of our obligations under this settlement expired in 2015, certain managed and franchised hotels remain under an obligation to remove architectural barriers at their facilities. We have an obligation to have an independent consultant to monitor those barrier removal efforts. If we fail to comply with any of the requirements of the ADA, we could be subject to fines, penalties, injunctive action, reputational harm, guest, advocacy group or employee lawsuits, and other business effects that could materially and negatively affect our performance and results of operations. Changes in U. S. federal, state and local or foreign tax law, interpretations of existing tax law or adverse determinations by tax authorities, could increase our tax burden or otherwise adversely affect our financial condition or results of operations. We are subject to taxation at the federal, state or provincial and local levels in the U. S. and various other countries and jurisdictions. Our future effective tax rate could be affected by changes in the composition of earnings in jurisdictions with differing tax rates, changes in statutory rates and other legislative changes, changes in the valuation of our deferred tax assets and liabilities, or changes in determinations regarding the jurisdictions in which we are subject to tax. From time to time, the U. S. federal, state and local and foreign governments make substantive changes to tax rules and their application, which could result in materially higher corporate taxes than would be incurred under existing tax law and could adversely affect our financial condition or results of operations. We are subject to ongoing and periodic tax audits and disputes in U. S. federal and various state, local and foreign jurisdictions. In particular, our consolidated U. S. federal income tax returns for the fiscal years ended December 31, 2011 through December 31, 2018 are actively under audit by the Internal Revenue Service (" IRS"). The IRS previously proposed material increases to our income tax liability related to our Hilton Honors guest loyalty program through the tax year ended December 31, ~~2013~~ **2018** , which we ~~resolved through a~~ **consider effectively settled. We recognized the effects of the** settlement **in prior periods** . The taxation of the Hilton Honors program continues to be subject to audit ~~. We may~~ **, and we could receive material tax assessments on the same issues** in the future ~~be assessed tax on issues similar to those which were resolved through the 2013 tax year, and the amounts of any such future assessments may be material~~ . An unfavorable outcome from any tax audit could result in higher tax costs, penalties and interest, thereby adversely affecting our financial condition or results of operations. Foreign or U. S. environmental laws and regulations may cause us to incur substantial costs or subject us to potential liabilities. We are subject to certain compliance costs and potential liabilities under various foreign and U. S. federal, state and local environmental, health and safety laws and regulations. These laws and regulations govern actions including air emissions, the use, storage and disposal of hazardous and toxic substances and wastewater disposal. Our failure to comply with such laws, including obtaining and maintaining any required permits or licenses, could result in substantial fines or possible revocation of our authority to conduct some of our operations. We could also be liable under such laws for the costs of investigation, removal or remediation of hazardous or toxic substances at our currently or formerly owned, leased or operated real property (including managed and franchised properties) or at third- party locations in connection with our waste disposal operations, regardless of whether or not we knew of, or caused, the presence or release of such substances. From time to time, we may be required to remediate such substances or remove, abate or manage asbestos, mold, radon gas, lead or other hazardous conditions at our properties. The presence or release of such toxic or hazardous substances could result in third- party claims for personal injury, property or natural resource damages, business interruption or other losses. Such claims and the need to investigate, remediate or otherwise address hazardous, toxic or unsafe conditions could adversely affect our operations, the value of any affected real property, or our ability to sell, lease or assign our rights in any such property, or could otherwise harm our business or reputation. Environmental, health and safety requirements have also become increasingly stringent, and our costs to comply with such requirements may increase as a result. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those intended to lessen the impact of climate change, could affect the operation of our properties or result in significant additional expense and operating restrictions on us. Risks Related to Our Spin- offs The spin- offs could result in substantial tax liability to us and our stockholders. We received a private letter ruling from the IRS on certain issues relevant to qualification of the spin- offs as tax- free distributions under Section 355 of the Internal Revenue Code of 1986, as amended (the" Code"). Although the private letter ruling generally is binding on the IRS, the continued validity of the private letter ruling will be based upon and subject to the accuracy of factual statements and representations made to the IRS by us. Further, the private letter ruling is limited to specified aspects of the spin- offs under Section 355 of the Code and does not represent a determination by the IRS that all of the requirements necessary to obtain tax- free treatment to holders of our common stock and to us have been satisfied. Moreover, if any statement or representation upon which the private letter ruling was based was incorrect or untrue in any material respect, or if the facts upon which the private letter ruling was based were materially different from the facts that prevailed at the time of the spin- offs, the private letter ruling could be invalidated. The opinion of tax counsel we received in connection with the spin- offs regarding the qualification of the spin- offs as tax- free distributions under Section 355 of the Code similarly relied on, among other things, the continuing validity of the private letter ruling and various assumptions and representations as to factual matters made by each of the spun- off companies and us which, if inaccurate or incomplete in any material respect, would jeopardize the conclusions reached by counsel in its opinion. The opinion is not binding on the IRS or the courts, and there can be no assurance that the IRS or the courts will not challenge the conclusions stated in the opinion or that any such challenge would not prevail. Additionally, recently enacted legislation denies tax- free treatment to a spin- off in which either the distributing corporation or the spun- off corporation is a REIT and prevents a distributing corporation or a spun- off corporation from electing REIT status for a 10- year period following a tax- free spin- off. Under an effective date provision, the legislation does not apply to distributions described in a ruling request initially submitted to the IRS before December 7, 2015. Because our initial request for the private letter ruling was submitted before that date and because we believe the distribution has been described in that initial request, we believe the legislation does not apply to the spin- off of Park. However, no ruling was obtained on that issue and thus no assurance can be given in that regard. In particular, the IRS or a court could disagree with our view regarding the effective date provision based on any differences that exist between the description in the ruling request and the actual facts relating to the spin- offs. If the legislation applied to the spin- off of Park, either the spin- off would not qualify for tax- free treatment or Park would not be eligible to elect REIT status for a 10- year period following the spin- off. If the spin- offs and certain related transactions were determined to be taxable, the Company would be subject to a substantial tax liability that would have a material adverse effect on our financial condition, results of operations and cash flows. In addition, if the spin- offs were taxable, each holder of our common stock who received shares of Park and HGV would generally be treated as receiving a taxable distribution of property in an amount equal to the fair market value of the shares received. Park or HGV may fail to perform under various transaction agreements that we executed as part of the spin- offs. In connection with the spin- offs, we, Park and HGV entered into a distribution agreement and various other agreements, including a tax matters agreement, and, as to Park, management agreements, and, as to HGV, a license agreement. We are relying on Park and HGV to satisfy their performance and payment obligations under these agreements. In addition, it is possible that a court would disregard the allocation agreed to between us, Park and HGV and require that we assume responsibility for certain obligations allocated to Park and to HGV, particularly if Park or HGV were to refuse or were unable to pay or perform such obligations. In connection with the spin- offs, each of Park and HGV indemnified us with respect to such parties' assumed or retained liabilities pursuant to the distribution agreement and breaches of the distribution agreement or other agreements related to the spin- offs. There can be no assurance that the indemnities from each of Park and HGV will be sufficient to protect us against the full amount of these and other liabilities. Third parties also could seek to hold us responsible for any of the liabilities that Park and HGV have agreed to assume. Even if we ultimately succeed in recovering from Park or HGV any amounts for which we are held liable, we may be temporarily required to bear those losses ourselves. Each of these risks could negatively affect our business, financial condition, results of operations and cash flows. In addition, we agreed to indemnify each of Park and HGV from certain liabilities. Indemnities that we may be required to provide Park and / or HGV may be significant and could negatively affect our business. Risks Related to Our Indebtedness **Our substantial indebtedness and other contractual obligations could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry and our ability to pay our debts, and could require us to divert our cash flows from operations to make required debt or interest payments.** We have a significant amount of indebtedness. As of December 31, ~~2022~~ **2023** , our total indebtedness, excluding the deduction for unamortized deferred financing costs and ~~discount~~ **discounts** , was approximately $ ~~8~~ **9** . ~~8~~ **3** billion, and our contractual debt maturities of our long- term debt for the years ending December 31, ~~2023,~~ 2024 ~~and~~ **,** 2025 **and 2026** are $ 39 million, $ ~~33~~ **529** million and $ ~~526~~ - **26** million, respectively. Our substantial debt and other contractual obligations could have important consequences, including: • requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures or dividends to stockholders and to pursue future business opportunities; • increasing our vulnerability to adverse economic, industry or competitive developments; • exposing us to increased interest expense, as our degree of leverage may cause the interest rates of any future indebtedness (whether fixed or floating rate interest) to be higher than they would be otherwise; • exposing us to the risk of increased interest rates because certain of our indebtedness is at variable rates of interest; • making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants, could result in an event of default that accelerates our obligation to repay indebtedness; • restricting us from making strategic acquisitions or causing us to make non- strategic divestitures; • limiting our ability to obtain additional financing for working capital, capital expenditures, product development, satisfaction of existing debt service requirements, acquisitions and general corporate or other purposes; and • limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who may be better positioned to take advantage of opportunities that our leverage prevents us from exploiting. **Hilton Worldwide Holdings** ~~In~~ **Inc** ~~December 2022, we amended the credit agreement that governs our senior secured credit facilities to reference the Secured Overnight Financing Rate (" SOFR") as the primary benchmark rate for our variable- rate indebtedness under this agreement in lieu of the London Interbank Offered Rate (" LIBOR")~~ . ~~SOFR~~ is ~~a relatively new reference rate with a limited history, and changes in SOFR have, on occasion, been more volatile than changes in other benchmark or market rates. As a result, the amount of interest we may pay on our variable- rate indebtedness may be difficult to predict. We are~~ a holding company, and substantially all of ~~our~~ **its** consolidated assets are owned by, and most of ~~our~~ **its** business is conducted through, ~~our~~ **its** subsidiaries. Revenues from these subsidiaries are our primary source of funds for debt payments and operating expenses. If our subsidiaries are restricted from making distributions to us, that may impair our ability to meet our debt service obligations or otherwise fund our operations. Moreover, there may be restrictions on payments by subsidiaries to their parent companies under applicable laws, including laws that require companies to maintain minimum amounts of capital and to make payments to stockholders only from profits. As a result, although a subsidiary of ours may have cash, we may not be able to obtain that cash to satisfy our obligation to service our outstanding debt or fund our operations. Servicing our indebtedness will require a significant amount of cash. Our ability to generate sufficient cash depends on many factors, some of which are not within our control. Our ability to make payments on our indebtedness, to fund planned capital expenditures, to pay future dividends, if any, to our stockholders and repurchase our common stock will depend on our ability to generate cash in the future. To a certain extent, this is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we are unable to generate sufficient cash flow to service our debt and meet our other commitments, we may need to restructure or refinance all or a portion of our debt, sell material assets or operations or raise additional debt or equity capital. We may not be able to effect any of these actions on a timely basis, on commercially reasonable terms or at all, and these actions may not be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt arrangements may restrict us from effecting any of these alternatives. Certain of our debt agreements impose significant operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities. The indentures that govern our senior notes and the credit agreement that governs our senior secured credit facilities impose significant operating and financial restrictions on us. These restrictions limit our ability and / or the ability of our subsidiaries to, among other things: • incur or guarantee additional debt or issue disqualified stock or preferred stock; • **make certain investments; •** pay dividends, including our subsidiaries paying dividends to us, and make other distributions on, or redeem or repurchase, capital stock ~~; • make certain investments~~ ; • incur certain liens; • enter into transactions with affiliates; • merge or consolidate; • enter into agreements that restrict the ability of restricted subsidiaries to make dividends or other payments to us; • designate restricted subsidiaries as unrestricted subsidiaries; and • transfer or sell assets. In addition, the credit agreement requires us to maintain a consolidated secured net leverage ratio not to exceed 5. 0 to 1. 0 as of the last day of any period of four consecutive quarters. As a result of these restrictions, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We may not be able to maintain compliance with these covenants in the future and, if we fail to do so, we may not be able to obtain waivers from the lenders and / or amend the covenants. Our failure to comply with the restrictive covenants described above, as well as other terms of our other indebtedness and / or the terms of any future indebtedness from time to time, could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or are unable to refinance these borrowings, our results of operations and financial condition could be adversely affected. Despite our current level of indebtedness, we may be able to incur substantially more debt and enter into other transactions, which could further exacerbate the risks to our financial condition described above. We may be able to incur significant additional indebtedness, including secured debt, in the future. Although the credit agreements and indentures that govern substantially all of our indebtedness contain restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions. Additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined under our debt instruments. To the extent new debt is added to our current debt levels, the substantial leverage risks described in the preceding three risk factors would increase. Risks Related to Ownership of Our Common Stock Although we currently pay a quarterly cash dividend to holders of our common stock, we may change our dividend policy at any time. Our dividend policy may change at any time without notice to our stockholders. As a result of the COVID- 19 pandemic, we suspended payment of our quarterly cash dividend to holders of our common stock beginning in 2020 ~~, but~~ **and did not** ~~resumed~~ **resume** ~~our~~ quarterly dividend payments ~~in~~ **until** June 2022. The declaration and payment of any future dividends is at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, limitations imposed by our indebtedness, legal requirements and other factors that our board of directors deems relevant. If we were to cease dividend payments, you may not receive any return on an investment in our common stock unless you sell your common stock for a price greater than that which you paid for it. Anti- takeover provisions in our organizational documents and Delaware law might discourage or delay acquisition attempts for us that one might consider favorable. Our amended and restated certificate of incorporation and amended and restated by- laws contain provisions that may make the merger or acquisition of our company more difficult without the approval of our board of directors. Among other things: • although we do not have a stockholder rights plan, and would either submit any such plan to stockholders for ratification or cause such plan to expire within a year, these provisions would allow us to authorize the issuance of undesignated preferred stock in connection with a stockholder rights plan or otherwise, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend or other rights or preferences superior to the rights of the holders of common stock; • these provisions prohibit stockholder action by written consent unless such action is recommended by all directors then in office; • these provisions provide that our board of directors is expressly authorized to make, alter or repeal our by- laws and that our stockholders may only amend our by- laws with the approval of 80 percent or more of all the outstanding shares of our capital stock entitled to vote; and • these provisions establish advance notice requirements for nominations for elections to our board or for proposing matters that can be acted upon by stockholders at stockholder meetings. Further, as a Delaware corporation, we are subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti- takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire.