Hyatt’s multi-billion-dollar supply chain is expansive, encompassing global companies and local suppliers in over 50 countries in which we operate. The products and services we procure and consume around the world help us to ensure the comfort and well-being of our guests and colleagues, while also supporting local economies. We have a responsibility to leverage our purchasing power to increase the demand for responsible products for our hotels, our guests, and our communities, and to work with our suppliers and other stakeholders to increase visibility in our supply chain.

**OUR FOCUS**

We are committed to working with suppliers and other partners to drive responsibility in our global supply chain. We believe that as a global brand we have the ability to influence change.

In 2014, we formalized responsible purchasing goals as part of our 2020 Environmental Sustainability Vision. Our goals reflect global targets in areas where we know we have the ability to drive change through our supply chain. We are also committed to supporting our local hotel-level efforts, which tend to be decentralized, and helping them to prioritize specific products for which more socially and environmentally sustainable alternatives are available.

In 2015, we made significant advances toward our supply chain goals by focusing our efforts on data collection and analysis to define areas of strategic opportunity, piloting procurement strategies in key product categories, and working with organizations, such as World Wildlife Fund (WWF) on sustainable seafood and Avendra on operational supplies, to directly drive impact through our supply chain.

1 Avendra is the purchasing company we work with in North America.
OUR ACTIONS
DRIVING STANDARDS ALONG OUR SUPPLY CHAIN

To complement our programs and policies that guide our social and environmental performance, we also give preference to working with companies that adhere to similar business principles. Hyatt’s Supplier Code of Conduct sets out the minimum expectations we have of our suppliers around compliance, human rights and labor, health and safety, the environment, and ethics. Additionally, we work with Avendra to help us assess the sustainability commitments of our North American suppliers and to communicate the importance of environmental policies and programs to our value chain.

LEADING THE INDUSTRY WITH SUSTAINABLE SEAFOOD

By 2030, it is predicted our global population will consume 40 million more metric tons of seafood each year compared to 2008. This demand will put a huge strain on our oceans, aquaculture, and labor welfare, increasing the threat of overfishing and ecological damage, and affecting the communities that rely on the industry for their livelihoods.

In 2014, Hyatt, in collaboration with WWF, announced industry-leading goals to help address this global issue, with an aim of sourcing 50 percent of our global seafood volume from responsible sources, 15 percent of which will come from Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC)-certified sources by 2018. At the same time, we implemented a ban on shark fin at all restaurants and food and beverage outlets.

Assessing and Improving Seafood Purchasing

In 2015, we completed an audit of our seafood purchasing across managed, full service hotels globally. This information has been critical in establishing our strategy across all markets through 2018, including high-priority species and markets where we can have the greatest impact. For example, in 2015 we initiated the work to transition shrimp – our second-largest seafood category – to ASC-certified sources in North America, our largest market. We also supported Fishery and Aquaculture Improvement Projects (FIPs and AIPs) in countries such as Vietnam, Peru, and Ecuador that help fisheries and farms reach MSC/ASC standards. Hyatt is now listed as an official FIP participant and we are also advocating sustainable seafood through letters to suppliers and governments to drive broader action. Finally, we strive to influence the increase in sustainable seafood supply by communicating our goals to our suppliers. In particular, we met with Chilean farmers and suppliers of ASC-certified salmon to discuss opportunities to scale up sustainable purchasing across Hyatt.

Piloting Sustainable Procurement Strategies

We conducted two in-depth studies with Hyatt hotels in Hong Kong and India to identify procurement strategies in challenging markets. Based on preliminary data, both groups were able to realize significant progress with sourcing MSC and ASC products, and as much as one-third of each region’s seafood by volume is procured from responsible sources. Each region also plans to increase this volume in the coming years.

94% of Hyatt’s major suppliers and distributors of operational and food and beverage products for North American hotels have sustainability policies in place. North America is our largest market, and the only one in which we have centralized contracts, making this an important milestone.
Driving Local Action

There are many challenges with both identifying and accessing sustainable seafood, which is why we place a large emphasis on colleague training and awareness. In 2015, we required our culinary and purchasing colleagues to go through comprehensive training materials on sustainable seafood. Many of our hotels have embraced this opportunity to be local change agents, including hotels in Asia, where we have the highest volume of our global seafood purchases and where access to sustainable supplies can be more challenging.

Action in Asia

- Grand Hyatt Singapore reduced its total seafood offering across its restaurants from over 600 seafood products to less than 100, with a focus on ensuring most of its seafood is certified by credible third parties. MSC or ASC-certified seafood alone makes up around 40 percent of the hotel’s seafood by volume, and its restaurants are MSC and ASC Chain of Custody Certified. The hotel took the added step of acquiring a seafood importer’s license to enable its procurement of sustainable options.

- Grand Hyatt Erawan Bangkok took steps to shift the majority of its seafood menu offering across its three restaurants to MSC, ASC, or other third-party-certified sources. Given the limited options in Thailand, the team found certified farms and fisheries, negotiated with suppliers to begin bringing shrimp and oysters from MSC or ASC-certified sources into the country, and helped other local restaurants source these sustainable options as well.

- Grand Hyatt Jakarta transitioned the majority of its imported seafood to products from MSC or ASC-certified sources during 2015. For local seafood, where certified options aren’t available, they work with fishermen who use low-impact line fishing. The hotel rotates its menu specials to reflect the changing local deliveries.

- Park Hyatt Tokyo became the first hotel in Japan to obtain an MSC and ASC Chain of Custody Certification, and is also working with local producers to increase the supply of MSC and ASC-certified seafood in its market.

FOOD. THOUGHTFULLY SOURCED. CAREFULLY SERVED.

Beyond seafood, food and beverage represents one of our most significant spends. Our philosophy is to focus on healthy and sustainable options that are good for our guests, for the local communities, and for the planet. We are proud to be a leader in this effort among hospitality companies and we were one of the first in our industry to introduce cage-free eggs, launch comprehensive sustainable seafood goals, and join the Partnership for a Healthier America.

Our hotels bring life to this philosophy in many different ways – from raising bees at Hyatt Regency Mainz, to building strong relationships with local farms at Grand Hyatt Goa and growing herbs and vegetables at Hyatt Regency Hua Hin.

Thoughtful Sourcing in North America

- Cage-free liquid and shell eggs
- Sustainable seafood advancement with WWF
- To-go containers made of compostable or recycled materials
- rBST-free milk
- Grass-fed, hormone and antibiotic-free beef hamburgers
- Eliminated polystyrene from 92% of our food and beverage packaging and cutlery
Providing Locally Sourced, Organic Ingredients

Before opening in late 2015, the culinary team at Park Hyatt Guangzhou researched options for providing organic and sustainable ingredients in its restaurants. They found a farm committed to sustainable practices in commercial agriculture in the Fujian Wuyi mountain range surrounded by biodiversity. The hotel now works closely with the farm to develop its menus around seasonal produce to deliver fresh and organic ingredients to guests.

OUR OPERATIONS

We look at opportunities to make a positive impact through our broader procurement practices and collaboration with suppliers, many of whom share our commitment to environmental sustainability. For example, our shampoos and soaps across all of our brands globally are made of biodegradable formulas packaged in bottles made of recycled plastic.

In North America, we have worked with Ecolab to provide comprehensive cleaning solutions that increase efficiency, minimize the use of natural resources, and improve safety – from sourcing to manufacturing, to use and through disposal. Helping to reduce water and energy use, as well as packaging waste are a few key ways Ecolab’s sustainable offerings impact our properties. Green Seal-certified in-room cleaning supplies are leveraged whenever available, meeting rigorous sustainability criteria while maintaining the same performance and quality requirements as traditional, non-green counterparts, all while minimizing our total environmental impact.

We work closely with Avendra on sustainable purchasing product categories for our North America market, where our contracting is consolidated. Our aim is to expand our focus internationally where possible.

SUPPORTING DIVERSITY AND INCLUSION IN OUR SUPPLY CHAIN

We also believe that we have an opportunity and a responsibility to ensure that our supply chain reflects our own internal commitment to diversity. Our supplier diversity program focuses on building relationships with businesses owned by minorities, women, military and disabled veterans, and LGBT persons.

In 2015, we contracted with five new large minority-owned suppliers that provided products and services such as laundry, baked goods, landscaping, and interior design, which helped to increase our Avendra-contracted supplier diversity spend in the U.S. by 11 percent, surpassing our year-over-year goal of 3 percent.