

AccorInvest UK and Ireland

Modern Slavery Statement

Introduction

This statement sets out Accor UK B&L Ltd's actions to understand all potential modern slavery risks related to our business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in our own business and our supply chains. This statement relates to actions and activities during the financial year [1 April 2018 to 31 March 2019].

As part of the hospitality industry, we recognise that we have a responsibility to take a robust approach to slavery and human trafficking.

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1) Organisational structure and supply chains

This statement covers the activities of Accor UK B&L Ltd, subsidiary of AccorInvest Group.

AccorInvest is a hotel owner, investor and operator.

Our property holdings include 884 hotels, both owned and rented, in Europe, Latin America and Asia. To help us grow and provide our guests with the very best experience, AccorInvest mobilises an international team made up of over 30,000 employees working at our head offices and hotels.

We have a longstanding relationship with Accor. At the end of 2013 the development project for HotelInvest, the real estate arm of AccorHotels, was launched. It became AccorInvest in June 2017. On 31 May 2018, Accorinvest became an independent company. However, AccorInvest signed management contracts with Accor to guarantee the operational excellence of our hotels. All our hotels are managed by Accor.

In UK, we are operating 91 hotels, and we have around 2900 employees. Our portfolio comprises Accor brands including Ibis Budget, Ibis, Ibis Styles, Mercure, Novotel and Pullman.

We are committed in being a responsible company that works to obey ethical principles, complies with applicable laws and regulations, and honours the commitments to our various stakeholders (Every worker supplying goods or services to us, every team member helping us to delight our guests, and every guest we serve every day).

This commitment extends to human rights including modern slavery and trafficking.

Our supply chain consists of suppliers who sell goods and services to our hotels and Support office.

Our hotels' suppliers are carefully selected by Accor GPO, according our management contract.

2) Assessing our risks

Since its creation as an autonomous legal entity, AccorInvest has defined a transversal working group (composed of risks management, HR, CSR, and Legal departments), to identify and assess the risks based on the legal regulations and on our CSR strategy.

We work in coordination with Accor and agreed via our management contract to make sure that our hotels comply with Planet 21 Program, and with the principles, standards and commitments included in the Accor's Ethics and CSR charter.

3) Our Key risks and due diligence processes

Our Supply chain:

Our hotels' suppliers are carefully selected by Accor GPO, according our management contract.

Based in France, the Accor GPO manages international contracts and coordinates the network of regional procurement offices.

Accor put in place a mapping of ethical and CSR risks (according to purchase volumes, environmental and social risks of product families, exposure to customers...). Product families were classified into three levels: standard, at risk or at high-risk. For each of the three risk categories, a vigilance plan was drawn up to define the points to be incorporated at each step of the procurement process: tender, selection of suppliers, awarding of contracts, evaluation, audit, action plan, and even dereferencing.

The supplier agrees to sign the procurement charter 21 describing the main social and environmental commitments that ACCOR shares with its partners and suppliers

Within the frame of its sustainable development policy, Accor may request the supplier to have its activity evaluated by a third party nominated with regards to its environmental, social and ethics performance. The supplier agrees to define an improvement plan regarding the evaluations' main conclusions and to take into account the level of risk of its activity.

The purpose of the on-site audit for the high risk categories is the check, with third-party verification, the CSR commitments signed by a supplier (Procurement Charter 21 + self-assessment) and a focus on the actual social and environmental impact/performance of a company's operations (vs policies, principles, self-reports)

It' is based on the SMETA audit includes two or four modules :

- Smeta 2: Health and safety - Labour standards
- Smeta 4: Environment - Business ethics - Health and safety - Labour standards

All the suppliers must give a valid CSR audit report or must be audited every 3 years. Audits are conducted in the main site(s) of production with risks and not in the supplier headquarter or importer. When possible, the audit has to be launched when production for AccorHotels is running.

Nominated suppliers undertakes to :

- Comply with terms of the procurement charter
- Make sure that its own suppliers and sub-contractors comply with the same principles
- Participate to Accor's assessment and commits to implement the subsequent policy
- Authorize Accor and/or any third party appointed by Accor to realize audits and commits to implement the subsequent policies

We work in coordination with Accor to be informed and obtain their mapping, assessment, reports and measures with regards to the nominated suppliers.

Our Team members :

AccorInvest exercises its responsibility as an employer in our hotels, managed by Accor, and in our support office. For our hotels, we are respecting Accor's recommendations for the management principles, and talent development policies. All the employee-relations responsibilities are under our responsibility as employer.

The following policies are embedded throughout our organisation and support the mitigation of any risk that a team member may be subject to modern slavery.

- Right to work: Checks are carried out on all team members to ensure the documents they provide are genuine and fit to purpose, in line with legislation. We ensure that our managers are provided with the tools and skills to carry out the necessary document checks sympathetically and appropriately.

- Staff Handbook: This document outlines the Company code of conducts and is provided to all employees upon joining. The organisation's code makes clear to employees the actions and behaviour expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.

- Equal opportunity policy: Outlines our commitment to provide equal opportunities and embrace diversity throughout employment.

- Grievance policy: This process encourages concerns to be raised informally in the first instance in order to encourage an open and honest culture. However, It also outlines the formal process in the event that concerns cannot be resolved through the informal route, or in more serious cases where it is appropriate to deal with matters formally at the outset. The grievance policy provides clear guidelines on how individual can raise their concerns, along with what happen at that point and the potential outcome of any investigation into the issue raised.

- Whistleblowing policy: during the 1st quarter 2019, we will implement an internal whistleblowing platform, available in our hotels and support office. The company encourages all its workers to report any concerns related to the direct activities, or the supply chains of the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organisation's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.

Trainings: We currently highlight our modern slavery obligations as part of our induction plan and are looking to establish a programme which will require all staff to complete training on our responsibility to prevent modern slavery.

Our Guests:

As a hospitality company, we recognise that there is a risk that one of our hotels might be used for the sexual exploitation of adults or children, or the harbouring / movement of adults and children for the use of forced labour. We are fully supporting Accor in its action for positive hospitality. With the Ethics and CSR charter, Accor is committed to increasing awareness of human trafficking and modern slavery at all levels.

Accor has been fighting child sexual exploitation in its hotels since 2001 in partnership with ECPAT International, an international NGO. ECPAT is a global organization that leads the fight against the crime of child trafficking and sexual exploitation.

Created by AccorHotels, the WATCH program helps country organizations and hotels to put procedures in place to detect cases of Sexual Exploitation of Children in Travel and Tourism ("SECTT"). The programme involves local training initiatives designed to heighten employee vigilance, so that they can identify cases of SECTT more effectively, decide when to contact the authorities, and offer the child alternative life paths (via reintegration projects for example).

The WATCH program is implemented through a variety of training/awareness-raising tools at the hotels, targeting different groups: General Managers, team leads and partners: films, e-learning modules, training modules for hotel teams, guideline sheets, available several languages.

4) Monitoring our risks

In 2019 an AccorInvest Ethics Committee will be created. This committee is composed of the CEO, the Chief Compliance Officer, the SVP HR, a COO presenting the operations and one Excom member representing the support functions.

Its purpose is to :

- Ensure compliance with our internal policies in terms of ethics and compliance;
- Answer questions or give advice with respect to our internal policies (anticorruption code of conduct, charter of ethics, conflicts of interest), compliance and ethical issues;

- Give recommendations about the evolution of the group's commitments and policies with regards to ethics and compliance;
- Be informed about the number and type of issues reported through the whistleblowing platform such as corruption, fraud, anti-competitive practices, discrimination, workplace harassment, workplace health, hygiene and safety, and environmental protection issues;
- Give recommendations about the treatment of the reported issues;
- Share with the executive committee the outcome of the committee's works;

They will meet twice a year or more according the need.

This statement was approved on 23/03/2019 by Accor UK B&L's board of directors, who review and update it annually.

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Alice Neubert
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