



Slavery and Human Trafficking Statement

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Introduction

Accor (U.K.) Limited (a company incorporated in England and Wales with company number 01617210) ("Accor UK") is publishing this statement in compliance with section 54 (1) of the UK Modern Slavery Act 2015. It details the steps taken by the corporate group comprising Accor S.A. (a company incorporated in France with company number 602 036 444) and its worldwide subsidiary undertakings, including Accor UK ("Accor Group") to assist in the prevention of modern slavery and human trafficking in any part of Accor Group's business and supply chain during the financial year ending 31 December 2018.

Our business

The Accor Group is more than a worldwide leader. Accor is 280,000 hospitality experts placing people at the heart of its business; nurturing a real passion for service and achievement beyond limits. Accor takes care of millions of guests in more than 4,800 addresses in more than 110 countries.

The Accor Group has one of the most comprehensive hotel brand portfolios in the world, a top-level luxury offering and an ever-growing range of services. With the emblematic brands Raffles, Fairmont and Swissôtel, Accor has become a key player in luxury hospitality. Prestigious resort brands like Banyan Tree and Rixos Hotels further enriched its offering. With onefinestay, the Group is now the world's leading operator of very upscale private rentals with concierge services. As for the historic brands, they continue to reinvent themselves with new concepts and services. This has been the case for MGallery, Pullman, Novotel, Mercure and ibis, for example.

Accor has reshaped its core business around the idea of "Augmented Hospitality" — a refined vision of hospitality and the tailor-made services the business provides to a community of customers made up of guests and locals alike.

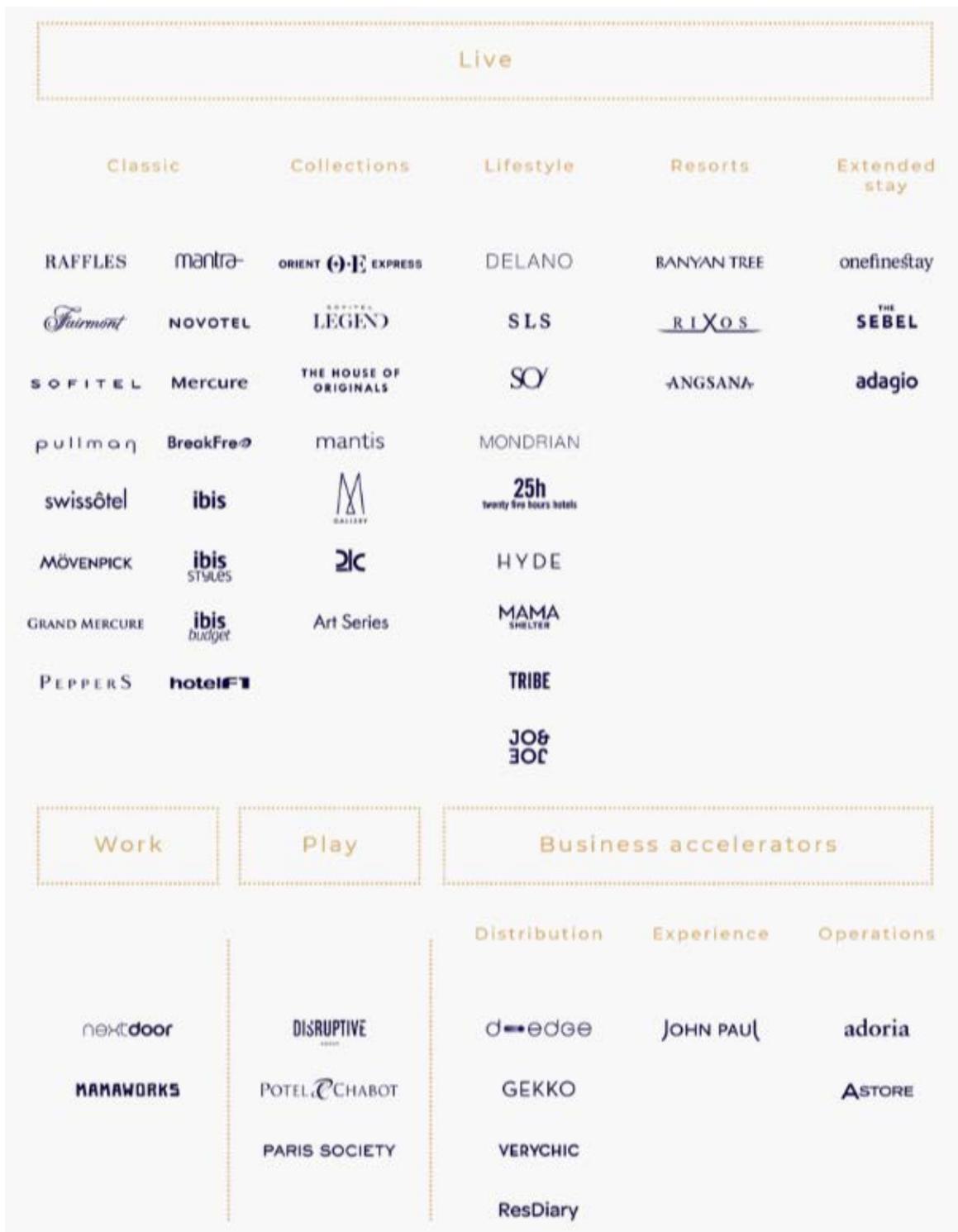
Over the past 50 years, the Accor Group has strengthened its core capabilities to create a wider and complementary brand portfolio, designed to enhance the way you live, work, play and do business.

- "Live" encompasses the core hospitality brands and reflects Accor's vision for hotels as places that provide more than a room to stay and a bed to sleep. 'Live; brings together an unrivalled collection of exciting, relaxing, elegant and personalised guest experiences.
- "Work" covers the brands catering to growing demand for coworking services.



- "Play" captures Accor's growing presence in entertainment experiences, including new offerings from brands such as Potel & Chabot, Paris Society, the pioneering sbe group, in addition to thousands of restaurants and bars in Accor's hotels around the world.
- "Business accelerators" includes D-EDGE, Gekko, Resdiary, Very Chic and other brands that are helping Accor's hotel owners and partners to boost their performance and capacity, and to cater to customer expectations at the same time.

As of March 2019, please see our complete list of brands below.





Accor Group manages and franchises hotels and provides hospitality services in the United Kingdom largely through Accor UK and its subsidiary companies, including Accor HotelServices UK Limited (a company incorporated in England and Wales with company number 10508910). In addition, Accor Group provides home rentals through Lifealike Limited (a company incorporated in England and Wales with company number 06554630) and concierge services through Concierge Holding Company Limited (a company incorporated in England and Wales with company number 09709521) which trades as John Paul.

The Accor Group is directly involved in the operation of owned (including leased) and managed hotels while franchise owners and their managers have control over the operations of the franchised estate in accordance with the relevant franchise agreement terms. The Accor Group supply chain consists of suppliers who sell goods and services to owned, managed and franchised hotels who may purchase goods or services from suppliers carefully selected by the Accor Group. The Accor Group hotel owners make independent decisions on procurement including whether to purchase through the Accor Group procurement service or from their own suppliers.

Commitments supported by the Ethics and CSR Charter

The Accor Group is strongly committed to the goal of being a responsible company that shares value, works to obey ethical principles, complies with applicable laws and regulations, and honours the commitments to its various stakeholders. This commitment extends to human rights including modern slavery and trafficking.

Based on the six values of the Accor Group, the Ethics & CSR Charter provides a framework for the Accor Group's commitment to being a responsible corporate citizen. All of the non-financial policies of the Accor Group derive from the Charter. The Accor Group's commitment to human rights including combatting modern slavery and trafficking is set out in the Ethics & CSR Charter.

The Ethics & CSR Charter is promoted by the Chairman and Chief Executive Officer of the Accor Group and the Accor Group's directors are responsible for promoting the values and commitments to their teams and carefully tracking their application.



The Governance, Compliance, and Corporate Responsibility Committee provides oversight for the proper application of the principles of corporate governance and prepares the decisions of the Board of Directors regarding compliance, ethics, and corporate and environmental responsibility.

In 2017, under the responsibility of the Accor Group's Chief Legal Officer, a Compliance post was set up with a network of Compliance Officers distributed throughout all the geographical areas where the Accor Group carries out its operations, whose mission is to promote and participate in the implementation of the Compliance program. There is also a dedicated Compliance lawyer working full-time in the Accor Group Corporate Legal Department on the Compliance program.

In addition an Accor Group Ethics and CSR committee has existed since 2014 in order to:

- inform the Executive Committee about questions pertaining to Ethics and CSR in order to better anticipate the opportunities, challenges, and risks associated with them;
- make recommendations regarding the development of Accor's commitments in the areas of human resources, risk management, respect for human rights, and sustainable development;
- monitor the implementation and performance of the Accor Group's processes;
- debate any issues concerning managerial ethics, business conduct, or possible conflicts of interest; and
- analyse any dysfunctions and provide specific additional oversight if required.

A network of Ethics and CSR correspondents has also been put into place. This is led at the Accor Group Corporate level by three people who coordinate the deployment of the Charter and lead and track the related projects.

The Ethics & CSR Charter has been rolled out in all of the countries where the Accor Group is active. It is available on the various Accor Group Intranets and from the Accor website (<https://www.accorhotels.group/commitment>).



Assessing our risk and impact

In 2016, the Accor Group conducted a study of its socio-economic footprint which identified that its operations have a significant socio-economic impact:

- as the largest operator in the hotel industry in the world, in an industry that is particularly labour-intensive and largely local, the Accor Group creates or provides jobs for many people around the world;
- the total direct, indirect and related business generated by the Accor Group in the world economy amounts to approximately €20bn, of which an average of 83% remains in local economies;
- agriculture, an industry that is upstream from the restaurant business, is the third-largest industry impacted by the Accor Group and has the greatest number of employees. Every job created in an Accor Group hotel creates approximately 0.5 workers in the agriculture industry;
- the socio-economic footprint of the Accor Group means that there is a duty to be responsible across the value chain and in local economies. The business of the Accor Group has a strong leveraging effect through its supply chain and on household consumption made possible by the salaries paid by the Accor Group and its suppliers, and through contributions to public expenses, especially taxes.

The study identified that the Accor Group shares strong common interests with all of its stakeholders: its guests (who are the reason why the Group's business exists and the creators of its revenue), its employees, its communities, and its partners (suppliers and hotel management).

The analysis confirmed that people continue to occupy a central position in the hotel business and this is because the main challenges are quality of service and guest experience, and quality of life at work. The analysis also demonstrated that the Accor Group must address many challenges in the three core aspects of CSR, with a greater emphasis placed on business, societal and environmental concerns including risks in the area of human rights such as modern slavery and human trafficking. This analysis on the importance of the issues also helped to rank the CSR challenges in Accor's Planet 21 Strategy.



Our vision? Action for positive hospitality

Business ethics, human rights and compliance with laws and regulations are key elements of the Ethics & CSR Charter. The Accor Group is committed to increasing awareness of human trafficking and modern slavery at all levels.

The reference framework for the Ethics & CSR Charter expresses that the Accor Group is committed to systematically complying with laws and regulations in effect, and with important international fundamental principles, such as the United Nations Global Compact, Conventions of the International Labour Organization (ILO) or the principles of the Universal Declaration of Human Rights.

The Accor Group trains its workforce in relation to topics related to ethics, human rights, slavery and human trafficking and encourages colleagues to report any instances of potential misconduct or breach of laws, regulations or policies (including via an anonymous whistleblowing platform that was rolled out in Accor Group head offices throughout 2018).

Specifically, the Accor Group has set itself the goal of ensuring that its CSR and ethical risk management process will be deployed among 100% of the Accor Group's partners (owners and approved suppliers) by 2020.

External engagement

The Accor Group is engaged with global, regional and local organizations to increase awareness of human rights issues – in particular, human trafficking and modern slavery. It is committed to work collectively and to share best practice across the industry.

The Accor Group became signatories to the United Nations Global Compact in 2003.

The Accor Group has been fighting child sexual exploitation in its hotels since 2001 in partnership with ECPAT International, an international NGO. ECPAT is a global organisation that leads the fight against the crime of child trafficking and sexual exploitation. The Accor Group's partnership with ECPAT and the WATCH (We Act Together for Children) Program are a testament to the Accor Group's commitment to fighting the sexual exploitation of children.

Created by the Accor Group, the WATCH program helps country organisations 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 in English, Portuguese, French and Thai. Distribution of the complete kit started in late 2014.

With WATCH, the Accor Group is taking a stand at every level of the organization: Group wide with the Code of Conduct, in the host countries by working together with ECPAT or local NGOs, in the hotels by working with the police and child welfare organizations, and through the work done by employees to raise awareness.

In 2016, the Accor Group additionally became a member of the Board of Directors of the NGO (TheCode.org) which has a Code of Conduct for protecting children from sexual exploitation in the tourism industry.

The Accor Group is also a member of the Executive Committee for the World Tourism Network on Child Protection, a network of the World Tourism Organization.

Finally, to support its hotels in their involvement, the Accor Group has set-up a digital system for raising awareness among its guests. Since mid-2016, a specific advertisement is included in reservation confirmation emails in all the direct and indirect channels.

The Accor Group are working towards its goal of having 100% of the hotels in the Group having implemented the program to fight against child sexual exploitation by 2020. This historic program created by the Accor Group works to train employees to recognise risky situations and react appropriately and to raise awareness of this issue among our guests.

A unique employment model

Accor Group's business creates and maintains many jobs in more than 110 countries. As of the end of December 2018, there were around 280,000 people employed under Accor Group brands worldwide.

However, a significant percentage of these people do not directly work for the Accor Group but for the business partners, i.e., the owners of managed or franchised hotels, and a variety of service providers.

The number of jobs indirectly supported by Accor Group is estimated at around 380,000.



Deployment of talent development policies is tailored to each of the three operating structures – owned and leased hotels, managed hotels, and franchised hotels.

The Accor Group exercises its responsibilities as an employer only as concerns its direct employees (Accor employees) in its various head offices and in the owned and leased hotels. For these Accor employees, the Accor Group's values, management principles and talent development policies are directly applied, along with all of the employee-relations responsibilities inherent to its position as a direct employer.

The Accor Group aims to be an inclusive company and have policies and procedures in place to promote diversity and inclusion. In addition, Accor UK and the other Accor Group UK businesses will not employ anyone who cannot demonstrate their legal right to work in the UK. Checks are carried out on all applicants to ensure the documents that they provide are genuine, and the Accor Group ensure that its managers are provided with the tools and skills to carry out the necessary document checks sympathetically and appropriately.

For employees of managed hotels (where employees are paid by the hotel owner), the Accor Group recommendations and policies may be applied by the hotel manager, as long as the owner is willing to accept the associated impact on costs and operations.

The Accor Group also strives to share its values and commitments in its communications and day-to-day interactions with franchisees but has a lesser degree of influence over HR practices in properties owned by franchised owners. In particular, the Accor Group Ethics and CSR commitments are shared with prospective franchisees from the very early stages of any arrangement before contracts are signed. A reference to the Ethics & CSR Charter has been systematically included in all new franchise contracts since 2016.

The outside workforce, which is in the indirect sphere of influence, also includes temporary workers who support in-house teams during peak periods, as well as sub-contractor employees in such areas as laundry services, housekeeping, landscaping, and call centres.



The management of labour-related and other sub-contracting risks, and the procedures in place to ensure that the Accor Group commitments are shared with suppliers and sub-contractors is fully described in the 2017 Registration Document - Corporate Responsibility Statement which is available on Accor's website (<https://www.accorhotels.group/en/investors>).

Compensation policies

The Accor Group has defined a global compensation strategy that can be adapted to local practices in each country. It is based on five principles:

- consider the performance and potential of each employee;
- offer compensation that is competitive in each market and country;
- ensure that employee compensation is determined fairly;
- encourage employee savings and stock ownership; and
- strengthen employee healthcare coverage and other benefits.

The Accor Group ensures that compensation policies do not discriminate in any way with regard to age, gender, nationality or any other personal criteria. The Accor Group is also committed to compensating every employee in line with market practices, based on global and local job maps prepared for each job track and a common job evaluation method.

Cultivating common ethics to foster best practices

The business and performance of the Accor Group are both closely linked to those of its partners, namely, suppliers and owners of hotels operated under management and franchise contracts. For the Accor Group, exercising its responsibilities implies extending its social, societal and environmental commitments to its partners, ensuring that they comply with ethics and CSR rules and drawing its entire value chain upwards.

Our owners

The Accor Group wants its partner owners to respect the commitments it has made in its Planet 21 program and to comply with its ethics rules through:

- consistent respect for current laws and regulations;
- respect for Human Rights;
- ethical business conduct; and



- compliance with trade rules.

This is why the deployment of ethical and CSR risks management process among partners is part of Accor's Planet 21 commitment program.

Our suppliers and service providers

As detailed in the Accor Group 2017 Registration Document:

- the Accor Group's purchases amounted to approximately €4 billion in 2016, including approximately €2.3 billion in purchases from nominated suppliers.
- Based in France, the Corporate Procurement Department manages international contracts and coordinates the network of 18 national Procurement Offices, which employ 110 buyers on five continents.

Contracts are signed at the international or national level, depending on the features of each category. "Standardizable" products and services that meet several countries' needs are managed globally, while those specific to a particular country are managed by the national Procurement Office.

Purchases are classified as "nominated" if they are sourced by the hotels from suppliers that have signed a contract with an Accor Group Procurement Department. They are overseen directly by Accor Group teams, who manage and optimise the contracts and the sourced products or services and control the supply chain by taking care to offer solutions that best fit the needs expressed. Purchases from nominated suppliers are estimated at 57% of the Accor Group's total purchases.

Purchases are classified as "non-nominated" if they are sourced directly by the hotels from suppliers that have not signed a contract with an Accor Group Procurement Department.

A map of ethical and CSR risks was prepared in 2015 from the following criteria: procurement volumes, environmental and social risks from product families, exposure to customer risks, and Accor Group's influence on the supplier. Product families were classified into three levels: standard, at risk or at high-risk. 60% of the purchase volumes are identified as "at risk" including 33% at high risk.



The Accor Group has developed a risk management process for suppliers managed by the Accor Group Procurement Department, and this process is being deployed. The Accor Group national Procurement Departments are responsible for setting up an audit plan for high-risk supplies for the 2017-2020 period. The Accor Group helps the national Procurement Departments perform the audit plan and oversees its implementation via an annual report.

Training on compliance with this process was launched among buyers in 2017. The Accor Group also engages in awareness and education of our leadership team members and conducts risk-based due diligence within its supply chains.

For each of the three risk categories, a supervision and follow-up plan was drawn up to define the points to be incorporated at each step of the procurement process: tender, selection of suppliers contracts, evaluation, audit, action plan, and even dereferencing.

Audits and monitoring of the action plan are major points of progress in the current process. Going forward the Accor Group will continue to work with suppliers to communicate and where necessary enforce its policies with respect to ethics and CSR including modern slavery and human trafficking.

A commitment supported by the Accor Group's endowment fund: Solidarity AccorHotels

The corporate responsibility of the Accor Group, its hotels, its employees and its collective efforts to fight economic and social exclusion is expressed through the Solidarity AccorHotels endowment fund. Solidarity AccorHotels aims to fight against the economic and social exclusion of disadvantaged people through vocational activities, by supporting projects together with local organisations and NGOs. It centres around two focus areas:

- supporting access to professional development, employment, and entrepreneurship by supporting projects that have a positive impact on marginalized people in host countries; and
- providing long-term support for emergency situations by helping local populations deal with the immediate and long-term consequences of humanitarian catastrophes.

Its purpose is to empower disadvantaged people by deploying project models that are economically viable and self-sustaining. For example, since 2012, the Accor Group teams in the United Kingdom have been involved with the NGO, The Springboard Charity, which has created training in the hotel and catering industry for youth from neighbourhoods in great difficulty. In 2016, with the support of Solidarity AccorHotels, 25 youths took part in the program in London,



and a new training program was developed in Birmingham for another 15.

An ongoing commitment

Looking ahead the Accor Group will further develop its existing efforts to prevent human rights abuses and to combat modern slavery and human trafficking across its own operations and those of its partners. The Accor Group's commitment to addressing human rights issues, including modern slavery and human trafficking is a central part of its Ethics & CSR Charter. As an industry leader, the Accor Group believes in inspiring and encouraging as many as possible to follow its lead – employees, customers, partners and local communities.

The Accor (U.K.) Limited Board of Directors approved this statement on 30 January 2019. This document was updated in March 2019 to reflect the current brand portfolio.