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HOTEL GROUP




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PPHE Hotel Group

Anti-slavery and human
trafficking statement 2018



This statement is made by PPHE Hotel Group Limited ("PPHE") on behalf of itself and its group companies and in accordance with section 54(1) of the UK Modern Slavery Act 2015. It has been approved by the Board of Directors of PPHE as of February 2019 and reflects our Modern Slavery and Human Trafficking Statement for the 2018 financial year.

In this statement we will talk about our responsibility as a business and who we are: the team members that form our business, the policies that support both our team members and local communities and also the actions we take at a local level and across all of our operating regions to monitor and eradicate modern slavery and to support human rights. This statement is approved and endorsed by our Board of Directors as of 27 February 2019.

PPHE Hotel Group is a London Stock Exchange premium listed international hospitality real estate group operating across Europe. We are a dynamic company with an integrated, flexible approach to property ownership, hospitality operations, and a strong focus on creating exceptional, inspirational service delivery.

As a hospitality real estate company we own or co-own the majority of the properties in our portfolio, but also lease, manage and franchise properties. Our ethos is bringing unique experiences together and each property has a carefully curated style that infuses the local community spirits within which we operate, with the backing of the Radisson Hotel Group global distribution and marketing system and the dependable hallmarks of the various brands under which our properties operate.

Our human rights principles

We are committed to ensuring our business is operated ethically and with integrity. Any violation of the dignity and basic human rights of those who earn a living within our operational community, be it the team members within our hospitality operations, the suppliers of our goods or the teams who design, create and maintain our real estate, is unacceptable. Every person deserves working conditions which are fair and offer an opportunity to make a better life for themselves, their family and the community. It is our responsibility to create an environment that promotes these basic ideals while achieving our commercial and strategic goals - www.pphe.com/responsibility.

Our ultimate aim is to remove the risk of trafficking and slavery from all areas of our supply chain and operations while helping to build rewarding and long-term career paths accessible at all experience and prior education levels by providing a safe, inspiring and engaging place to work. We aim to create a better everyday life for our talent while creating a guest-centric service for all of our customers.

To that end, we actively maintain and improve our system-wide policies and processes to avoid any potential complicity in human rights violations related to our operations or supply chain and within the company.

Further details of our group companies can be found in our Annual Report at:

www.pphe.com/media



Exposure to slavery and human trafficking – Our Audit

Following an internal review to identify risks of modern slavery affecting our business, team members, and procurement practices, we found the following four areas of key importance:

1 Employment practices

2 Supply chain transparency

3 Awareness and education within the business

4 Network of support to minimise risks within the industry

Our review included both an assessment of our active measures in place as well as those where we can strengthen our approach.

Employment practices

We strive to provide employment to people from local communities in which we operate and ensure all employees are treated fairly and provided a safe and healthy work environment. We believe that a key factor in reducing modern slavery and forced labour is by giving people an opportunity to cultivate lasting careers and enjoy the job security of employed positions regardless of education level, language skills or previous experience.

Offering stable employment and a path to career development at all levels fosters a sense of ownership, pride in work and job security for those whose education and social background put them at higher risk for insecure and illegal working arrangements.

Access to secure employment at all levels

Our hospitality business gives us the opportunity to offer work to people with diverse skillsets and backgrounds. **In 2018 we took this a step further by integrating all housekeeping positions in the UK from external agency providers to employed positions within the Company.**

Employee right to work checks

Employing our team directly allows us to conduct our own interviews and screening to ensure that we are not inadvertently providing work to someone who is either too young or is under the coercion of another person. Direct employment also ensures we have control over wages and that our team members receive fair wages directly.

Career progression

We encourage career progression and promotion from within. We offer on-the-job training, transferable skills and career progression at all levels.

Promoting training and internal career progression at all education levels creates job security that propel our employees into the stability of a long-term career and away from job insecure situations.

While we cannot eliminate the need to use agency staff to fill occasional staffing gaps or to provide support for temporary projects, we strive to employ regular functions directly, particularly in the UK. This approach is in the best interests of both the company and its team members

We are an employer providing jobs to approximately 4,100 team members across our four operating regions.

Supply chain transparency

We work directly with suppliers from across the globe and in the centralised procurement process we conduct due diligence at the corporate level to ensure we provide our properties with access to suppliers who have passed appropriate due diligence checks and screening. Once a supplier has been approved, hotels are able to purchase from the supplier.

As an enhancement to this process, **we have extended our long standing Code of Ethics to create a comprehensive Responsible and Ethical Sourcing Policy (the "Policy") which we are rolling out in 2019 into our central procurement system.** The Policy is based on the UN Guiding Principles on Business and Human Rights and emphasises the importance of doing business in an ethical way and in compliance with all laws. It spells out what our position is on: forced, involuntary and child labour; adopting fair and legally compliant working practices including not utilising any form of compulsory labour or human trafficking.

The Responsible and Ethical Sourcing Policy was approved by our Board of Directors in February 2019 alongside this statement and endorsed by our senior management. Its significance is known by those involved in the management of our supply chain.

The Responsible and Ethical Sourcing Policy will be implemented into our centralised procurement process and provided to all suppliers in our renewal process. Our centralised procurement contracts will be updated to allow PPHE the right to conduct audits on suppliers and business partners to ensure human rights compliance.

The vetting process for suppliers is under constant review for improvement.

Awareness and education within the business

We believe that collaboration, awareness and education are the best ways to work toward impactful change.

Awareness and education are our priority growth areas with regard to modern slavery and anti-trafficking compliance for 2019-2020. To that end, we have commenced efforts to create and introduce new internal training programmes around anti-slavery and anti-trafficking awareness, enhanced compliance with governance principals and anti-corruption policies.

As a first step to building a successful and tailored awareness and education programme, PPHE participated in the 2018 UN Forum on Human Rights and Business. Our executive team, specifically our Executive Vice President People & Culture | HR, attended the UN Forum, with the aim of understanding the most up-to-date cross-industry human rights risks, learn from other industries and our own hospitality and real estate industry colleagues to see how each is tackling the risks of anti-slavery and human tracking within their own business.

Our participation in the event served the critical purpose of educating us on the current human rights issues facing businesses across various industries. The findings and knowledge taken from this cross-industry forum on human rights will enable us to create current and practical human rights training that can be rolled out across the business.

We aim to launch an awareness and education programme in 2019 on key areas of compliance, governance and ethical business. An internal workshop and training on anti-slavery and anti-trafficking is planned for 2019 with UK hotel managers, general managers, regional department heads. We aim to take the key learnings of this meeting and produce our own posters and tips for all team members in the UK and Netherlands to alert them to the risks and signs of forced labour and trafficking.

We believe that collaboration, awareness and education are the best ways to work toward impactful change.



Network of support to minimise risks within the industry

We know the growth of our business allows us the opportunity to continually provide quality employment opportunities and foster human rights and ethical practices within our own company. Our wider goal is to encourage quality employment opportunities through our supply chains. We also know that no individual business can single-handedly change the practices of everyone in their global supply chains, even with their best efforts. **We embrace opportunities to work collaboratively to bring about change through our collective networks by joining forces with companies who share our values.**

In 2018, we intensified our relationship with the International Tourism Partnership, an organisation for hotel industry leaders to collaborate on enhanced ethical business practices. PPHE has been previously involved with the International Tourism Partnership through its exclusive licence relationship for the Park Plaza brand with Radisson Hotel Group. The move to become an active and direct supporter of the International Tourism Partnership is keeping with our expanded focus to make ethical business and human rights a key focus and unite with others to create meaningful change across our industry and within our collective networks.

This statement was approved by the Board of Directors of PPHE on 27 February 2019 and is signed by:

Kevin McAuliffe
Non-Executive Deputy Chairman