



# Modern Slavery

## STATEMENT 2021

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This Modern Slavery Statement has been produced for AAPC Limited (Accor Pacific) and supports the reporting requirements of the Modern Slavery Act 2018 (Cth). With the exception of a few companies directly owned by Accor SA (**Accor**), a company listed on the French stock exchange, AAPC Limited is the parent company of Accor owned subsidiaries in the Pacific region (**Accor Pacific**). It is the only entity which met the reporting threshold requirement under the Modern Slavery Act 2018 (Cth) in 2021.

This Statement outlines how Accor Pacific acted to reduce modern slavery and human trafficking risks in its operations and supply chains from 1 January 2021 to 31 December 2021.



# Accor Pacific and modern slavery

## MESSAGE FROM THE CEO

Modern slavery will never be tolerated at Accor. Not in our rooms, our spaces, our workplaces, our supply chains, our products or in anything we do.

Across the Pacific, our commitment to respecting human rights, in everything we do, has never been greater. Our vision to be an inclusive company where our people, our guests, our partners and our communities feel welcome, safe and cared for, has never been more important.

Across Accor, and in all our Pacific workplaces, our Heartist culture is built on strong foundations of inclusion and authenticity. We are obsessed with human connection. Modern slavery is the opposite of this. Modern slavery devalues people and it will never be tolerated or welcome at Accor. Accor Pacific has a zero tolerance for modern slavery and any of its associated behaviours in our operations and throughout our supply chains.

I am proud of being part of an organisation that has made a significant impact on human rights in the Pacific for over 30 years – and is firmly committed to doing even more. The insidious nature of modern slavery risk means that we will never rest in our pursuit of its eradication. Our continuous commitment to strengthening our processes and practices, and our ongoing collaboration across the Pacific, and beyond, will help us all create a world where no human is at risk of enslavement or servitude.

This report sets out our work to date and our future commitments to eradicate modern slavery from our environments and supply chains.

Because nothing is more important than the respect of everyone's fundamental human rights to dignity, equality, and liberty.



Sarah Derry  
Chief Executive Officer, Accor Pacific

## CSR GOALS WE MET IN 2021

- ✓ Our senior management were trained in CSR.
- ✓ Ongoing messaging of our CSR and ethical management process to hotel owners.
- ✓ Inclusion of ethical sourcing clauses in contract templates for nominated suppliers.
- ✓ Our hotels were involved in a Planet 21 or Accor Solidarity initiative.
- ✓ All nominated suppliers have signed the Procurement 21 Charter.

## ACCOR'S HUMAN RIGHTS COMMITMENTS

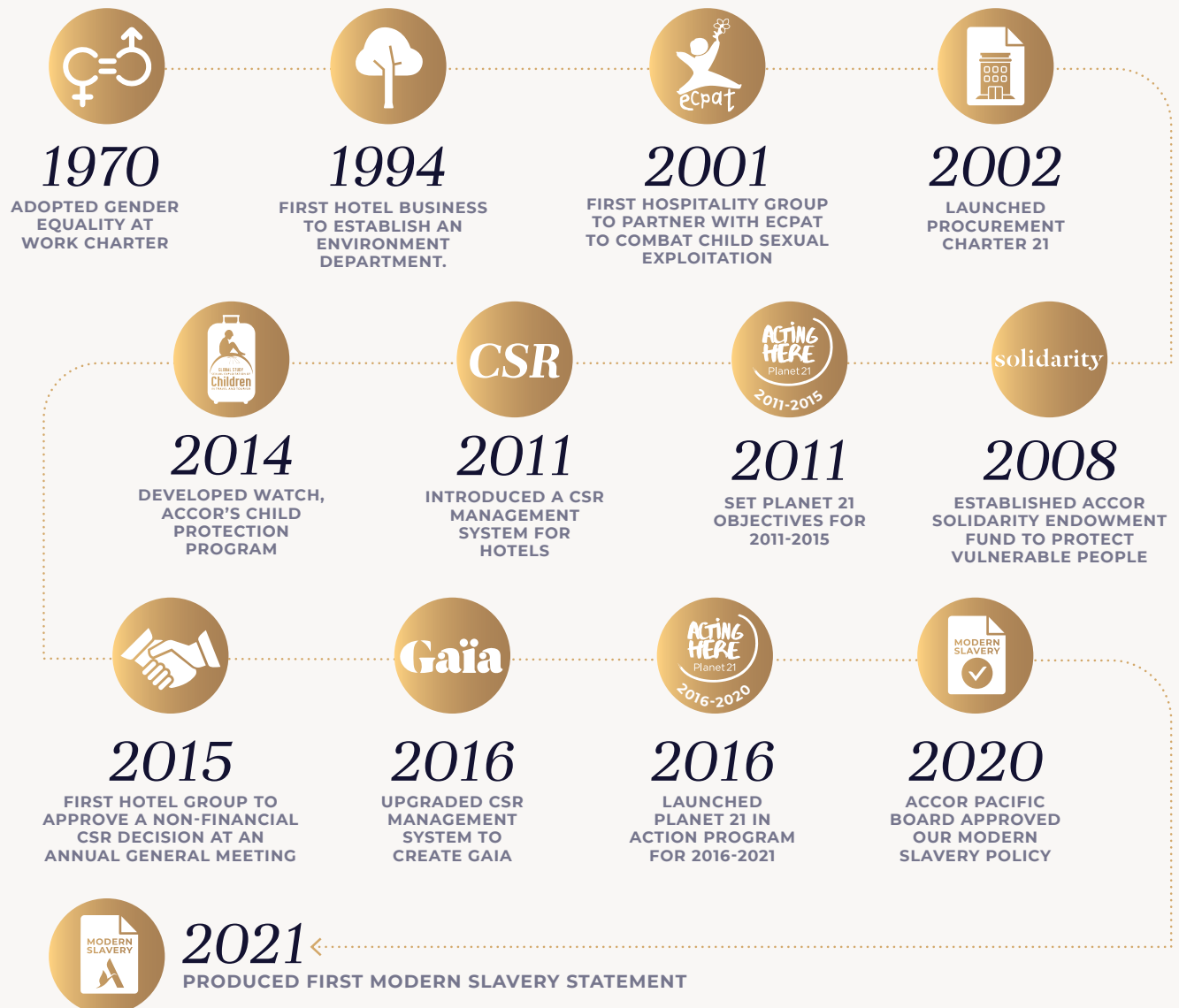
- Be an inclusive company and ensure the welfare of our people.
- Encourage our guests to act as multipliers of the positive effects of our actions.
- Establish a lasting relationship with our partners, who share our commitments and are working with us to produce innovative solutions that have a positive impact.
- Work hand-in-hand with local communities, because our commitment does not end at the hotel door.

## ACHIEVEMENTS IN 2021

- ✓ Created external supplier questionnaire for Modern Slavery.
- ✓ Automated supplier review process using our internal tools.
- ✓ Ongoing training of senior management in the Ethics and CSR Charter.
- ✓ Provided buyers with modern slavery and ethical procurement training.
- ✓ All new contracts now include modern slavery mitigation obligations.
- ✓ Reminded senior managers about Accor's modern slavery commitments in their annual Letters of Responsibility.
- ✓ Ensured all employees were aware of Accor's whistle blowing procedures.

# Accor

## MAKING A POSITIVE IMPACT FOR 50 YEARS



# Our structure, operations and supply chains

## ACCOR — A GLOBAL LEADER IN AUGMENTED HOTEL SERVICES

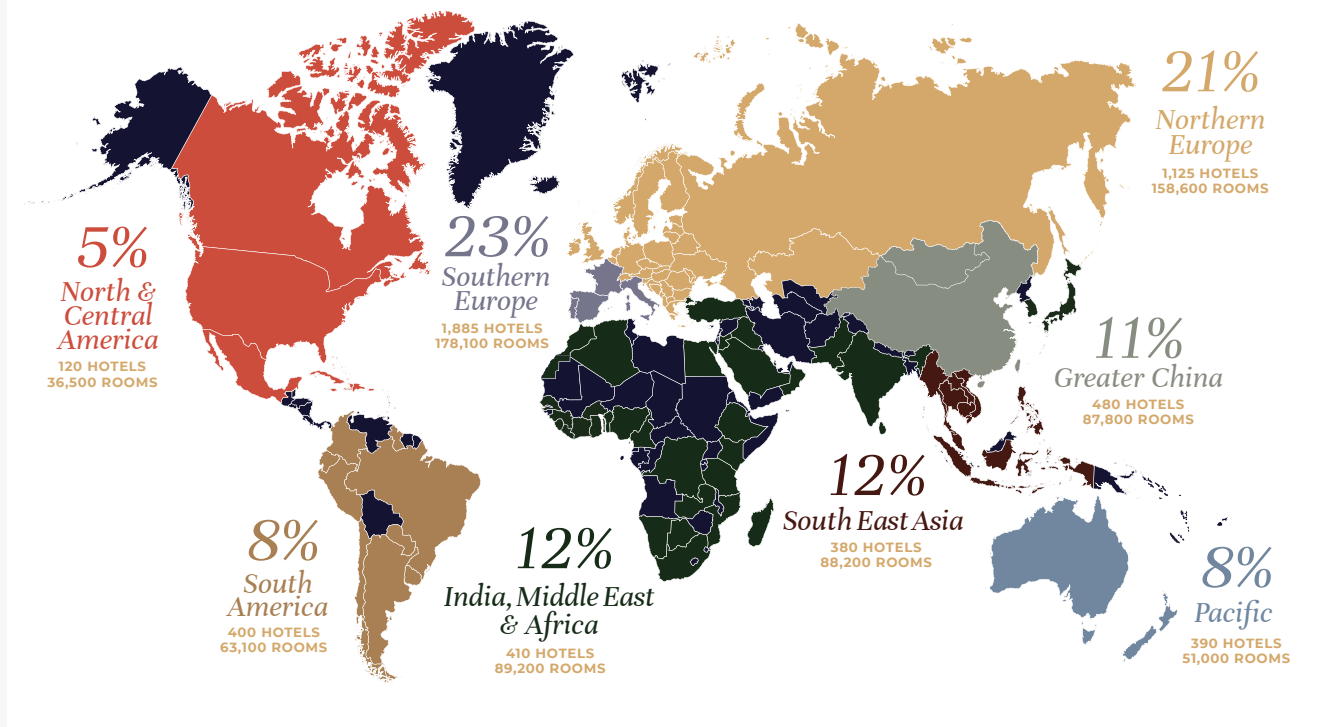
At Accor, we offer guests and local people new ways to live, work and play by blending accommodation with food and drink, nightlife, wellbeing and co-working facilities. Accor's portfolio also includes the AccorPlus and Accor Vacation Club programs, digital hospitality solutions, loyalty programs and Accor-managed airport lounges for Qantas.






The largest hotel operator in this region, Accor Pacific provides hotel and hospitality services throughout Australia, New Zealand, Fiji, French Polynesia and Hawaii.

We follow Accor's operating structures for hotels – franchise agreements, management rights schemes (strata hotels), management contracts, leases and ownership.

Accor Pacific is a wholly owned subsidiary of AAPC Limited. AAPC Limited's ultimate holding company is Accor SA, a listed company in France.

## A Worldwide Hotel Operator



|                      |  Brands |  Countries |  Hotels |  Rooms |  Employees |  Guests (daily) |
|----------------------|--|---|--|--|---|--|
| <b>WORLDWIDE</b>     | 51   | 110   | 5,200+   | 762,100+   | 260,000+  | 600,000  |
| <b>ACCOR PACIFIC</b> | 18   | 4   | 390  | 51,000   | 17,000  | 27,400   |

## ACCOR PACIFIC BRANDS — ECONOMY TO LUXURY

### LUXURY AND PREMIUM:

SOFITEL pullman PEPPERS  
 Art Series QUAY WEST THE SEBEL  
 GRAND MERCURE swissôtel

### MIDSCALE AND ECONOMY:

mantra NOVOTEL Mercure TRIBE  
 BreakFree ibis ibis STYLES ibis budget

### LOYALTY PROGRAMS:

ACCOR PLUS All ACCOR LIVE LIMITLESS MEETING PLANNER

## ACCOR PACIFIC HOTELS

24% OWNED AND LEASED

47% MANAGED

29% FRANCHISED

## COMPLEX SUPPLY CHAINS

As part of a global organisation, Accor Pacific's supply chains cross multiple borders and jurisdictions to source the products and services we need. This exposes us to local and international human rights risks, including all aspects of modern slavery.

This is one reason we prefer long-term, stable supplier relationships over ad hoc, short-term arrangements. Forming ongoing supplier partnerships means we can build mutual trust and positively influence their behaviour.

### PURCHASING PROCESSES

Accor Pacific hotel owners can buy products and services in two ways.

They can use Accor's Corporate Procurement system, which supports international and national contracts for both standardised products and those adapted to local needs. These 'nominated purchases' are made through Accor Pacific's Procurement offices and buyers in this region. Nominated suppliers make up about half of Accor Group's purchases.

The other option is to buy from their own suppliers ('non-nominated' purchases).

**Franchised hotels:** Franchisees and their hotel managers control hotel working conditions and purchasing

arrangements, so Accor Pacific's involvement is indirect. However, they must comply with the franchise agreement terms, which include clauses about respecting human rights legislation and regulations in their operations and supply chains.

**Owned, leased and managed hotels:** Accor Pacific is directly involved with their operation, but hotel owners can make independent decisions about whether to use nominated or non-nominated suppliers. Whichever approach they choose, they are contractually obliged to support our human rights commitments as part of their purchasing processes.

### ACCOR PACIFIC'S SUPPLY CHAINS 2021

98 PROCUREMENT CATEGORIES

\$727 SPENT ON ACCOR PACIFIC PURCHASES  
 AUD Million

734 NOMINATED SUPPLIERS

# Our approach

## WHAT IS MODERN SLAVERY?

According to the *Australian Modern Slavery Act 2018* (Cth), modern slavery includes slavery, human trafficking and the worst forms of child labour.

The Act also covers forced and compulsory labour, where a worker cannot refuse or stop work because they are being coerced, threatened or deceived. In some cases, they may be deprived of their personal freedom if, for example, the employer retains their passport.

A broader definition includes working conditions that condone or ignore underpayment, overwork and bullying in situations where workers feel they have no redress and are unable to leave.

In other words, modern slavery is any situation where a worker is being exploited, undermined or deprived of freedom.

Accor Pacific has zero tolerance for these behaviours. We have a comprehensive set of policies and processes to counter the direct and indirect risks of them occurring in our operations and supply chain.

## WHY DOES MODERN SLAVERY MATTER TO US?

Modern slavery matters to us because making people feel valued is at the heart of everything we do at Accor Pacific. From our values and culture to our strategies, systems and operational choices every single day, we are obsessed with the joys of human connection. We value people. We love people. We help people feel they belong at Accor Pacific – whether it's for one night or a lifelong career.

But modern slavery is the opposite of this. Modern slavery devalues people.

Modern slavery treats people as objects. It has no place in our organisation. Not in our rooms, our spaces, our workplaces, our supply chains, our products or in anything we do. At Accor Pacific we believe we have a responsibility to create the environments and cultures that help people be their best. So we will never give up striving to eradicate modern slavery from every corner of our world. We will never be complacent. This is simply who we are.

### Number of people living in modern slavery



## OUR VALUES



*Guest Passion*



*Innovation*



*Sustainable Performance*



*Trust*



*Spirit of Conquest*



*Respect*

# Identifying risks

Accor Pacific's modern slavery risks are both international and local. Our properties welcome millions of guests from all over the world each year, our industry is labour-intensive and largely local, and our supply chain is global, diverse and complicated.

We are also aware that, with products and services flowing into the Accor global network from our region, Accor Pacific's regional risk management activities could potentially impact properties across the Group.

Accor Pacific's risk management framework for modern slavery therefore brings together local and international laws and regulations, our commitment to international human rights principles and Accor's own expectations as a responsible business.

## MODERN SLAVERY RISKS

The key to successful risk management is knowing what, where and how big the risks are. Thoroughly researching and identifying the scale and location of specific risks makes a major contribution to Accor's overall human rights risk management approach.

We rely on several international indices, tools and resources to provide the facts we need.



Sedex



International Labour Organisation



OECD



United Nations Global Compact  
Responsible Procurement



ECPAT



Ethical Trading Initiative (ETI)

**To help us pinpoint local risks, Accor Pacific also draws on:**

- country and regional reports produced by regulatory bodies and non-government organisations such as Global Compact Network Australia
- feedback from our employee, guest and hotel reporting processes
- local knowledge and intelligence.

The Procurement department has designed a program to ensure that every supplier meets our expectations and set up different levels of control in line with the level of risk. Detailed risk mapping has been completed in conjunction with the Sustainable development department, in order to adapt procurement actions and suppliers monitoring to the categories' level of risk according to 5 criteria:

- Annual spend
- Environmental risk
- Social risk
- Client exposure / image
- Accor's leverage

**Based on the the risk level, an action plan is defined for our 4000 suppliers:**

- signature of Procurement charter for all,
- assessment by Ecovadis for suppliers at risk (ie disposable products, flooring equipment)
- on-site audit for suppliers at high risk (ie amenities, cleaning contractors, branded products).

For each control, an action plan and a follow up are set-up. All contracts include CSR Clauses which guarantee the commitment of the suppliers to conduct evaluations or audits if requested by Accor.

## OUR BIGGEST RISKS

Accor Pacific's modern slavery risks arise from our hotel operations, corporate supply chain and hotel supply chain.

Our major risks are in the food and beverage categories, outsourced services (such as housekeeping and laundry) and manufacturing branded products.

| ACCOR PACIFIC NETWORK  | MODERN SLAVERY RISKS   | AT-RISK SECTORS AND INDUSTRIES IN OUR SUPPLY CHAIN  |
|--|--|---|
| Australia<br>New Zealand<br>Fiji<br>French Polynesia<br>Hawaii | <ul style="list-style-type: none"> <li>• Forced or bonded labour</li> <li>• Undeclared labour</li> <li>• Child labour</li> <li>• Child sexual exploitation</li> <li>• Prostitution and pandering</li> <li>• Human trafficking</li> <li>• Exploiting migrant workers</li> <li>• Underpayment</li> <li>• Deceptive recruitment</li> <li>• Excessive working hours</li> </ul> | <ul style="list-style-type: none"> <li>• Hotel and office construction</li> <li>• Hotel and office operations</li> <li>• Catering</li> <li>• Horticulture</li> <li>• Agriculture</li> <li>• Food processing</li> <li>• Technology</li> <li>• Manufacturing</li> </ul> |

# ASSESSING AND PRIORITISING RISKS

As part of Accor's Procurement Charter 21 program, Accor Pacific has identified 98 procurement categories and ranked them using five socio-economic risk criteria:

1. how much we spend
2. environmental risk
3. social risk
4. client exposure/image
5. Accor Pacific's leverage

To help us manage each category, we apply three levels of criticality: Standard, Risk and High Risk. The level of risk determines the mitigation strategy we use.

| RISK CATEGORIES                                  | HIGH RISK CATEGORIES                        |
|--|---|
| Meat & poultry                                   | Beds, mattresses                            |
| Dairy, eggs, cheese                              | Contracted cleaning                         |
| Fresh fish, crustaceans, shellfish               | Guest amenities (in-room cosmetic products) |
| Baked goods                                      | Chemicals                                   |
| Hot drinks                                       | Security guards and services                |
| Dry goods  | Uniforms                                    |
| Ready-made meals                                 | Contractors/trades: masonry, earthwork      |
| Frozen food                                      | Laundry, dry cleaning                       |
| Disposable products                              | Restaurant linen, sheets and towels         |
| Carpentry, cupboards, mobile partitions, mirrors |   |
| Printing   |   |
| Air conditioning, ventilation, heating           |   |
| Hotel furniture (interior and exterior)          |   |
| Flooring equipment and materials                 |   |
| Audiovisual equipment                            |   |

## PROTECTING CHILDREN — WATCH

Sex tourism crosses geographical, social and cultural borders and can involve the sexual exploitation of children. Accor has actively fought against this aspect of modern slavery for two decades.

In 2001, we were the world's first hospitality group to partner with ECPAT (End Child Prostitution, Pornography and Trafficking of Children for Sexual Purposes).

Accor is an active member of the World Tourism Network on Child Protection and has signed the World Tourism Organisation (WTO) Code of Conduct, which is supported by ECPAT and UNICEF. Its principles commit Accor and our business partners to:

- be extremely vigilant that minors are not being subjected to paedophile acts in any way that is associated with our businesses
- ensure our premises are not used for procuring children for sexual purposes or for producing, distributing or holding pornographic images of minors.

In 2014, Accor joined with ECPAT to design the WATCH (We Act Together for Children) program to help protect children from sexual abuse in our worldwide hotel network. WATCH involves:

- working with local police and child welfare organisations
- raising employee and customer awareness of risk situations and what to do
- letting our suppliers and partners know about WATCH
- reporting cases of sex tourism involving children to the authorities.

In Australia, Accor Pacific worked with the local ECPAT representative, Child Wise, to develop a robust child protection framework for our businesses.



# ACCOR PACIFIC'S HOTELS HAVE IMPLEMENTED THE WATCH CHILD PROTECTION PROGRAM

## OUTSOURCED LABOUR — A MAJOR RISK

The majority of hotel employees are employed by the hotel owners. Some properties also use temporary workers and sub-contracted employees, particularly in peak periods, in labour-intensive areas such as laundry, housekeeping and gardening. These people can fall outside Accor's direct influence when it comes to their employment terms, payment arrangements and working conditions.

We provide recommendations and policies, but it is the employers who accept or reject them - so we have checks and balances. For example, we require suppliers and prospective franchisees, hotel owners

and lessees aware of the Accor Ethics and CSR Charter before signing contracts with them and include in relevant contracts obligations to meet ethical sourcing requirements. The contracts make them responsible for their sub-contractors' ethical behaviour as well as their own. Partners providing temporary or sub-contracted employees are also required to submit a quarterly statutory declaration confirming their workers have been paid in accordance with the relevant laws and awards.

# Mitigation policies, tools and governance

## Mitigating Accor Pacific's exposure to modern slavery risks involves:

- ✓ having a robust governance framework
- ✓ identifying and assessing actual and potential human rights impacts at a hotel, national and regional level
- ✓ integrating the findings across Accor Pacific so we can take a consistent, holistic approach
- ✓ strategically addressing the impacts through our Modern Slavery Policy and the Ethics and CSR Charter
- ✓ using Procurement Charter 21 to build modern slavery requirements into our supplier tendering, screening and engagement processes
- ✓ tracking suppliers' performance to ensure they continue to address modern slavery risks
- ✓ taking remedial, rectification and/or disciplinary action if we find any aspect of modern slavery in supplier operations
- ✓ communicating what we are doing to our stakeholders
- ✓ liaising with Accor head office to ensure regional aspects of modern slavery are addressed in global policies.

## GOVERNANCE

### GLOBAL

The Accor Group is an international organisation that respects different cultures but does not accept local customs as an excuse for unethical behaviour.

To promote consistency across brands and geographies, Accor's global modern slavery policies and approaches cascade through the organisation from corporate headquarters to regional business units.

The Accor Group Chairman and Chief Executive Officer sets the direction and endorses related policies such as the Ethics and CSR Charter. Executive Committee members implement and monitor the strategy regionally.

The Appointment, Compensation and CSR Committee oversees the Group's CSR obligations and advises the Board. The Ethics and CSR Committee monitors performance and recommends changes. The Audit Compliance and Risks Committee and Central Risk Management Committee oversee the modern slavery aspects of risk mapping, mitigation and management.

The Ethics and CSR Committee was set up to inform the Executive Committee about questions pertaining to Ethics and CSR, in order to better anticipate associated opportunities, challenges and risks;

- Issue recommendations on changes in human resources, risk management, human rights and sustainable development commitments;

- Monitor the implementation and performance of the Group's processes; Debate any issues related to managerial ethics or the conducting of business or any conflicts of interest;
- Analyse any shortcomings and introduce specific additional controls if needed.

All of Accor's activities fall within the framework of the Ethics and CSR (Corporate Social Responsibility) Charter applicable to the entire Group. All activities related to Procurement must therefore comply with this Charter, and Accor employees involved in these activities are under the obligation to know the content of the Charter.

With particular regard to the risks of corruption, the Group applies a zero-tolerance policy for the prevention and fight against corruption and has developed the following instruments and programs:

- The Anti-Corruption and Bribery Policy designed to enable employees to identify risk situations and to know how to react to such situations
- A Gift Policy, whose central principle is the absence of gifts in business relations, with limited and controlled exceptions and a principle of absolute prohibition of any gift in relations with public officials or similar
- A "KYC - Know Your Counterparty" process to ensure the quality of our partners and suppliers
- A professional alert system enabling any employee to report any situation that could put the Group or its employees at risk
- Financial and accounting procedures to prevent and identify possible fraud situations

### ACCOR PACIFIC

The AAPC Limited Board of Directors makes sure global policies are observed in the region and oversees local actions such as Accor Pacific's Modern Slavery Policy.

Each regional Vice President Operations, Regional General Manager and General Manager is responsible for making sure hotels observe these policies.

Accor Pacific's Head of Procurement is ultimately responsible for ensuring suppliers carry out their contractual obligations to mitigate modern slavery.

## MODERN SLAVERY POLICY

Introduced in 2020, the Accor Pacific Modern Slavery Policy is an internal document that applies to all Accor Pacific corporate offices, owned and managed hotels and other businesses.

The Policy records Accor Pacific's approach to ending all forms of modern slavery in our operations and supply chains and provides a clear framework for supporting this goal. It goes hand-in-hand with Accor Group's CSR and Ethics Charter and Procurement Charter 21.

The Policy sets out action items to provide Accor Pacific with a framework to continue to address modern slavery risks.

## ETHICS AND CSR CHARTER

Accor Group's Ethics and CSR Charter is a global document that outlines how we can be a genuinely responsible business that goes beyond complying with regulations and laws. Reflecting Accor Group's Values, the Charter helps employees to understand Accor's position on all CSR matters, including modern slavery.

### It applies to the whole Accor family:

- Accor Group personnel worldwide — permanent and temporary employees, agents and representatives, subsidiaries and companies under our control
- permanent and temporary employees of hotels and properties managed under Accor brands
- Accor Group partners, including their customers and suppliers, as part of their contractual relations with the Accor Group.

The Charter is the foundation for all Accor's social responsibility policies and processes and guides our risk management activities. To help our people make the right choices, it includes real-life examples of situations they could encounter and how to handle them.



## PLANET 21

### DRIVING THE CHANGE TOWARDS POSITIVE HOSPITALITY WHEREVER WE ARE

Planet 21 is Accor Group's global action plan for formally embedding sustainable development in our operations. It is an evolving program with long-term goals.

In 2016, Planet 21 was extended and improved to raise standards and adapt it to local conditions. Phase 2 of Planet 21 (Planet 21 In Action) provided goals for 2016-2021 that supported the United Nations Sustainable Development Goals (SDGs).

Its priorities were based on research that identified stakeholder views on the socio-economic impact of Accor's operations on local economies and communities.

Responding to the research, Accor made human rights risks, including modern slavery and human trafficking, a core aspect of Planet 21 In Action. The results have informed our Human Rights Risk Map and the Planet 21 In Action materiality matrix.

### Planet 21 In Action committed Accor to six strategic axes, five of them relevant for modern slavery:

1. being an inclusive company for employees
2. engaging guests in a sustainable experience
3. working with local communities to make a positive impact
4. co-innovating with partners to forge new paths
5. striving for healthy sustainable food.

As our partners and their hotels operate at varying scales and capacities, Accor has made it mandatory for all hotels to implement Planet 21. To do this, they use the Planet 21—Acting Here program, which provides a roadmap for actions and e-learning materials.

## WORKING WITH SUPPLIERS

**28** RISK & HIGH-RISK SUPPLIER CATEGORIES

**234** NOMINATED SUPPLIER CONTRACTS

**21%** OF PURCHASING VOLUME HIGH-RISK CATEGORIES

**100%** OF PURCHASING CONTRACTS INCLUDE PROCUREMENT CHARTER 21 CLAUSES

Our corporate and regional Procurement teams play an essential role in using Accor's purchasing power to mitigate the risk of modern slavery in our supply chains. Their responsibilities include:

- sharing Accor's human rights commitments with suppliers, contractors, sub-contractors and service providers
- working with suppliers to raise awareness of international standards on social conditions and relevant national and international regulations and laws
- applying rigorous supplier selection, assessment, rectification and disciplinary processes.

Managing risk across Accor's supply chains involves ensuring that not just direct suppliers, but their suppliers and sub-contractors, observe Accor's ethical purchasing requirements. Accor's global Procurement Charter 21 helps our Procurement teams to do this.

The Charter formalises Accor's workers' rights and human rights principles and sets out expectations for how service providers and suppliers (and their suppliers) will apply them their workforces and operating environments.

To further strengthen suppliers' commitment to the same human rights principles as Accor, we updated our purchasing contracts templates in 2020 to include clauses that compel them to comply with not only Procurement Charter 21 but specifically ethical sourcing laws.

Their obligation to mitigate modern slavery risks and report breaches is clearly spelled out, along with the consequences of not doing so. The contract also authorises Accor Pacific to conduct associated assessments, audits and remedial action plans.

Every Accor Pacific supplier must sign the Procurement 21 Charter and an updated contract which includes ethical sourcing requirements before we will engage or re-engage them.

To help them succeed, we have a supervision and follow-up plan that covers each stage: tender, selection, contracts, evaluation, audit, action plan and consequences. For more information, see the Assessing Effectiveness section on pages 14-15.

## WHAT WE ASK SUPPLIERS TO DO

| MODERN SLAVERY RISK  | SUPPLIER OBLIGATIONS   |
|--|--|
| <p><b>Overall</b></p>  | <ul style="list-style-type: none"> <li>✓ Sign and comply with the Procurement 21 Charter and the ethical sourcing clauses in the Accor supplier contract.</li> <li>✓ Comply with national laws and international rules.</li> <li>✓ Ensure its suppliers and sub-contractors also comply.</li> <li>✓ Have technical, operational and organisational measures to monitor and identify modern slavery incidents and risks in its operations and supply chain.</li> <li>✓ Record the origin of products and services and sub-suppliers.</li> <li>✓ Train staff to recognise and report modern slavery risks and incidents.</li> <li>✓ Investigate reported incidents and take disciplinary action if needed.</li> <li>✓ Notify Accor Pacific of any actual or suspected incident.</li> <li>✓ Develop and implement a response to the incident.</li> <li>✓ The preferred approach for any non-conformities is to develop a Corrective Action Plans to remediate. However there is an ability to terminate the contract of any service provider that breaches Accor's Procurement 21 Charter or ethical sourcing laws.</li> <li>✓ Report all incidents of illegal behaviour to authorities.</li> </ul> |
| <p><b>Non-compliance with workers' rights:</b></p> <ul style="list-style-type: none"> <li>• Deceptive recruitment</li> <li>• Workplace harassment and bullying</li> <li>• Exploiting migrant workers</li> <li>• Forced, bonded and undeclared labour</li> <li>• Underpayment</li> <li>• Excessive working hours</li> </ul> | <ul style="list-style-type: none"> <li>✓ Comply with applicable staff recruitment rules.</li> <li>✓ Treat every employee with respect and dignity.</li> <li>✓ Ensure legally compliant health and safety conditions are in place.</li> <li>✓ Comply with freedom of association legislation.</li> <li>✓ Respect diversity and inclusion and combat all forms of discrimination.</li> <li>✓ Have zero tolerance for degrading workplace practices e.g. corporal punishment, sexual harassment.</li> <li>✓ Refuse to accept the use of forced or bonded labour.</li> <li>✓ Refuse to use clandestine, undocumented or other forms of undeclared labour.</li> <li>✓ Pay employees a regular salary that allows decent living conditions.</li> <li>✓ Ensure staff have adequate rest periods.</li> </ul>   |
| <p><b>Child exploitation:</b></p> <ul style="list-style-type: none"> <li>• Child labour</li> <li>• Child sexual abuse</li> </ul>   | <ul style="list-style-type: none"> <li>✓ Ensure compliance with the minimum age for employment defined in each country's legislation.</li> <li>✓ Confirm that, regardless of the country's legislation, they will never employ children aged under 14 years.</li> <li>✓ Ensure minors are protected from sexual abuse.</li> <li>✓ Ensure premises are not used for procuring children for sexual purposes or for producing, distributing or storing pornographic material involving minors.</li> </ul>   |
| <p><b>Prostitution, pandering and human trafficking</b></p>  | <ul style="list-style-type: none"> <li>✓ Never encourage, organise or profit from the trafficking of human beings, including for sexual exploitation.</li> <li>✓ Ensure no businesses or premises are used for organised prostitution.</li> </ul>  |

## RELEVANT REGULATIONS

Accor Pacific suppliers must comply with these regulations.

- ✓ Principles of the Universal Declaration of Human Rights 1948
- ✓ Basic conventions of the International Labour Organisation
- ✓ Guiding principles of the OECD for multinational enterprises
- ✓ United Nations Global Compact Responsible Procurement Principles
- ✓ Ethical Trading Initiative (ETI) Base Code

## THE IMPACT OF COVID

With the outbreak of COVID-19 across the globe, Accor Pacific needed much more personal protective equipment (PPE) and commercial-grade disinfectant products than usual.

When Accor Pacific was approached by suppliers offering product to support our traditional supply chain, our Procurement team acted fast. However, in doing so it was critical to the team that this be done without compromising the quality of the products or our Procurement Charter 21 commitments. We are pleased to say that all new suppliers were on boarded having been subject to our regular stringent due diligence processes and with commitments to Procurement Charter 21.



## TRAINING AND AWARENESS

### EMPLOYEES

The Ethics and CSR Charter is included in employee induction training, available on staff intranet sites and posted on the Accor Group maintains an online Ethics and CSR awareness and training program that featured modern slavery information in half the modules and reminded staff about Accor's whistle blowing procedures.

### MANAGERS

Our leadership team receives tailored awareness training. We also updated the Letter of Responsibility that General Managers and above receive every year to underline Accor's modern slavery mitigation methods.

### PROCUREMENT TEAM

Accor Pacific's buyers receive special training to reinforce our risk-based supplier management process and the role of ethics and human rights when procuring products and services.

### SUPPLIERS

Accor Pacific has established clear processes for working with suppliers to address modern slavery issues and breaches that included raising their awareness.

### PARTNERS

Accor Pacific works closely with partner brands, franchisees, hotel owners and lessees and hotel managers to disseminate information about our stance on modern slavery.

# Assessing effectiveness

We continually monitor our employees, partners and suppliers to make sure they are respecting Accor's Planet 21 In Action principles.

## SUPPLIER ASSESSMENTS AND AUDITS

**100% OF RISK AND HIGH RISK CATEGORY SUPPLIERS WERE ASSESSED IN 2021**

**100% OF SUPPLIERS HONOURED THEIR CONTRACTUAL CSR CLAUSES**

Accor's supplier risk mitigation strategy is progressive. It applies different controls according to whether the category of products or services falls into our Standard, Risk or High Risk categories. The level of scrutiny increases as the risk rises.

### DIFFERENTIATED RISK

Suppliers in all categories understand that complying with the principles in Accor's Procurement Charter 21 is not negotiable. By signing our purchasing contract, they give us the right to monitor and audit their CSR performance.

### STANDARD CATEGORIES

Suppliers in Standard categories have the lowest risk and lowest level of oversight, and we assess them by exception.

If we hear of a breach of the Charter or their contract, we will conduct an audit or evaluation and work with them to improve their performance.

### RISK CATEGORIES

For suppliers in the Risk categories, Accor Pacific focuses on CSR assessment using a specialist company, EcoVadis. We share the cost with the supplier and the assessment is valid for three years.

Suppliers upload questionnaire answers to an online assessment platform supplied by EcoVadis that monitors and scores their CSR practices, including human rights. The questionnaires cover Accor's four CSR pillars: Social, Environmental, Ethics and Supply Chain. The answers are analysed using three axes: politics, actions and results.

Participation is mandatory and suppliers must supply supporting documentation for their answers before EcoVadis will verify them.

Every supplier receives a scorecard with an analysis of their performance for each CSR pillar and a tailored action plan.

### HIGH RISK CATEGORIES

Suppliers in High Risk categories have the most oversight. As well as using the same risk controls as for the other two categories, Accor Pacific engages third party auditors to carry out an audit every three years. Using external specialists provides Accor and the supplier with an expert, objective viewpoint.

We also audit High Risk suppliers when there are major changes in the supply chain, such as new production facilities, products or sub-contractors.

A supplier can either select and pay for a credible auditor or agree to a Sedex Members' Ethical Trade Audit (SMETA), which Accor Pacific will pay for.

In some circumstance, they can submit recent audit results. The audit must be no more than 18 months old, conform to international CSR standards and have no critical non-conformities.

All audits are carried out at the supplier's major sites (e.g. factory production lines) and, if possible, when Accor products are being produced.

**Standard CATEGORIES**

- Signature of the **Procurement Charter 21**
- Contracts including **CSR Clauses** which guarantee the commitment of the suppliers to conduct evaluations or audits if requested by Accor

**Risk CATEGORIES**

Previous actions +

- **CSR assessment with external verification (based on documentation provided)**
- Action plan and follow-up

**High-risk CATEGORIES**

Previous actions +

- **Social and/or environmental on-site third-party audits**
- Action plan and follow-up

## ASSESSING HOTEL PERFORMANCE

Under the Planet 21 — Acting Here program, Accor monitors all Accor Pacific's owned, leased and managed hotels, as well as our franchised hotels.

Our hotels use Gaia (an online CSR hub for the whole Accor Group) to develop customised action plans, set goals and track their performance.

Once a year, they use the performance information in Gaia to self-evaluate and report the results to us. We check their statements by sampling.

According to their performance, each hotel is awarded a Planet 21 rating. They can use Gaia to help them move up the rating system.

In addition, Accor Group conducts internal audits of corporate offices and Accor Pacific hotels to ensure they are complying with all elements of the Ethics and CSR Charter and to identify and prevent risks.

## SEDEX AND SMETA

Sedex is a leading online platform that helps companies to manage and improve working conditions in global supply chains.

The SMETA (Sedex Members' Ethical Trade Audit) audit methodology provides standardisation and consistency across sectors, industries and geographies. The audit items are determined by the Ethical Trading Initiative (ETI) Base Code and laws in the relevant jurisdiction. The criteria include all aspects of business ethics, workplace rights and human rights.

The key stages of a SMETA audit are: a self-assessment questionnaire; risk assessment and risk audit; continuous improvement; and a follow-up audit to measure improvements.

Accor Pacific uses two SMETA auditors — Intertek and Bureau Veritas.

## PLANET 21 HOTEL RATINGS

Hotels are rated according to their CSR performance at four levels from Bronze to Platinum. Their individual rating is identified on our reservation platform to encourage them to improve.

To achieve an initial Planet 21 status, a hotel must carry out six mandatory actions. They can then choose to implement another 65 actions to earn extra points and climb the Planet 21 rating levels.

For example, to obtain Planet 21 Bronze level, a hotel must teach employees to respect Accor Group's Values and ethical rules and implement Accor's WATCH child protection program. Providing healthy sustainable food is another measure, including serving responsibly produced tea and coffee.



**BRONZE**  
**MANDATORY ACTIONS**



**SILVER**  
**40 POINTS+**



**GOLD**  
**80 POINTS+**



**PLATINUM**  
**110 POINTS+**

# Grievance management and consultation

## REPORTING CONCERNS

Accor Pacific's people are a major defence against the crime of modern slavery. We encourage all our employees, guests and suppliers to be vigilant and report any suspected breaches.

**Employees** can report any concern directly to their manager, the legal department or Compliance Officer. They can also use Accor Pacific's anonymous whistleblowing hotline, which is available online 24/7 in 29 languages.

**Guests** can speak to the hotel manager or contact Accor Pacific's corporate office.

**Suppliers and sub-contractors:** Suppliers must notify the relevant hotel if they are aware of actual or suspected modern slavery activities in their operation or supply chain.

In the Pacific region we encourage everyone to report a potential modern slavery crime to their national police force, which is responsible for investigating suspected cases and accepts anonymous reports.

## MANAGING BREACHES

Under our purchasing contracts, Accor's ethical sourcing concerns must be addressed and eliminated. If we find a supplier (or one of their suppliers) is not complying with the Charter, we will agree on a corrective action plan to remedy the breaches and expect proof that they have addressed our concerns.

If the plan fails and the modern slavery breaches continue, further remediation discussions may need to take place with the supplier and, as a last resort, the relationship with the supplier be terminated.

## POSSIBLE PENALTIES

**Accor Group and Accor Pacific:** Regulatory penalties, fines and common law damages as well as brand damage leading to financial losses.

**Accor executives and employees:** Individually penalised through job termination, fines or imprisonment.

**Business partners:** Regulatory penalties and or contract termination.

**Suppliers:** Financial penalties or contract termination.

## ONGOING CONSULTATION

### WITHIN THE ACCOR GROUP

Modern slavery is an international issue and can only be tackled successfully by a global strategy with uniform goals, priorities and approaches that are executed locally.

Regular consultation between other Accor Pacific business units and Accor corporate headquarters, as well as inter-division consultation across our own network, is therefore a major feature of how Accor Pacific is tackling modern slavery challenges.

By consulting across organisational borders to ensure consistency and share information, we are helping the Accor Group to be more successful at mitigating modern slavery risks.

### WITH OUR BUSINESS PARTNERS

With Accor Pacific's business, brand reputation and performance closely linked to those of our partners, one of our biggest challenges is ensuring every hotel reflects Accor's human rights commitments. Each hotel has a different modern slavery risk profile, according to its location, type of business and the risk profiles of its suppliers.

**To combat these wider risks, we consult regularly with the hotel owners to:**

- extend our workplace, social, societal commitments to them
- emphasise their obligations and ours under the Ethics and CSR Charter and Procurement Charter 21
- involve them in our progress
- share relevant information, data and tools
- raise standards all along the value chain
- make sure Accor's approach reflects their risks and needs
- co-innovate solutions to specific challenges.

### WITH OUR GUESTS

**Accor Pacific uses three types of guest research:**

1. large-scale CSR market research projects conducted by third party experts
2. collecting hotel-level information from online reviews, feedback from our Customer Care call centre and guest satisfaction survey forms
3. inviting feedback through our websites.

Over the years, our research has confirmed that our corporate and leisure guests are increasingly looking for responsible businesses that respect all aspects of CSR, including human rights.



## INDUSTRY LEADERSHIP

Accor is member of many global and local tourism and human rights organisations, including:



**World Tourism Organisation (WTO)**



**United Nations Global Compact**



**Global Compact Network Australia**



**Ethical Training Initiative (ETI)**

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.

## PLANET 21 RESEARCH

Modern slavery is a challenge for our whole industry and needs a concerted effort to beat it. Accor Pacific believes in supporting other hotel and hospitality groups so together we can eliminate it from every operation and supply chain.

Accor Group's Planet 21 Research supports this collaborative approach. It's a free platform for sharing information and best practice around sustainable development in hospitality that anyone in our industry can access.

Accor regularly updates the platform with new data and documents. All our research methodologies are freely available so our peers can conduct their own studies then make the results available to all.

## TRANSPARENCY

Transparent CSR reporting and information is another way to educate and inform the rest of our industry, as well as customers and other stakeholders.

This Accor Pacific Modern Slavery Statement is part of a reporting suite that includes the annual Accor Group Integrated Reports and Universal Registration Documents.

We also publish information about our modern slavery and other human rights activities and approaches on the Accor Group website. Accor Pacific employees provide another information channel for our guests and host communities.

As part of the process, we invite guests and other readers to act responsibly in their own lives.

## SOLIDARITY ACCOR

Solidarity Accor is a global endowment fund established by Accor to help disadvantaged individuals and communities. A leading industry initiative, it has grass roots support from our business partners.

The fund helps to combat modern slavery risks by acting with local communities and empowering them to make changes. For example, we train homeless young people in a hospitality trade so they are no longer prey to sexual predators, and help farmers to become Fair Trade growers so they and their workers are not exploited.

Since 2008, Solidarity Accor has supported approximately 400 projects around the world, directly and indirectly helping 230,000 people to become more independent and less vulnerable.

# Future plans

## CONTINUOUS IMPROVEMENT

*Globally*  
**1,200+** MORE ACCOR HOTELS  
WILL OPEN BEFORE 2025

*Every*  
**33 hrs** ACCOR GROUP OPENS  
A NEW HOTEL

However big we grow, Accor wants to remain the sustainable development benchmark for other hotel groups. One of our biggest challenges is to continue expanding without compromising our Planet 21 commitments.

We want our policies and Charters to be practical, living documents that respond to a changing world. So we are continually assessing and recalibrating our approach as new risks arise and existing risks move up and down the criticality scale. For example, Accor Group's Ethics and CSR risk register is updated every year.

As part of this continuous improvement processes, Accor Pacific's Modern Slavery Policy will be reviewed again in 2021, taking into consideration:

- changing operating conditions
- new laws and regulations
- guest feedback
- stakeholder research.

## FORWARD PLANNING

**90%** OF OUR CUSTOMERS OVERALL  
RATE CSR PERFORMANCE HIGHLY  
WHEN CHOOSING A HOTEL

**70%** OF OUR BUSINESS CUSTOMERS  
HAVE CSR EXPECTATIONS

Modern slavery crosses geographical, social and cultural borders and is deeply entrenched in some societies. As worldwide education and information about the issue increases, and new legislation such as the Modern Slavery Act 2018 helps to raise awareness, customers and employees will expect hotel groups to do more to combat it.

Accor Pacific acknowledges that eliminating modern slavery completely is a long-term goal for our industry that could take decades. In the meantime, we will continue using our direct and influence as a principled business to prevent it in our own operations and supply chain.

We are currently putting together an implementation strategy that includes further training and education, co-innovation projects with our partners and some new supplier initiatives.

We will keep Accor Pacific's investment partners, franchise owners, employees and customers fully involved and engaged as our plans evolve. It is vital they understand what we are doing and why, and the part they can play.

Accor Pacific will continue voluntarily reporting on our regional progress on the Accor website, through printed collateral and in our reporting suite.

## APPROVAL

This Modern Slavery Statement is approved by the AAPC Limited Board.

This statement is made pursuant to section 13(1) of Modern Slavery Act 2018 (Cth). It constitutes the statement of AAPC Limited for the year ended 31 December 2021 and has been approved by the Board of the reporting entity on the 28th June, 2022.



Sarah Derry  
Chief Executive Officer, Accor Pacific

# Compliance table

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Accor Pacific has prepared this Modern Slavery Statement following the seven reporting criteria outlined in the Modern Slavery Act (Cth) 2018.

This table shows the main location of the information for each criterion.

| CRITERIA   | LOCATION OF INFORMATION        |
|--|--------------------------------|
| Identify the reporting entity  | <a href="#">Page 1 (Cover)</a> |
| Describe the structure, operations and supply chains of the reporting entity   | <a href="#">Page 4 -5</a>      |
| Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls                              | <a href="#">Pages 7 - 9</a>    |
| Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes | <a href="#">Pages 10 - 13</a>  |
| Describe how the reporting entity assesses the effectiveness of these actions  | <a href="#">Pages 14 - 15</a>  |
| Describe the process of consultation with any entities the reporting entity owns or controls   | <a href="#">Pages 16 - 17</a>  |
| Provide any other relevant information that the reporting entity considers relevant  | <a href="#">Page 18</a>        |



ACCOR