# MODERN SLAVERY

#### Statement 2024

This Modern Slavery Statement has been produced for AAPC Limited, AAPC Properties Pty Ltd, Saville Hotel Group Pty Ltd and Accor Australia and New Zealand Hospitality Pty Ltd (together referred to as *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 including AAPC Properties Pty Ltd, Saville Hotel Group Pty Ltd and Accor Australia and New Zealand Hospitality Pty Ltd in the Pacific region. These are the only AAPC Limited owned entities which met the reporting threshold requirement under the Modern Slavery Act 2018 (Cth) in 2024. This report has been prepared in consultation with each reporting entity.

This Statement outlines how Accor Pacific acted to reduce modern slavery and human trafficking risks in its operations and supply chains from 1 January 2024 to 31 December 2024.



## Accor Pacific and modern slavery



At Accor, our purpose is to pioneer the art of responsible hospitality by connecting cultures with heartfelt care. Accor has operated in the Pacific for over 30 years and our teams are proud to play a role in supporting human rights in all aspects of our operations and across our supply chains.

Our ongoing vision is to be an inclusive company where our people, our guests, our partners and our communities feel welcome, safe and cared for – a vision that has never been more important.

Across Accor, and in all Pacific workplaces, our Heartist culture is built on the strong foundations of inclusion and authenticity.

We are obsessed with human connection. It is a core pillar in our purpose as an organisation.

Message from the

**CHIEF OPERATING OFFICER** 

As the hospitality leaders in Australia and the Pacific we will never accept Modern Slavery in our business in any form.

Modern slavery will never be tolerated at Accor. We have zero tolerance for modern slavery and any of its associated behaviours in our operations and throughout our supply chains.

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

For us there is no more important goal than to ensure we respect everyone's fundamental human rights to dignity, equality, and freedom.



Adrian Williams
Chief Operating Officer, Accor Pacific



## **GOALS WE MET IN 2024**

- Development of a Hotel Purchasing Guide with detailed guidelines on responsible purchasing.
- Global refresh and roll out of WATCH (We Act Together for Children) training to all employees in the region.
- Ongoing CSR training in all our workspaces.
- ESG Webinars were made available to all supervisory and front line staff in hotels.
- Regular meetings with owners and their representatives outlining Accor's ESG strategies and plans for ongoing improvement in ESG/CSR actions were held throughout the year.



## 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

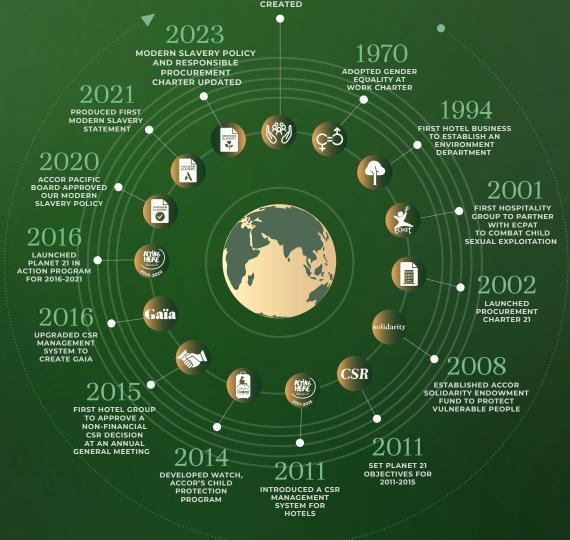


## Accor

#### MAKING A POSITIVE IMPACT FOR 50+ YEARS

2024





# 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 program, digital hospitality solutions, loyalty programs, Accormanaged airport lounges for Qantas and corporate concierge operations for commercial buildings.

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

Accor's operating structures for its hotels involve entry into franchise agreements, management rights schemes (strata hotels), management contracts, leases and ownership.

AAPC Properties Pty Ltd, Saville Hotel Group Pty Ltd and Accor Australia and New Zealand Hospitality Pty Ltd are wholly owned subsidiaries of AAPC Limited. AAPC Limited's ultimate holding company is Accor SA, a listed company in France.



## We are a World-leading Hotel Operator

Across two dedicated divisions



55%\*
EUROPE &
NORTH AFRICA

10%
AMERICAS

108+ HOTELS

31.500+ ROOMS

**LUXURY & LIFESTYLE** 

6% MIDDLE EAST

ASIA PACIFIC Inc CHINA and SOUTHERN AFRICA\*

LUXURY & LIFESTYLE

PREMIUM, MIDSCALE

200+ HOTELS 31,000+ ROOMS

& ECONOMY

3100+ HOTELS

357.000+ ROOMS

PREMIUM, MIDSCALE & ECONOMY

450+ HOTELS 72.000+ ROOMS **LUXURY & LIFESTYLE** 

127+ HOTELS 35,000+ ROOMS

PREMIUM, MIDSCALE & ECONOMY

237+ HOTELS 56.000 ROOMS .....AFRICA

**LUXURY & LIFESTYLE** 

129+ HOTELS 30,000+ ROOMS

PREMIUM, MIDSCALE & ECONOMY

1508+ HOTELS 269,000+ ROOMS

Figures at end June 2024. % Figures = geographic breakdown in nb of rooms.

Accor Pacific Modern Slavery Statement 2024















	BRANDS	COUNTRIES	HOTELS	ROOMS	EMPLOYEES	GUESTS (DAILY)
WORLDWIDE	45+	110	5600+	850,000+	330,000+	630,000+
PACIFIC	18	4	407	64,609	21,000+	31,000+

#### ACCOR PACIFIC BRANDS - LUXURY TO ECONOMY

PEPPERS

**LUXURY AND** LIFESTYLE

SOFITEL

PREMIUM MIDSCALE AND ECONOMY

> NOVOTEL Mercure TRIBE BreakFre@ Handwritten ibis budget ibis QUAY WEST swissôte GRAND MERCURE SEBEL pullman

LOYALTY **PROGRAMS** 

All

ACCORPLUS

#### **ACCOR PACIFIC HOTELS**



62%

**MANAGED** 

33%

**FRANCHISED** 

#### **COMPLEX SUPPLY CHAINS**

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ibis

Art Series

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 Procurement nominated digital ordering system, which supports local and global suppliers for nominated purchases.

Nominated suppliers make up about half of Accor Pacific's purchases.

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

the Hotel Purchasing guide is issued to all hotels and contains policies and procedures to identify modern slavery risk and take the necessary steps to remove them...

#### 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 requiring compliance with human rights legislation as well as requiring compliance with Accor's ESG policies. subject to carve outs for significant capital expendisture under the franchising code.

#### 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 and ESG commitments.

#### **ACCOR PACIFIC'S SUPPLY CHAINS 2024**

75 +

\$525

**PROCUREMENT CATEGORIES** 

**AUD Million** SPENT ON ACCOR PACIFIC PURCHASES

**NOMINATED SUPPLIERS** 



## 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.

Some indicators of modern slavery includes working conditions that condone or ignore underpayment, working excessive hours and subjecting workers to abuse or intimidation to prevent them from leaving.

In other words, modern slavery describes any situation where coercion, threats or deception are used to exploit victims and undermine or deprive them of their 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.



#### **OUR PURPOSE**

Pioneering
the art of
responsible hospitality
connecting cultures
through
heartfelt care.

## Number of people living in modern slavery









Accor Pacific's modern slavery risks are both international and local. Our properties welcome millions of quests from all over the world each year, our industry is labourintensive 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 Sedex **International Labour Organisation 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 Sustainability Department, in order to adapt procurement actions and suppliers monitoring to the categories' level of risk according to 5 criteria:

Annual spend

Australia

Fiii

Hawaii

New Zealand

- Environmental risk
- Human & Labour Rights

- Ethics
- Sustainable Procurement

#### Based on the supplier's associated risk level, a detailed approach is followed:

- required signature and adoption of the Responsible Procurement Charter 2023
- EcoVadis assessment for suppliers at risk levels 2 & 3
- if a supplier does not meet the EcoVadis scoring threshold, an on-site ESG assessment is conducted by a third party

For each action, a visible dashboard and action plan are set-up.

Also, all Procurement contracts with nominated suppliers include Ethical sourcing and the Responsible Procurement Charter Clause which commit suppliers to comply with the Modern Slavery Act, provide deliverables in accordance with the Procurement Charter and provide information reasonably requested to ascertain ethical sourcing obligations.

#### **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, fixed furniture and equipment (FF&E) and outsourced categories.

#### ACCOR PACIFIC **NETWORK**

 Forced or bonded labour Undeclared labour

- Child labour
- Child sexual exploitation
- Prostitution and pandering
- Human trafficking
- Exploiting migrant workers
- Underpayment

**MODERN SLAVERY** 

**RISKS** 

- Deceptive recruitment
- Excessive working hours

#### AT-RISK SECTORS AND **INDUSTRIES IN OUR SUPPLY CHAIN**

- Hotel and office construction
- Hotel and office operations
- Catering
- Horticulture
- Agriculture
- Food processing
- Technology
- Manufacturing

#### ASSESSING AND PRIORITISING RISKS

As part of Accor's Responsible Procurement Charter, Accor Procurement has identified 38 Procurement categories as Risk Level 2 and 26 categories as Risk Level 3 that were ranked from five socio-economic risk criteria:

- 1. how much we spend
- 2. environmental risk
- 3. social, human and & labour rights risk
- 4. ethics
- 5. Sustainable Procurement

To help us manage each category, we apply three levels of risk:

Risk Level 1 (formerly standard categories)

Risk Level 2 (formerly risk categories)

Risk Level 3 (formerly high risk categories)



Chemicals

Guest amenities (in room cosmetic products)

Air-conditioning, ventilation, heating

Audiovisual equipment

Disposable products

Dry goods

Flooring equipment & materials

Hot drinks

Hotel furniture interior + exterior

Access control (locks and safes)

Cleaning equipment (vacuum cleaners, brushes ...)

Composites (pre-made cabins, shower cabins)



Electrical supplies

Electronic office equipment (photocopiers, faxes ...)

Exterior signage

Fire protection, extinguishers, sprinklers, detectors

Interior decoration, pictures

Interior signage, identity badges, etc...

Kitchen equipment and coffee machines

Laundry equipment

Lifts, escalators, automatic doors

Lighting

Maintenance equipment & services

Maintenance supplies (screws, drills, etc)

Minibars, vending machines

Office furniture

Passive security (cctv, portals and fences)

Play areas & sports equipment

Plumbing supplies & sanitary equipment

Shelving & trolleys (except kitchen equipment)

Tableware & light kitchen equipment

Telecommunication equipment

Transport, transit, taxi

Vehicles (rental, maintenance, shuttles)

Warehousing, distribution

Water

Water treatment

Windows and doors



#### 26 CATEGORIES IDENTIFIED AS RISK LEVEL 3

Active security (guards and services)

Beds & mattresses

Branded products with logo

Cleaning contractors

Contractors tradesmen: masonry, earthwork

Laundry dry cleaning

Promotional gifts

Restaurant linen, sheets and towels

Uniforms

Bakery

Carpentry, cupboards, mobile partitions, mirrors

Dairy, eggs, cheese

Fresh fish, crustations & shellfish

Fresh fruit & vegetables

Frozen food multi-family

Meat, poultry, rabbit

Ready-made meals

Temporary labour

Cold meat, sausages

Construction contractors for foundations, excavations, building

Food and non-food distributors

Fresh food multi-family

Pastry & cakes (fresh & frozen), ice cream, sorbet

Snacks & sandwiches

Textiles & materials for furniture, curtain etc

Waste management & recycling

## 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 or 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 APPROACH TO OUTSOURCED LABOUR

#### 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.

Accor provides recommendations and policies around appropriate employment with respect to its hotel operations. However, when dealing with out-sourced labor, it is the out-sourced labor supplier that sets its employment environment.

For example, we require suppliers and prospective franchisees, hotel owners and lessees to be aware of the Accor Ethics and CSR Charter before we sign contracts with them. We also require that the Charter is included in all their relevant contracts and ensure all ethical sourcing requirements are met.

The contracts make suppliers responsible for their sub-contractors' ethical behaviour as well as their own.

Partners providing temporary or subcontracted 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 the Responsible Procurement Charter 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 Directors take steps to make sure global policies are observed in the region and oversees local actions such as Accor Pacific's Modern Slavery Policy.

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

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

#### MODERN SLAVERY POLICY

In 2023 the Modern Slavery Policy was updated and reissued together with a new document "Modern Slavery Guidance for Managed Hotels".

The Purpose of the Modern Slavery Policy is to ensure there is a framework in place which clearly identifies Accor's commitment to ending all forms of modern slavery in its operations and supply chains as part of its wider commitment to being a responsible corporate citizen. The Policy applies to all corporate offices, owned and managed hotels and other relevant businesses. It operates hand in hand with the "Modern Slavery Guidance for Managed Hotels" and Accor Group's CSR and Ethics Charter and Responsible Procurement Charter.

The "Modern Slavery Guidance for Managed Hotels" document is a practical guide for hotel General Managers outlining all of the steps Accor is taking to identify Modern Slavery risk. It outlines all of the key Accor policies and practices, including how to respond to commercial Requests for Proposals where they concern hotel ESG and compliance frameworks. The Guidance document also sets out the actions an employee should take if they have a concern about a compliance, legal or ethical ESG or Modern Slavery related issue in their hotel.

#### 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.



## SOCIAL CARE

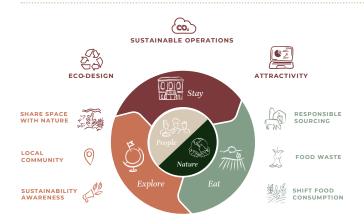
In 2024 the Group set up a new **Social Care and Impact department** to roll out its social and solidarity actions in three areas: shelter and protection, social elevator and volunteering.

These three areas guide our Social Care and Impact journey. With respect to diversity, equity and inclusion (DEI) Accor is committed to fostering an inclusive environment and ensuring fair and equitable opportunities for personal and professional development.

Additionally, with regard to human rights the group works to protect those affected by its activities and ensure fair and dignified working conditions.

In the field of solidarity Accor offers protection and support to vulnerable people while helping them achieve financial independence. The Group also allows women who are victims of violence to seek refuge for a few nights while they await a longer term solution and dedicated support services.

#### ACCOR SUSTAINABILITY FRAMEWORK



#### Accor's Sustainability Strategic Framework

The Accor Group's sustainability strategy launched in 2022 and based on a time horizon of 2030, places social and environmental issues at the heart of its approach and method with a view to making the Group a pioneer and skilled player in responsible hospitality.

This strategy is founded on three priorities aimed at reinventing the hotel for the benefit of customers, owners and the community.

The first priority is reinventing the customers hotel experience. From the creation and design of hotels spaces, the management of hotel operations and the preservation of resources use, to strengthening the attractiveness and performance of hotels through eco labels, the objective is to create a customer experience that factors in our planet's limits. This involves implementing circular economy practices, reducing greenhouse emissions, reducing the use of water resources in all our operations in order to reduce the environmental footprint of our hotels.

The second priority is to reinvent the culinary experience offered by hotels. Our ambition is to help build a sustainable food model by offering new culinary experiences that move towards sustainable agricultural practices.

The third priority is to rethink travel norms and give tourists authentic experiences. This requires aligning the Group's development decisions with its environmental commitments, protecting and observing key biodiversity areas in close collaboration with local communities.

The Group proactively maintains a stakeholder strategy to help advance the environmental and social transition across its entire value chain and beyond.

#### **WORKING WITH SUPPLIERS**

26 RISK LEVEL 3 CATEGORIES

355 NOMINATED SUPPLIER CONTRACTS

43% OF PURCHASING VOLUME HIGH-RISK CATEGORIES

OF PROCUREMENT CONTRACTS INCLUDE ETHICAL SOURCING AND THE RESPONSIBLE PROCUREMENT CHARTER 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 Responsible Procurement Charter helps our Procurement teams to do this.

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











Accor Pacific Modern Slavery Statement 2024

# Accor Pacific Modern Slavery Statement 2024

## What we ask SUPPLIERS TO DO

MODERN SLAVERY RISK	SUPPLIER OBLIGATIONS	MODERN SLAVERY RISK	SUPPLIER OBLIGATIONS	
Overall	<ul> <li>Sign and comply with the Responsible Procurement 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> </ul>	Non-compliance with workers' rights:  Deceptive recruitment  Workplace harassment and bullying  Exploiting migrant workers  Forced, bonded and undeclared labour  Underpayment  Excessive working hours	<ul> <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>	
	<ul> <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 nonconformities 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 Responsible Procurement Charter or ethical sourcing laws.</li> <li>Report all incidents of illegal behaviour to authorities.</li> </ul>	Child exploitation:  Child labour Child sexual abuse	<ul> <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>	
		Prostitution, pandering and human trafficking	<ul> <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>	

#### 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











#### TRAINING AND AWARENESS

#### **EMPLOYEES**

The Ethics and CSR Charter is included in employee induction training and posted on staff intranet sites. The Accor Group also maintains an online Ethics and CSR awareness training program that features modern slavery information in half the modules and reminds 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 Operational Leaders 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.

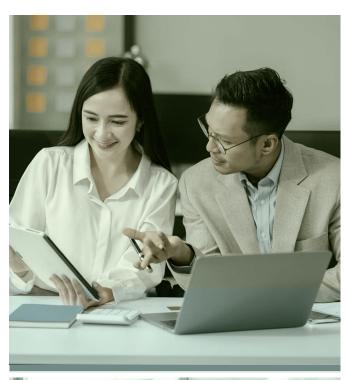
#### **SUPPLIERS**

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 Modern Slavery Policy.

#### SUPPLIER ASSESSMENTS **AND AUDITS**

100%

OF RISK AND HIGH RISK CATEGORY SUPPLIERS WERE **ASSESSED IN 2024** 

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 Responsible Procurement Charter 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.

#### A PROGRESSIVE & DIFFERENTIATED MITIGATION STRATEGY

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.

#### **RISK LEVEL 1**

- Signature of Responsible **Procurement Charter**
- Contracts including ESG Clauses which quarantee the commitment of the suppliers to conduct evaluations or audits if requested by Accor

#### **RISK LEVEL 2**

Previous actions +

- ESG assessment with external verification EcoVadis (based on documentation provided),
- Action plan and follow-up

#### **RISK LEVEL 3**

Previous actions +

If EcoVadis scoring threshold is below 43%: ESG on-site third-party audits

Action plan and follow-up

#### ASSESSING HOTEL PERFORMANCE

Under its Sustainability Framework Accor monitors all Accor Pacific's owned, leased and managed hotels, as well as our franchised hotels.

Our hotels use Gaia 2.0 (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 2.0 to self-evaluate and report the results to us. We check their statements by sampling.

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.

#### HOSPITALITY ALLIANCE FOR RESPONSIBLE PROCUREMENT (HARP)

In October 2023 Accor co founded HARP with four global hotel groups (Marriott, Hilton, IHG and Radisson) two specialized hotel purchasing organisations (Avendra and Entegra) and the sustainability ratings agency EcoVadis. The goal of this sector initiative which brings together companies in the same sector faced with similar challenges in terms of CSR, is to improve the social and environmental performance of the hotel industry supply chain. Decarbonising the supply chain and respecting human rights have collectively been defined as HARP's two priorities for the next two years 2024 and 2025.

## hospitality alliance for responsible procurement

powered by ecovadis

#### **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.

## SUSTAINABLE TOURISM CERTIFICATION

In 2023 Accor globally introduced a new Sustainability Framework. A component of this framework is the requirement that all Hotels globally seek formal external certification from a Sustainable Tourism approved certifier.

We are on track to meet our target that all hotels will be certified by no later than 31 December 2026. As at 31 December 2024 over 55% of our hotels were certified.

Hotels in Australia and Fiji will be certified by Eco Tourism Australia and, in New Zealand the hotels will primarily be certified by Qualmark. The single property in Hawaii has been certified by Green Key.









#### 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. Suppliers are also provided with a copy of Accor Pacific's whistleblowing policy and have access to the whistleblowing procedures.

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.

As AAPC Limited, AAPC Properties Pty Ltd, Saville Hotel Group Pty Ltd and Accor Australia and New Zealand Hospitality Pty Ltd use the same policies and procedures, have the same directors, share the same suppliers and are operated together on a day to day basis, this report provides a single, consolidated description of the actions of all parties to address modern slavery risks.

Regular consultation between other Accor Pacific business units and Accor corporate headquarters, as well as interdivision 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 the Responsible Procurement Charter
- 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:

- large-scale CSR market research projects conducted by third party experts
- 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:

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.

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.

#### **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.

We 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 500+ projects around the world, directly and indirectly helping 240,000 people to become more independent and less vulnerable.







#### **FUTURE PLANS**

#### CONTINUOUS IMPROVEMENT

#### GLOBALLY

1,381+

MORE ACCOR HOTELS OPEN

233,000 +

ROOMS IN THE PIPELINE

Accor seeks to set the sustainable development benchmark for other hotel groups. One of our biggest challenges is to continue expanding without compromising our Sustainability 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 was reviewed again in 2023, taking into consideration:

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

The updated Responsible Procurement Charter was introduced in 2023



#### FORWARD PLANNING

75%

OF CUSTOMERS WANT TO TRAVEL MORE SUSTAINABLY IN THE NEXT 12 MONTHS

60%

OF ACCOR'S GUESTS SAY THEY ARE MORE LIKELY TO BOOK A HOTEL THAT HAS BEEN ECO CERTIFIED BY A THIRD PARTY

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 continue to work towards implementation of strategies that include further training and education, co-innovation projects with our partners and some new supplier initiatives.

We have and will continue to 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 reporting on our regional progress on the Accor website, through printed collateral and in our reporting suite.



#### **APPROVAL**

This statement is made pursuant to section 13 (1) of the Modern Slavery Act 2018 (Cth). It constitutes the statement of AAPC Limited, AAPC Properties Pty Ltd, Saville Hotel Group Pty Ltd and Accor Australia and New Zealand Hospitality Pty Ltd for the year ended 31 December 2024 and was approved by the Boards of the reporting entities in June 2025.

AAPC Limited (ABN 87 009 175 820) Level 23, 1 Bligh St, Sydney NSW 2000

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#### **COMPLIANCE TABLE**

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.

#### MANDATORY CRITERIA

#### LOCATION OF INFORMATION

Identify the reporting entity

Describe the structure, operations and supply chains of the reporting entity

Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

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

Describe how the reporting entity assesses the effectiveness of these actions

Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls

Provide any other relevant information that the reporting entity considers relevant

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