

Slavery and Human Trafficking Statement

This statement, which relates to the financial year ended 31 December 2017, is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the “Act”) and outlines the steps we have taken as an organisation to assess our operations and supply chains and mitigate risks associated with slavery and human trafficking.

Millennium & Copthorne Hotels plc and its subsidiaries (the “Group”, “we”, “us” or “our”) is a global hospitality group that operates across 27 countries and employs approximately 11,600 people. As a responsible Group, we fully support the aims of the Act and are committed to upholding human rights and conducting business ethically and responsibly. As part of these efforts, we believe that slavery and human trafficking have no place in society and have adopted a zero tolerance approach. We are taking steps to ensure that no one is being held in slavery or servitude, or is required to perform forced or compulsory labour, and to prevent others from arranging or facilitating the travel of individuals with a view to exploiting them. We are focusing our efforts in the areas where we believe there to be the greatest risk.

Training and policies

We recognise that training on modern slavery and human trafficking is important to increasing awareness, as well as mitigating risks, within our business and supply chains. By training our workforce, we can ensure our employees understand our values, what they mean, and what is expected of them. In addition, we strive to set out our expectations, as clearly as possible, for how we expect our suppliers and business partners to conduct their operations. Our policies, including our Code of Ethics & Business Conduct, Group Human Rights Policy and Whistleblowing Policy (“Relevant Policies”) underpin our training efforts, and we have a robust governance structure in place to oversee the implementation of and compliance with these policies across our business.

Our Group Human Rights Policy in particular sets out our commitment to certain human rights principles, including those outlined in the United Nations Universal Declaration of Human Rights (as applicable), such as:

- Operating to high ethical standards
- Equal treatment of employees to prevent discrimination
- Ability to work in an environment free of physical, psychological or verbal abuse, the threat of abuse and sexual or other harassment
- Ability of employees to freely chose employment; no forced or bonded labour is permitted
- Working in a healthy and safe environment
- Payment of wages and benefits for a standard working week that meet or exceed the minimum national requirements
- Freedom of association and the right to collective bargaining
- The long-term objective of eliminating child labour globally

We encourage our colleagues to report non-compliance with these Relevant Policies, and we provide for a means of raising concerns and, as appropriate, redress without fear of reprisal. Where our policies are not followed, we may take disciplinary action, up to and including termination of employment, depending on the nature of the infraction. Similarly, if a contractor or supplier fails to act consistently with our expectations or their contractual obligations, this failure may result in termination of their contract or the selection of an alternative provider.

In our previous slavery and human trafficking statements, we set out our intention to review, update and deliver enhanced training on our policies. Progress has been made, and we will continue to undertake these initiatives to ensure our policies and procedures remain relevant and effective, and to raise awareness of them within the organisation and with our suppliers and contractors. As part of these efforts, in 2018 we will be launching an online human rights learning module that will be required to be completed by all relevant employees globally.

Assessing and managing risks

We have in place a risk management framework that helps the Group’s Board of Directors and senior management team identify and assess risks, define our risk appetite, and develop and roll out standardised risk management processes, reporting requirements and other tools to manage risk within the organisation.

The Board of Directors, supported by the Audit & Risk Committee, ultimately is accountable for the Group's risk management control environment. Whilst the Directors provide oversight, a dedicated Group Management Risk Committee—which is chaired by the Group Chief Executive Officer and comprised of regional and functional heads—owns and manages the key risks on a day-to-day basis.

In 2018, our risk management team, supported by consultants from Barnett Waddingham, will be assessing the Group's slavery and human trafficking risks in greater detail. The goal will be to develop an annual questionnaire to better measure the compliance efforts of our regional and functional teams, with a particular focus on the highest risk areas.

Our business and risks in 2018

As previously reported, our Group is geographically diverse and operates under different business models. In some cases, we own and operate the hotels within the Millennium Hotels and Resorts ("MHR") family. In other cases, we or our joint venture partners manage hotels on behalf of third party hotel owners. In several instances, we own hotels which are operated by third parties, such as Hilton and AccorHotels, while in other limited circumstances we franchise our brands for use by third party hotel owners who, in turn, operate their hotels. With each business model, we are able to exercise varying degrees of control over operational policies and procedures and the review and selection of suppliers.

Owned and managed hotels

We are able to exercise the most control where we own and manage hotels, and to an extent, where we manage hotels on behalf of third party owners. In those cases, which account for the majority of MHR hotels, we rely on our Relevant Policies and related training and procedures to help manage the risks of slavery and human trafficking.

Other business models

With regard to our other business models—such as franchising, management of hotels through joint ventures, and ownership of hotels which are managed by third-party operators—we may have very limited control or influence over our business partners and therefore cannot fully dictate operational compliance with our Relevant Policies.

Our supply chain

As a hotel company, we purchase goods and services all over the world, ranging from furniture, fixtures and equipment to operating supplies, food and beverage items, and many types of services, including outsourced cleaning services, maintenance services, consulting services and other similar services. Aside from our contractual rights, we are able to exercise little or no control over the operations of our suppliers.

Due diligence and audits of our supply chain

With regard to our business partners and suppliers, we select such parties carefully and as summarised below, where possible, conduct due diligence on them so that we are comfortable that we are doing business with trusted, known parties. We encourage them to comply with our policies and standards, often raising awareness of our policies as part of our procurement tender processes, for example, or we expect that they will have in place similar such policies. We also endeavour to include contractual clauses that require them to comply with applicable laws and our Group Human Rights Policy. Our approach is to develop long-term relationships with business partners and suppliers whose policies, values and cultures are aligned with our own.

We have standard procurement and supply chain processes which are designed to ensure we select and manage our suppliers appropriately. To support this process we will be implementing a risk based approach to assessing our supply chain and key service providers and suppliers.

We carry out due diligence checks on new suppliers prior to engagement, and we ask that new suppliers confirm that they can adhere to our policies and standards. In Europe, once our suppliers have been selected and engaged, we periodically re-assess them, via a targeted questionnaire, to determine whether there are any increased labour, health and safety, environmental and business integrity risks.

In addition, we continually review our procurement processes and during 2017 we updated our Group Human Rights Policy to include a reporting procedure whereby suppliers can report any breaches of the policy to the following email: supplychain@millenniumhotels.co.uk.

Our employees

Our employees are subject to various checks to ensure they have the right to work in the relevant jurisdictions in which they work and we comply with local laws and regulations in terms of our hiring practices. Where we use external agencies to provide staff, we engage reputable and trusted agencies, which are subject to the same due diligence processes as other suppliers, and require them to have adequate processes and procedures in place in terms of their hiring processes.

We also implement pre-employment background checks and references for key employees and contractors and require our suppliers to operate the same level of checks dependent on the service being provided through contractual obligations.

Looking ahead

We know that our colleagues are passionately committed to hospitality and our vision and values, and we believe that this passion, along with our Relevant Policies and related procedures, will help to reduce the risk of modern slavery and human trafficking within our organisation. However, we are never complacent and are committed to developing our practices further, whilst working collaboratively with our suppliers and contractors to share best practice. In 2018, in addition to the action items highlighted above, we hope to:

- Further develop our procurement processes by requesting more detailed information about our suppliers' approaches to modern slavery and human trafficking, so that we can conduct a better risk assessment and make sure that their approaches are acceptable to us. Institute a corporate social responsibility steering group, comprising of representatives from procurement, legal and risk, human resources, and operations departments. This working group will be tasked with helping to advance our efforts against slavery and human trafficking, together with monitoring the effectiveness of these efforts and reporting on them to our Board of Directors.

We appreciate the co-operation of our employees and other stakeholders. We look forward to hearing any thoughts you may have and sharing our progress with you in the future.

This statement was approved on behalf of the Board of Directors of Millennium & Copthorne Hotels plc on 29 June 2018.

Jennifer Fox
Group Chief Executive Officer