

# The Rezidor Hotel Group Modern Slavery Statement 2016

## ABOUT THE REZIDOR HOTEL GROUP

The Rezidor Hotel Group is one of the most dynamic hotel companies in the world and a member of the Carlson Rezidor Hotel Group. The group features a portfolio of 475 hotels in operation or under development with 104,000 rooms in more than 80 countries in Europe, Middle East and Africa.

The Rezidor Hotel Group is a member of Carlson Rezidor Hotel Group.

## INTRODUCTION

The Rezidor Hotel Group is a company committed to maintaining a high standard of business ethics, honesty and integrity. The following provides an overview of our commitment to human rights and, in particular, to preventing modern slavery.

The Rezidor Hotel Group acknowledges and respects the principles contained in the United Nations Declaration of Human Rights, which are consistent with Rezidor's core values and commitment to be a force for good. Rezidor endeavors to conduct its business operations in a manner that seeks to promote and enhance human rights within its sphere of influence. This commitment is aligned with and supported by its Code of Business Ethics and the principles of the United Nations Global Compact, to which Rezidor is a signatory.

Our aim is to bring a positive benefit to the communities in which we operate through high quality services, economic growth and employment, environmental protection and community involvement.

Our commitment to ethical excellence is our heartbeat, and we are recognized as a trusted global leader when it comes to being a responsible business.

## COMMITMENT TO COMBAT MODERN SLAVERY

At The Rezidor Hotel Group, we operate to high standards of performance and advocate socially and environmentally sustainable business practices. Our aim is to combat and eliminate any form of modern slavery and operate free of slavery; exploitation of children; and forced, bonded and compulsory labor.

Therefore, The Rezidor Hotel Group strives to achieve that:

- Every employee has a worker contract
- No employee is forced to work
- No employee is forced to hand over government issued identification, passports, work permits or bank cards
- No employee is required to pay any worker fees to receive work
- No excessive deductions are made from employees' wages

These expectations include the practices of labor agencies and outsourced labor.

# The Rezidor Hotel Group Modern Slavery Statement 2016

## OUR BUSINESS AND SUPPLY CHAIN

### Team involvement in Combatting modern slavery initiative

Various teams across the organization and geographies are involved in Rezidor's anti-slavery initiatives. The strategy and follow up is coordinated by the corporate Responsible Business department. The central Responsible Business team works closely together with the Procurement team and Human Resources, both centrally and in our geographical areas.

## GUIDING DOCUMENTS: PRINCIPLES AND POLICIES

### Code of Business Ethics

The Company's internal Code of Business Ethics contains rules and guidelines, and serves as a reminder of its policies and commitment to do what is right and ethical for all Rezidor employees.

The Code applies to every person who works for us and every one of our companies. It is distributed to all employees. Additionally, all employees are trained in the Code of Business Ethics, its implications and reporting processes. The training is mandatory for all employees and includes a reference to the Rezidor ethics platform.

### Recognition

Since 2010, Rezidor has been recognized as one of the World's Most Ethical Companies by the Ethisphere Institute, an independent think-tank and center of research promoting best practices in corporate ethics and governance.

### Supplier Code of Conduct

This year, The Rezidor Hotel Group has amended its supplier code of conduct to include obligations for suppliers and the broader business community to take a stand against human trafficking and modern slavery. This Supplier Code of Conduct supplements the Code of Business Ethics.

The Supplier Code of Conduct is signed by all suppliers on Group and Area levels. Going forward, we also plan to roll out the Supplier Code of Conduct to hotel suppliers.

### Responsible Business Policy

Rezidor's ambitious and award-winning Responsible Business program dates back to 2001. The Responsible Business policy covers compliance with all applicable legislation regarding labor, health and safety, human rights and the environment, covers operating free of slavery, exploitation of people, forced, bonded and compulsory labor and strives to follow best practices in each of these areas.

We endeavor to educate and facilitate our employees to make a conscious decision in favor of environmental, ethical and social issues every day in their private and work lives.

# The Rezidor Hotel Group Modern Slavery Statement 2016

## Human Rights

During 2014, Rezidor grouped key human rights and employment principles into two key documents. The Human Rights Policy covers Rezidor's engagement on issues such as ethical business conduct, protection of children's rights, combating human trafficking and protection of the rights of employees. The Employment Principles covers Rezidor's promises to its employees such as non-discrimination, freedom of association and development of talent from within.

A mandatory webinar training and Q&A session was completed to inform all hotel Human Resource teams, General Managers and Responsible Business Coordinators in all hotels. Both policies are made available to all hotels and employees.

The policies complement the Code of Business Ethics and clarify the principles we live and work by in our hotels.

## DUE DILIGENCE OF OPERATIONS

### Audits

Every hotel undergoes an internal audit every two years. Elements of the audit include controlling of background checks for all positions that are handling cash as a part of their role or in other sensitive positions. The background check has to be done by an external company.

Other elements include supplier contract approval, work permits for employees of outsourced companies, reference checks of other partners of the supplier and background checks on outsourced employees in Accounting & Finance, Human Resources, Security, IT, Front Office and Food & Drinks. An outsourced company cannot sub-contract any activities delivered to the hotel without written approval from Rezidor.

### Responsible Recruitment

In 2016, a toolkit was developed, in support of the hotels, to combat modern slavery in operations and outsourced labor. This toolkit includes back-of-house material to increase all employee awareness of modern slavery and support tools for the General Manager and HR team of the hotels. The toolkit has been developed in multiple languages. It functions as guidance to combat modern slavery and provides details on how to engage with employees, how to approach a recruitment agent and what due diligence info to collect. The launch of the toolkit is done in 3 of the 7 geographical areas in Europe, Middle East & Africa. Remaining areas will follow in Q1 2017.

## DUE DILIGENCE OF SUPPLIERS

The Rezidor Hotel Group is committed to combatting modern slavery, educating employees and encouraging its partners and the broader business community to take a stand against human trafficking.

# The Rezidor Hotel Group Modern Slavery Statement 2016

All contracted Rezidor parties shall work within the ethical framework of Rezidor, which places honesty and integrity as valued standards. In addition, we expect our Suppliers to comply with the laws and regulations as well as its supplier agreements applicable to operations in the countries and jurisdictions where they conduct business, or deliver goods and/or services.

These principles are the foundation for the Supplier Code of Conduct and outline the minimum standards that Suppliers to Rezidor are expected to achieve.

The products, services and activities of our Suppliers may impact Rezidor's reputation, affecting our level of trust with other stakeholders. It is, therefore, important that Rezidor Suppliers follow the Supplier Code of Conduct and request the same from their supply chain, including third-party labor agencies.

Additional to the Supplier Code of Conduct, the nominated suppliers to Rezidor are expected to complete the responsible business supplier questionnaire. Results of the questionnaire are used for supplier assessment, evaluation and will be a discussion point for yearly meetings. We are at the beginning of rolling out of the responsible business supplier questionnaire in the new procurement system.

## **Risk Mapping in procurement system**

Risk mapping has been completed to facilitate analysis of supplier performance. The mapping is performed weighting various criteria of spend, risk, impact, likelihood of success. The Rezidor Hotel Group was part of the ITP supply chain working group to develop this rating tool. The next phase of supplier due diligence is to perform a risk mapping analysis of the supply chain. First results of the implementation of the risk mapping tool into the corporate procurement system, and analysis of the responsible business supplier questionnaire, are expected in 2017.

## **TRAINING**

### **Combatting modern slavery training**

As part of the combatting modern slavery toolkit, a training document specifically designed for Hotel HR teams was rolled out to increase awareness on the topic of modern slavery. This training includes elements of recruitment and use of the toolkit.

### **Child protection and anti-trafficking**

Protecting victims of human trafficking is important. Under the leadership of Carlson Rezidor Hotel Group, we take a public stand and work to prevent human trafficking and the exploitation of women and children.

In 2004, Carlson joined and signed the ECPAT Code of Conduct on behalf of our companies. One of our core actions in support of the Code is to ensure all employees are trained in a special Child Protection module. This module is part of our mandatory, classroom-based, Living Responsible Business training. The module includes various case-based scenarios and encourages discussion amongst participants.

# The Rezidor Hotel Group Modern Slavery Statement 2016

## AWARENESS RAISING PROGRAMS

### Best practice in the industry

The Rezidor Hotel group recognizes that combatting modern slavery is not only a business problem, but affects the entire hospitality industry. The Group is a member of the International Tourism Partnership (ITP), which provides a voice for environmental and social responsibility in the industry. In June 2015, Wolfgang M. Neumann, President & CEO of Rezidor, became chairman of ITP. Together with ITP and its partners, we work toward creating best practices on combatting modern slavery and human trafficking.

### Rezidor ethics platform

A cornerstone in the Code of Business Ethics implementation is [www.rezidorethics.com](http://www.rezidorethics.com), a website run by an independent third-party organization. Employees can use this site to find information on our Code of Business Ethics and report concerns anonymously. Any employee with concerns or questions about the Code is encouraged to raise these directly with their supervisor or person of trust in the hotel or regional organization. If this is not possible, the employee can report the issue online. The site and hotline are available in eleven languages for all employees, outsourced employees and agency workers. In 2016 of all whistleblowing cases on independent platform [rezidorethics.com](http://rezidorethics.com), No cases related to modern slavery.

### Violations of our supplier code of conduct

Suppliers are expected comply with the standards of the supplier code of conduct and with all applicable laws and regulations. In cases where modern slavery, human trafficking, exploitation of children, or forced and compulsory labor is discovered in the supply chain, it needs to be reported to Carlson Rezidor without delay on a specific email address.

Rezidor encourages any stakeholder with concerns about the Supplier Code of Conduct and its implementation to discuss this directly with the Supplier.

If the Supplier does not act or respond to the report or concern and is not willing to work on correcting the issue, the Supplier can be subjected to disciplinary actions, including termination as a Rezidor Supplier and/or review by local authorities. However, best practice suggests trying to work with the agency to improve their practice rather than dropping them out of hand. Suppliers are requested to notify their employees, and any sub-contractors related to work for Rezidor, that they may report serious or sensitive concerns or a possible breach of the Supplier Code of Conduct. If Rezidor receives such a report, we will ask the Supplier to comment and, if necessary, we may request an improvement plan to correct the issue.

# The Rezidor Hotel Group Modern Slavery Statement 2016

## FURTHER STEPS

The risk of modern slavery in our operations and in the supply chain are constantly in motion. We will continue to combat modern slavery to minimize and manage the risks and develop better ways to increase visibility in our operations and our supply chain.

The following year, we anticipate:

- Continuing the development of tools available to our hotels to conduct risk evaluations
- Including and updating modern slavery elements in existing manuals, contracts, standards of operation and audits
- Creating a responsible recruitment framework for our hotels
- Continuing to fully implement supplier evaluation of our corporate and high-risk suppliers from a Responsible Business, Human Rights and preventing Modern Slavery perspective

## SIGNED BY BOARD

This annual statement of the full year 2016 and was approved by the Board of the Rezidor Hotel Group.



Wolfgang M. Neumann  
President and CEO