

SLAVERY AND HUMAN TRAFFICKING STATEMENT (2020)

Introduction

This statement is published by Millennium & Copthorne Hotels Limited (“**M&C**” or the “**Company**”), in accordance with section 54(1) of the Modern Slavery Act 2015 (“**Act**”). It reflects the steps taken by M&C to prevent modern slavery and human trafficking in all parts of its business and supply chains across its global operations during the financial year ending 2020.

Our commitment

At M&C, we have continued to increase the depth and breadth of our work on modern slavery in an effort to deepen our understanding of risk and ensure that we have in place effective controls. In an increasingly global marketplace, we recognise modern slavery is a growing issue and that all businesses have a responsibility to understand whether modern slavery and human trafficking is taking place within their businesses and supply chains. This is a responsibility we take seriously and our commitment to our stakeholders is clear: we treat our employees, customers, suppliers and other stakeholders in a fair and transparent manner, and this includes the important role we can play in helping to eradicate it.

Although, the scope of the Modern Slavery Act 2015 is limited to companies carrying on business in the UK with a turnover of at least £36m, as a global organisation, we recognise modern slavery is a global problem. This statement covers all of M&C’s subsidiary companies (the “**Group**”, “**we**”, “**us**” or “**our**”); a full list of those subsidiary companies is published in the Company’s 2020 Annual Report and Accounts, on pages 90 to 99.

We are a global hospitality group that operates in over 25 countries and employs just under 6,000 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 in treating people fairly and have a zero tolerance approach to modern slavery. This year we have continued to focus on training and upskilling our employees, and raising awareness of the issue throughout our organisation and supply chain. We remain vigilant, keep our approach under constant review and adapt it where necessary.

Our business and risks in 2020

As previously reported, in October 2019 M&C was subject to a successful takeover offer by its controlling shareholder City Developments Limited (“**CDL**”), and as a result, ceased operating as a public company. Subsequent to the delisting, M&C has been focussing on integration of the Group within CDL.

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, 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, and our business models did not change materially in 2020.

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 Code of Ethics & Business Conduct, Group Human Rights Policy and Whistleblowing Policy (“**Relevant Policies**”) together with related training and procedures to help manage the risks of slavery and human trafficking. 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. This is already in place in all of our vendor contracts placed in Singapore. Our approach is to develop long-term relationships with business partners and suppliers whose policies, values and cultures are aligned with our own.

Our employees: In the UK and elsewhere, our human resource processes ensure that those recruited have appropriate approvals to work. Where we use external agencies to provide staff, these agencies are subject to the same procurement due diligence processes as any other supplier, and where we seek temporary labour, this is sourced via a managed service provider that, in the UK at least, is subject to their own obligations under the Act. Where M&C operates outside of the UK, we comply with local rules and regulations to ensure that our employees have the right to work in these countries.

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.

With the successful delisting of the Company in October 2019, the Company became a wholly-owned subsidiary of CDL. Whilst M&C’s Board of Directors retains overall responsibility and accountability for the effectiveness of the risk management framework and internal control systems of the Group, with support of the management team, CDL’s Board of Directors oversees the risk management framework and internal control systems of the wider CDL group, including the Company.

To ensure that all suppliers meet our high standards and to mitigate modern slavery risks that exists within our business and supply chain, as previously reported, we have revised our standard contractual terms and conditions to require all suppliers, and each of their sub-contractors, to comply

with the Act. We also seek to have standardised procurement processes designed to ensure we select and manage our suppliers appropriately. Our suppliers generally are segmented based on multiple factors including value, spend and risk exposures, and our supporting assessment processes provide a level of assurance and oversight over those suppliers and the services provided. Over the course of the next few years, we will continue to refresh the risk assessment of our supply chain, focusing on the key services and products as a starting point. We will adopt a risk-based approach that will take into account many factors, including the geographical location from which services and products are provided, the number of links in the supply chain, whether our suppliers use of migrant or temporary labour and the nature of the goods or services being supplied. We will use the results of this refreshed assessment to categorise key direct suppliers and identify potential areas of focus within our supplier base. We will examine both our existing suppliers and the due diligence and on-boarding process for new suppliers will be enhanced as well.

Due to the complex and global nature of our supply chain, one robust step that was implemented in the US region by the Company in 2019 was to use Hilton Supply Chain for management of preferred suppliers, mainly for food produce. Under Hilton's Responsible Sourcing Policy, suppliers agree to upload the highest ethical standards and to abide by employment and human rights laws. We believe this makes good business sense given Hilton's reputation as a responsible hospitality company, their deep resources and stringent controls and the breadth of experience of the Hilton procurement team. We will continue to utilise Hilton Supply Management even for our hotels in the region that are not managed by or franchised with Hilton. The affiliation with Hilton Supply Management is working successfully and we are considering whether this business model will work elsewhere in the Group.

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 chain. 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 Relevant Policies which includes our Code of Ethics & Business Conduct, Group Human Rights Policy and Whistleblowing Policy 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. As part of the continuing efforts in this area, our online compliance programme provides training on human trafficking and slavery to build awareness of possible risks in this area. This training will continue in 2021 and we will report on the progress made in our next statement. More broadly, through our Group Human Rights Policy, we aim to promote wider awareness amongst our employees of human rights risks in 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. The Group has elected to participate in CDL's group-wide whistleblowing programme. This allows employees to raise serious matters of concern—via email or a dedicated whistleblowing hotline—through an independent channel, being CDL's Internal Audit function. This programme is, in turn, overseen by the Audit & Risk Committee of CDL.

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.

Coronavirus (Covid-19) Pandemic

The hospitality industry has been severely impacted by the Covid-19 pandemic with our hotel business experiencing unprecedented reductions in both revenue and occupancy. Despite the change in focus and priorities, the Group has ensured modern slavery and associated risks remain a priority with established processes and procedures remaining in place throughout this difficult period.

Whilst many of our employees were furloughed during periods of lockdown, or when no work was available, the Company has ensured that potential risks have been mitigated and those who remained working throughout the pandemic ensured that policy and process was consistently managed and monitored

2021 and beyond

Owing to the Covid-19 pandemic, and the severe impact upon the hospitality industry, we were unable to complete all of our planned actions. In 2021-2022, our business continues to be disrupted, nevertheless, we understand that modern slavery is a pervasive and complex issue which cannot be eliminated with a static policy. For this reason we will continue to assess and build upon our existing efforts to eliminate modern slavery and trafficking. In accordance with Government guidance, we will look at ways to quantify the effectiveness of our approach to minimising these risks.

Should you have any concerns or comments, please email us at supplychain@millenniumhotels.co.uk. 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 Limited on 28 June 2021.

Kwek Eik Sheng
Director