

TFE Hotels Modern Slavery Statement 2021

Introduction & Reporting Entities

This modern slavery statement (**statement**) is made by Toga Hotel Management Holdings Pty Limited ACN 162 986 352 (**Toga Hotel Management Holdings**), being the parent company of the TFE Hotels group of companies (**TFE Hotels**), pursuant to the *Modern Slavery Act 2018* (Cth) (**Act**) for the financial year 1 July 2020 to 30 June 2021 (**reporting period**).

Toga Hotel Management Holdings is a reporting entity pursuant to section 5 of the Act.

One company within TFE Hotels is Medina Property Services Pty Limited ACN 062 326 176, a wholly owned subsidiary of Toga Hotel Management Holdings. Pursuant to section 5 of the Act, Medina Property Services Pty Ltd is itself a reporting entity. Toga Hotel Management Holdings is submitting this statement pursuant to section 14 of the Act as a joint statement on behalf of both itself and Medina Property Services Pty Ltd.

The purpose of this statement is to outline TFE Hotels' approach to minimising the risk of modern slavery in our business operations and supply chains. This statement sets out the actions taken by TFE Hotels during the reporting period to reduce the risk of modern slavery practices in our business operations and supply chains, and outlines how TFE Hotels intends to continually improve its processes in future years.

TFE Hotels does not tolerate any form of modern slavery including human trafficking, slavery, servitude, forced or child labour, debt bondage, forced marriage or exploitation. TFE Hotels is committed to reducing the risks of modern slavery in our business operations and supply chains, and to responding to incidents if they occur.

TFE Hotels' response to modern slavery risk assessment and mitigation across our group of companies is managed by the TFE Hotels procurement leadership team, supported by the Group General Counsel, and is reported to the Board.

Our structure and operations

TFE Hotels is an international hotel group, headquartered in Australia, with operations in Australia, New Zealand and Europe (Germany, Denmark and Hungary). TFE Hotels was formed in 2013 as a joint venture between Toga Pty Ltd and Singapore's Far East Orchard Limited, which is controlled by the privately owned Far East Organisation. TFE Hotels is now one of the largest hospitality management providers in Australia with almost 60 years of hotel ownership, management and development experience.

TFE Hotels comprises a range of entities which contributed to its annual consolidated revenue as at 30 June 2021. The key entities comprising TFE Hotels include:

- Toga Hotel Management Holdings Pty Limited ACN 162 986 352 – parent entity of TFE Hotels;
- Medina Property Services Pty Limited ACN 062 326 176 – hotel operating and employment entity;
- Value Lodging Pty Ltd ACN 112 089 782 – hotel operating entity;
- Vibe Hotel Services Pty Ltd ACN 105 802 757 – hotel operating entity;
- Toga Hotels (Employment) Pty Limited ACN 163 576 172 – employment entity;
- Toga Hotels (Employment) No 2 Pty Limited ACN 165 269 287 – employment entity;
- Toga Hotel Property Investments No 2 Pty Limited ACN 167 314 865 – hotel owning entity; and
- Toga Hotel Property Investments No 3 Pty Limited ACN 169 845 274 – hotel owning entity.

TFE Hotels operates 76 hotels across Australia, New Zealand and Europe, with more than 15 hotels in its development pipeline. It has a portfolio of five established hotel brands - Adina, Vibe, Travelodge, Rendezvous, Quincy – as well as the Collection by TFE Hotels portfolio, as follows:

- Adina Apartment Hotels in 32 locations in Australia, New Zealand and Europe
Other locations coming soon include Cologne, Vienna, Fremantle, and Munich
- A by Adina in 2 locations in Australia
- Adina Serviced Apartments in 4 locations in Australia
- Vibe Hotels in 10 locations in Australia
- Quincy Hotels in 1 location in Australia
- Travelodge Hotels in 18 locations in Australia and New Zealand
- Rendezvous Hotels in 5 locations in Australia and New Zealand
- Collection by TFE Hotels includes The Calile Hotel in Brisbane, Hotel Kurrajong in Canberra, The Savoy Hotel on Little Collins in Melbourne and The Hotel Britomart in Auckland

TFE Hotels employs 1,872 staff across its hotel and head office operations in Australia, New Zealand and the EU in a mix of permanent, part time and casual roles. TFE Hotels' team members are employed pursuant to applicable workplace and immigration laws.

Our supply chains

TFE Hotels' business involves the following primary supply chains:

- Procurement of goods and services for hotels, including:
 - Housekeeping / cleaning providers
 - Laundry and linen providers
 - Food and produce providers including dry/chilled/frozen food distribution, fruit, vegetables and meat
 - Team member uniforms
 - Guest amenities including mini bar items
 - Alcohol providers
 - Security services
 - Waste removal services
- Corporate/business partners, including online travel agents, preferred accommodation partners and sponsorship arrangements
- Information technology infrastructure and services
- Professional services including legal, tax, accounting, audit and insurance providers
- Outsourced offshore services such as accounts payable, treasury and IT support services

Modern slavery risks in our operations, supply chains and controlled subsidiaries

TFE Hotels continues to predominantly deal with Australian based suppliers, with the majority of TFE Hotels' operations based in Australia. The TFE Hotels' operations overseas are in countries that are generally known to have low modern slavery risks with good employee working conditions, governance and rule of law including New Zealand, Germany, Denmark and Hungary.

Notwithstanding the above, the hospitality industry has been identified as a high-risk industry due to the prevalence of migrant labour and labour hire agencies within its outsourced workforces, including housekeeping, maintenance and security. As a consequence of the ongoing impacts of COVID-19, however, there has been a substantial shortage of migrant labour in Australia, and TFE Hotels' risk exposure to potential modern slavery practices within its supply chain for the reporting period was reduced as a result.

TFE Hotels also outsources certain components of its operations offshore to India, including accounts payable, treasury and IT support, which is acknowledged by the Global Slavery Index to be a high-risk jurisdiction for modern slavery. However, we believe our mitigation processes set out in this statement combat this risk.

In this reporting period, TFE Hotels re-assessed its operations and supply chains to reconfirm areas of modern slavery risks identified during its first reporting period. From this assessment, we have confirmed the following areas in our operations and supply chains remain particularly at risk of modern slavery practices:

- **Housekeeping / cleaning providers**

This category is outsourced and there are potential risks associated with:

- Low skilled workers
- Temporary, casual and part-time workers
- Overseas student workers

- **Distribution of consumable goods**

Most of these items are imported by the distributors we work with, and there are therefore potential risks associated with:

- Child labour at the originating location
- Compliance with local labour laws
- Non-ethical sourcing

- **Laundry & linen providers**

We have identified potential risks associated with:

- Low skilled workers
- Temporary, casual and part-time workers
- Non-ethical sourcing of linen

- **Supply of uniforms**

We have identified potential risks associated with:

- Overseas manufacturing in low-cost countries
- Non-ethical sourcing
- Child labour at the originating location
- Compliance with local labour laws

- **Dry/Chilled/Frozen Food distribution – Fruit & Vegetables/Meat**

We have identified potential risks associated with:

- Low skilled workers
- Temporary, casual and part-time workers
- Overseas student workers

- **Outsourced offshore services - India**

We have identified potential risks associated with:

- Compliance with local labour laws
- Instances of forced labour

Actions taken to assess and address those modern slavery risks, including due diligence and remediation

In FY21, TFE Hotels has continued to mature its processes across its suppliers and contractors to protect vulnerable workers from the impacts of the pandemic and to integrate modern slavery risk mitigation into our operations. This includes a requirement for suppliers to:

- Annually provide a Modern Slavery Statement detailing the steps they have taken to minimise modern slavery practices within their own supply chains, including a COVID-19 response;
- Obtain independent certification from an external auditor if they are located overseas and deemed high risk due to the location or products they supply; and
- Produce a remediation plan if TFE Hotels raises concerns with the contents of a supplier's Modern Slavery Statement and/or independent certification.

TFE Hotels also continues to evolve its supplier agreements to impose contractual obligations on its suppliers to:

- comply with the *Modern Slavery Act 2018* (Cth);
- take all reasonable steps to ensure that there is no modern slavery in its supply chain;
- maintain in place policies and procedures to meet its requirements under all applicable laws relating to anti-bribery, anti-corruption and modern slavery; and
- maintain a complete set of records to trace the supply chain of all goods and services provided by the supplier and its subcontractors to TFE Hotels.

Supplier agreements containing the above requirements have been provided to and signed by all suppliers in the above identified higher risk categories. During this reporting period, we were pleased to note that all identified "higher risk" suppliers proactively produced their own modern slavery statements and external audits (where applicable) to TFE Hotels.

Once again, COVID-19 has unfortunately suspended our on site auditing as part of our supplier due diligence processes. It is intended that due diligence audits will be conducted for all new suppliers consistently moving forward once international borders are re-opened. In the meantime, we continue to require external audits for overseas based suppliers located in high-risk jurisdictions.

Finally, TFE Hotels continues to assess the efficacy of its various policies and frameworks. These policies include the following:

- **Code of Business Conduct and Ethics**
- **Whistleblowing Policy**
 - supports and reflects TFE Hotels' values and code of conduct
 - sets out procedures and avenues available to report unethical, corrupt, illegal or otherwise inappropriate conduct, as well as potential breaches in relation to modern slavery
 - ensures disclosures of wrongdoing are dealt with appropriately and promptly
- **Procurement Policy**
 - Team members making commercial commitments on TFE Hotels' behalf must:
 - seek to reduce adverse social and environmental impacts from the supply chain; and

- take reasonable steps to ensure that people in the supply chain are treated with respect, have adequate working conditions, and work in a safe and healthy environment
- **Contractors and Subcontractors Policy:**
 - outlines policies regarding performance on human rights, health & safety and environmental issues when engaging contractors, and applies TFE Hotels policies to its contractors (including suppliers)
 - requires all contractors and subcontractors to comply with applicable Australian and international laws regarding employment practices and benefits, anti-discrimination and work, health and safety
 - requires contractors to ensure that they do not, and that their supply chain does not, engage in any 'modern slavery' practices including forced labour, exploitation, debt bondage and deceptive recruiting for labour or services
- **Work, Health and Safety Policy**
 - implements and maintains mandatory safe working conditions for all team members and contractors
- **Bullying, Discrimination and Harassment**
 - prohibits workplace bullying, harassment or discrimination in any form
- **Recruitment and Selection**
 - ensures TFE Hotels' recruitment and selection processes encourage equal employment opportunity and diversity
- **Anti-Corruption, Bribery and Political Donations Policy**
 - prohibits any activities associated with corruption or bribery, and setting clear criteria for permissible political donations

The commitments made in these policies apply to all employees of TFE Hotels and our consultants, contractors, suppliers and their employees.

Assessing the effectiveness of our actions

Whilst the impact of COVID-19 continues to have grave consequences on the supply chains traditionally associated with the hospitality industry, it has also provided TFE Hotels with the opportunity to re-assess its supply chain to ensure the processes it has put in place to combat modern slavery are effective.

As the industry hopefully recovers and international borders re-open to once again expand the reach of TFE Hotels' supply chain, we will continue to focus our attention on understanding what we can do both as a company as well as an industry to improve our processes moving forward.

No instances of modern slavery have been identified in TFE Hotels' operations or supply chains to date. Where TFE Hotels has identified areas of potential future risks, mitigation plans are required to be submitted by the relevant suppliers, failing which they will be removed from the supply chain.

The TFE Hotels procurement leadership team, supported by the Group General Counsel, will continue to monitor and assess our actions to address modern slavery risks and take necessary action in response to risks that are identified.

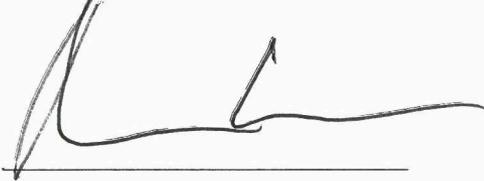
Our consultation process with subsidiaries in preparing this statement

TFE Hotels maintains one consistent leadership team across each of its subsidiaries, including the reporting entities listed above. There is, therefore, one management team responsible for coordinating TFE Hotels' response

to modern slavery risks in its operations and supply chains. The preparation of this statement and all actions referred to in it have been managed by the TFE Hotels' procurement leadership team, supported by the Group General Counsel.

Approval

In accordance with section 14 of the Act, this statement was approved by the Board of Toga Hotel Management Holdings Pty Limited on 26 October 2021.



Allan Vidor AM, Chairman of TFE Hotels

Signed 27 October 2021