



Dalata Hotel Group
Modern Slavery
Policy and
Statement 2021



DALATA
HOTEL GROUP

Modern Slavery Policy and Statement 2021

Dalata Hotel Group plc is publishing this policy and statement in compliance with Section 54 of the UK Modern Slavery Act 2015.

This statement is made for the financial year ending 2021. It provides details on our overall policy and the steps we are taking to manage the potential risks to our business of modern slavery and human trafficking.

Group Policy

The Group strives to act ethically with integrity, honesty, and professionalism in all aspects of our business. Modern slavery is a crime and is defined by the Modern Slavery Act as "slavery, servitude and forced or compulsory labour" and "human trafficking".

Our policy is that Dalata Hotel Group plc adopts a zero-tolerance approach to modern slavery and human trafficking. We are committed to ensuring that these practices do not exist within our business or supply chains. The Board and Audit & Risk Committee oversee our risks and policies in this area.

We encourage all employees to report any suspected wrongdoing in this area through established confidential reporting channels.

Organisational Structure

Dalata Hotel Group plc is Ireland's largest hotel operator. As of May 2022, we operate 48 hotels (31 in the Republic of Ireland, 16 in the UK and Northern Ireland and one in Germany). We own or lease all our hotels except for three operated under management agreements with the hotel owners. Dalata's Central Office is located in Dublin, Ireland.

We operate leading hotel brands, Clayton Hotels, Maldron Hotels, The Gibson Hotel and The Samuel Hotel. All our hotels offer a full service, including bedrooms, food and beverage, and meeting and events facilities. Some have more extensive guest services, conference facilities, or leisure facilities, depending on hotel location, guest expectations, and market positioning.

We employ over 5,000 staff across the Group.

Responsibility

We recognise that although slavery, servitude, forced labour, and human trafficking are illegal, it remains an issue in the UK and Ireland. In an increasingly global marketplace, we also recognise that all businesses have a responsibility to understand what amounts to modern slavery and human trafficking and where they might arise. Companies are responsible for identifying these practices either in their operations or in their supply chains, and we take that responsibility seriously at Dalata Hotel Group plc.

We are committed to making meaningful, long-term improvements to workers' employment and workplace conditions. This includes, but is not limited to, the prevention of forced, bonded, and trafficked labour. We do this through our policies and governance, which are supported by a committed organisation and our leadership. We believe that we have a strong and ethical workplace culture at Dalata, which flows from Central Office to the hotels, and this assists us in achieving these improvements.

We also recognise that the hospitality industry can be at a higher risk of exposure to modern slavery for the following reasons:

- having a high percentage of staff who are from overseas;
- having a transient workforce;
- having a diverse supply chain

We operate a group-wide confidential disclosure policy, and all employees are encouraged to report any wrongdoing through this process.

The Chief Operating Officer has group-wide operational responsibility for promoting modern slavery policies. Executive management and hotel General Managers are responsible for implementing these policies in their specific business areas.

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Our Supply Chains

We have analysed our key relevant supply chains in the following way:

A. PURCHASING SUPPLY CHAIN

Our purchasing supply chain is comprised of the following elements:

- Food and beverage for resale to our guests
- Furniture, fixtures, and equipment for use in our hotels
- Hotel supplies not for resale (such as linen, stationery, etc.)
- Hotel service agreements, covering areas such as maintenance and health and safety

The Group has a Procurement Department based in Central Office, which oversees our contractual arrangements with suppliers. We aim to use only market-leading suppliers for our main products, and a formal tendering and selection process is concluded for product groups. At some hotels, local suppliers are used, and Central Office also approves these.

Additional oversight is provided by the management responsible for the procurement area. It is standard procedure to have written contractual relationships with all of our suppliers.

B. RECRUITMENT SUPPLY CHAIN

We aim to recruit our employees directly, and the vast majority of people working at our hotels are employed directly by us. There are dedicated HR Managers in each hotel, and formal policies, procedures, and approval structures are in place for recruitment. Our recruitment and employment policies are designed to ensure, as far as possible, that the business is not exposed to the fraudulent recruitment of employees or the exploitation of workers in our hotels.

We use recruitment agencies only in limited circumstances, e.g., when recruiting for a specific professional role or a particular business need. We have a small number of independent agents working for the Group. These independent agents tend to be IT consultants (working centrally) or personal trainers (based in the gym facilities at our hotels). We enter contracts directly with all independent agents.

In the UK, we use a third-party agency for the provision of housekeeping services at our UK hotels. This is typical market practice. This arrangement operates under a formal contract, which includes a "right to audit" clause. We also use, on an ad-hoc basis, other agencies to provide us with workers for specific circumstances in our hotels, such as when catering for large events.

C. DEVELOPMENT SUPPLY CHAIN

We contract with third parties for the construction of new hotels or extensions to existing hotels. Contractors are selected following a tender process and with Board approval.

In some cases, we contract to manage a new hotel for a developer/owner, who then undertakes the appointment of the building contractor.

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2021 Review & Next Steps

In 2021, we updated our risk assessment in relation to modern slavery, which was considered by the Audit & Risk Committee. Responsible labour practices, modern slavery and human rights are now included in our ESG framework, established during the year.

In 2022, we plan to undertake an additional assessment of our supply chain, particularly third-party agencies and our main suppliers. This assessment will include compliance with Dalata's supplier code of conduct and how our suppliers manage their modern slavery risks.

BOARD APPROVAL

The Board of Dalata Hotel Group approved this statement on 23 May 2022.

Dermot Crowley

Dermot Crowley

CEO, Dalata Hotel Group plc

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