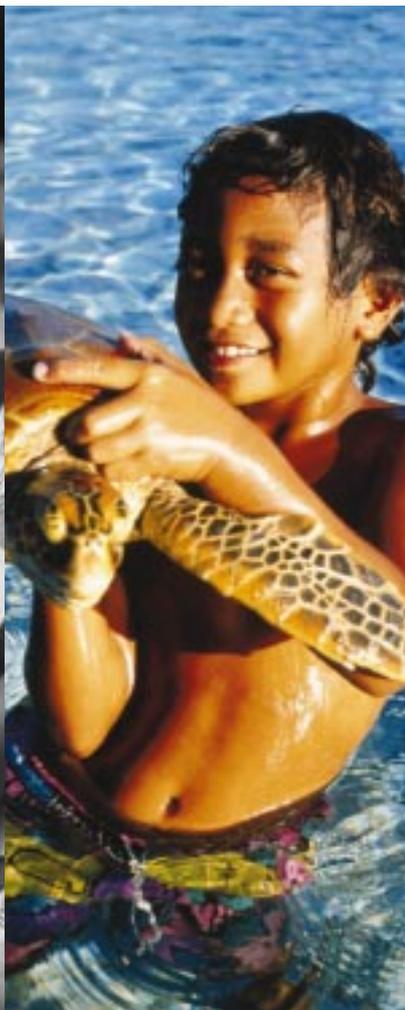
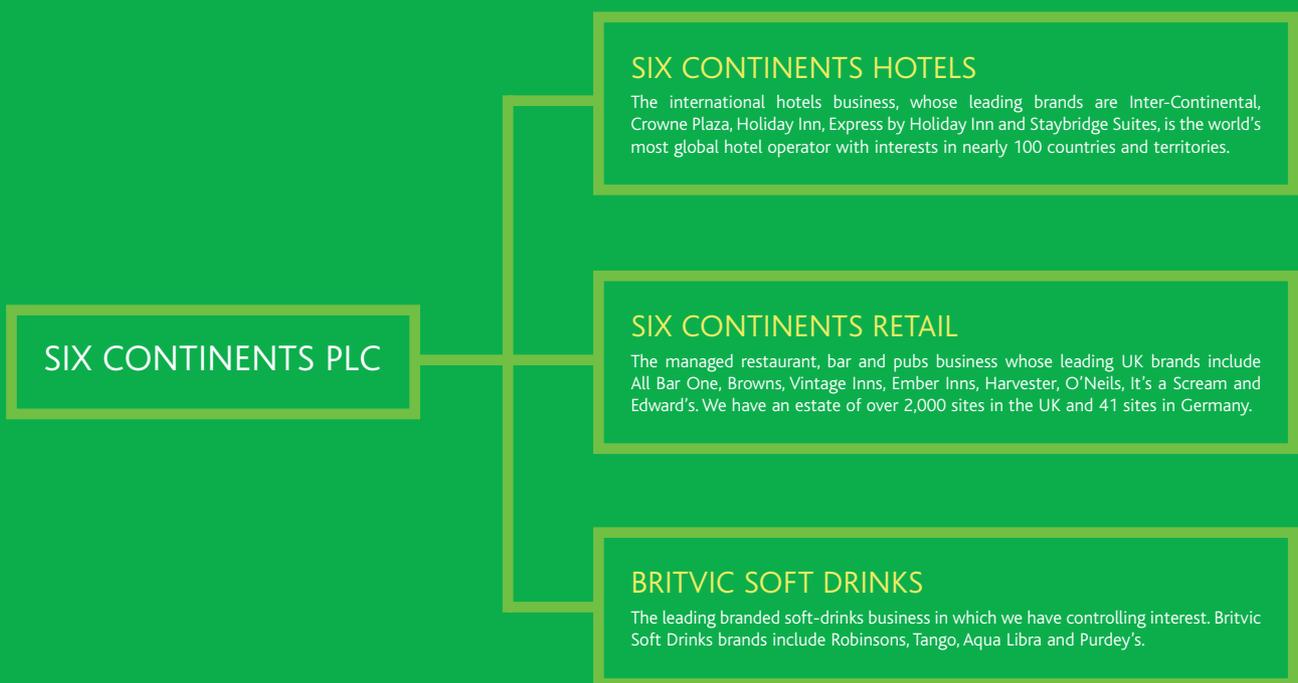


ENVIRONMENTAL AND SOCIAL REPORT 2002



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WELCOME





Tim Clarke
Chief Executive

This year for the first time we are extending the coverage of our annual environmental update to include information on our social policies and community involvement. This expansion in the scope of the report is a natural step forward for us. We value our responsibilities as global corporate citizens.

We take regular account of social, environmental and ethical matters seeking to embed good practice into our business strategies and operations. We benchmark externally with initiatives like FTSE4Good and the Dow Jones Sustainability Index to measure achievements, identify shortcomings and take appropriate corrective action. Our corporate values include 'Behaving with integrity', 'Valuing and trusting our people' and 'Respecting our communities'. These are enshrined in a 'Code of Business Conduct' to guide all employees and to ensure that they act with integrity and impartiality.

We deliver global services to nearly 100 countries and territories with many different languages, ethnic and religious bases. We reflect this diversity in our values and in the international quality of our services. We provide staff training at all levels to motivate our multi-cultural employees, and offer opportunities for career development.

We work actively to retain 'Investors in People' accreditation. We are committed to a policy of non-discrimination and we champion diversity throughout the Group. We are members of Business in the Community's 'Opportunity Now' initiative to improve opportunities for women, the Employers Forum on Disability and the Parents at Work Scheme.

The Group Company Secretary has responsibility for Human Rights issues across the Group, and wherever we operate we

comply with local labour laws. We make no party political donations, but engage with the government of the day on the issues of importance to our business. We consult stakeholders about our community affairs and environmental programmes.

Our business touches local communities the world over and successful interaction with the community is vital to our success. We respect the cultures of our guests and the rights of our employees. We promote the exchange of ideas between employees and management, encouraging constructive dialogue through a range of communication systems. Our environmental performance is reported annually.

Our hotels continue to make significant savings in the consumption of energy, detergents and water, and win international conservation awards. Our restaurants, pubs and bars are involved in projects to recycle glass and sponsor schemes to protect and enhance 200 green spaces and wildlife sites. They are involved in many other initiatives, supporting local charities and community activity.

This year we contributed £1.5 million to charities including contributions to partnerships with UNICEF, and Victim Support as part of a long-term commitment to return a percentage of profits back to the communities in which we operate. A further US\$ 1 million has been pledged to the American Red Cross and September 11 fund. Our performance is benchmarked using the Business in the Community PerCent Club guidelines.

Tim Clarke
Chief Executive

"Our aim to deliver excellent returns to our shareholders is inextricably linked to how we act as a company."

ENVIRONMENT POLICY

The Six Continents' Environmental Policy (see page 16) reflects our position as the most international hotel company in the world. Being a global, service-led business, operating in numerous locations, we recognise that a prescriptive environmental management system is not the best way to ensure that good environmental practice is embedded into our business strategies and operations.

Our stakeholders are now drawn from the local, national and international communities. Six Continents believes that the needs of its national and international stakeholders are

best addressed at corporate level, whilst the needs of our local stakeholder community are often best met at local or regional level.

Six Continents is committed to communicate its environmental development through the most appropriate means. On a regular basis we will publish an annual Group Environmental and Social Report and a Group quarterly newsletter *Our Planet*. Operating companies will also continue to communicate progress internally through their local arrangements.

ENVIRONMENTAL WORKING GROUP

The Six Continents senior environmental team (the Environmental Working Group, or EWG) provides the corporate environmental vision and then ensures sufficient resources and information are made available for operating

companies to realise that vision. Progress is monitored on a quarterly basis at scheduled EWG meetings which are chaired by the Group Company Secretary.

STRATEGIC BUSINESS COMMITTEE

In July 2001, our Group name was changed to Six Continents PLC (as a consequence of the sale of Bass Brewers in August 2000). Six Continents PLC's strategy aims to create long-term sustainable growth in shareholder value through developing and strengthening the leading brands within its core businesses of high-growth international hotels and high-return restaurants and pubs. This strategy is

reflected in the purchase of the 79 Posthouse hotels in April 2001. Our environmental impacts are now primarily those associated with hotel and leisure retailing.

The Strategic Business Committee, headed by the Chairman of the Board, gives regular executive policy guidance to the Environmental Working Group.

The Strategic Business Committee (from left to right): Karim Naffah, Strategy Director; Richard North, Group Finance Director; Sir Ian Prosser, Chairman; Tim Clarke, Chief Executive; Tom Oliver, Chairman and CEO of Six Continents Hotels; and Richard Winter, Group Company Secretary and General Counsel.



When *The Environment Matters* was last updated in 2000, the Group was undergoing significant change in terms of structure and business. To reflect this period of uncertainty, last year's annual Environmental Report highlighted a series of 'proposals for progress' rather than setting prescriptive targets. Those

proposals have been reviewed and are reflected in the new Six Continents PLC Group Environmental Policy and our targets for 2002 (see below). The following tables summarise the key environmental impacts of our operating companies during the past 12 months.

PERFORMANCE AGAINST TARGETS

Energy:		CO₂:	
Six Continents Hotels:	\$65,203,439	Britvic Soft Drinks:	12,719,000 kg
Six Continents Retail:	452,454,053 kWh (electricity); 370,543,696 kWh (gas)		(12.72 kg/000 product litre)
Britvic Soft Drinks:	84,757,000 kWh (116 kWh/000 product litre)	Solid Waste:	
Water Consumption:		Six Continents Hotels:	\$4,273,229
Six Continents Hotels:	\$15,959,492	Six Continents Retail:	43,902 tonnes
Six Continents Retail:	3,500,000 m ³	Britvic Soft Drinks:	20,028 tonnes
Britvic Soft Drinks:	2,787,201 m ³ (2.85 m ³ /000 product litre)	Travel:	
Effluent:		Business Travel Car Mileage for UK-based employees:	13,243,135 miles
Britvic Soft Drinks:	1,338,000 m ³ (1.34 m ³ /000 product litre)	Business Travel Flights for UK-based employees:	9,190,456 journey miles
		Business Travel Rail Journeys for UK-based employees:	2,077 journeys costing £145,776.

Six Continents Hotels faces a difficult challenge as it operates in numerous countries with such diverse brands as the upscale Inter-Continental and the much smaller Express by Holiday Inn. No two hotels are the same, which makes energy 'templating' very problematic.

To overcome this issue, Six Continents Hotels is piloting an internet-based benchmarking tool designed specifically for hotels (<http://www.benchmarkhotel.com>). The tool is operated by the International Hotels Environmental Initiative of which Six Continents is a major supporter. Hotels will be able to use <http://www.benchmarkhotel.com> to monitor energy management, fresh water consumption, waste management, waste water quality, purchasing programmes, community relations and bio-diversity improvements.

If the pilot proves successful, Six Continents Hotels aims to sign up all of its company managed and owned hotels (some 500 in number). Initially Six Continents Hotels will concentrate on energy management. Where hotels already manage their energy effectively, they will be encouraged to explore other areas of the tool and in the longer term, it is expected that all hotels will do the same.

Six Continents Retail is investigating where it could use remote monitoring of energy consumption effectively. With a combination of remote monitoring and a vastly improved manual meter reading capability, it is currently collating comprehensive energy management data from which it will establish long-term energy targets during 2002. Six Continents Retail is planning a similar

exercise with its water consumption. The improved quality of data will enable detailed analysis to take place, thereby providing a management tool to advise on driving down the cost (and environmental impact) of energy consumption at each outlet.

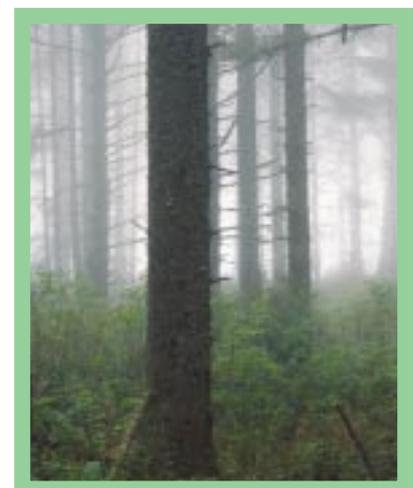
To reduce the environmental impact of its solid waste, Six Continents Retail is rolling out a glass recovery scheme for its pubs, bars and restaurants (see page 5 for more details). Empty glass bottles will be collected on a weekly basis and recycled into a raw material for making new road surfaces.

In Britvic, comprehensive and accurate energy measurement channels and effective energy management processes are already in place. Even though Britvic has achieved substantial reductions in energy and water consumption over a number of years, they are targeting a further 1% reduction in kWh/m³ and m³/m³ of product respectively during 2002.

In addition, Britvic has joined the UK Government's second campaign to Make A Corporate Commitment (see page 8 for more details) and is committed to improve further their energy efficiency ratios over a two-year period. Britvic will continue to explore lightweighting opportunities for all their packaging materials.

Although not currently addressed as corporate issues, operating companies continue to exploit opportunities to extend supplier engagement, enhance existing operational standards in construction and equipment and develop transport plans for guest and employee travel.

TARGETS FOR 2002



COMPLIANCE

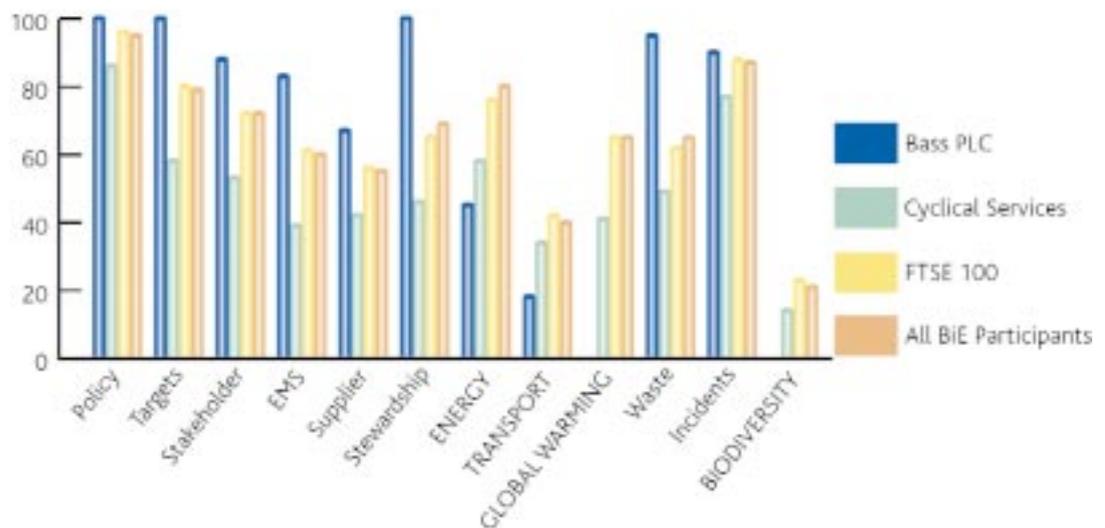
In the reporting period between 1st October 2000 and 30th September 2001, there were no reported prosecutions arising under UK environmental legislation (or their equivalent

in non-UK jurisdictions). For the same reporting period, there were no reported environmental incidents or accidents.

BUSINESS IN THE ENVIRONMENT

Six Continents (as Bass PLC) once again participated in the Business in the Environment (BiE) annual survey of environmental performance by Britain's top 350 organisations. Amongst its peer group of surveyed companies, Six Continents came

14th out of 51 and out of all FTSE 100 companies Six Continents was placed 43rd. Our average 'score' for the whole survey was a very creditable 74%.



CBI CONTOUR

The *Environment Matters 2000* update highlighted how Britvic had 'reached the point where it is stretching the Contour model to the limits of its effectiveness'. As a result, Britvic did not use the CBI Contour benchmarking model this year. Instead they focused on developing a joint Quality, Health & Safety

and Environment Management System. Britvic's Technical Centre in Chelmsford is now certified to ISO 9000 / 2001 Quality Standard, ISO 14001 Environmental Standard and OHSAS 18000 Health and Safety Standard.



In July 2001 Six Continents qualified for inclusion in the FTSE4Good Index, designed by FTSE to provide a series of benchmark and tradable indices facilitating investment in companies with good records of corporate social responsibility.

The main selection criteria cover three areas:

More information about the Index can be found by visiting <http://www.ftse4good.com>.

- Working towards environmental sustainability
- Developing positive relationships with stakeholders
- Upholding and supporting universal human rights.

DOW JONES SUSTAINABILITY

With the launch of the Dow Jones Sustainability Index in October 2001, Six Continents PLC was selected as an inaugural component of the new index from day one. More information about member companies of the DJSI STOXX as well as assessment results can be found by visiting <http://www.sustainability-indexes.com>.

operations, we value external benchmarks such as the Dow Jones and the FTSE4Good Indices, so that we can measure our achievements, identify shortcomings and take appropriate corrective action.



With a view to seeking to embed good practice into our business strategies and

Throughout 2001, environmental strategies and events have been initiated across the three Six Continents operating businesses. Examples of the most notable are featured here, with synopses also appearing online at www.sixcontinents.com/environment.

SIX CONTINENTS PLC

In 1996, the Countryside Agency decided to mark the turn of the century by establishing 250 Millennium Greens by the year 2000. Six Continents PLC was an early supporter of the project and has been central in the development of over 80 greens through donations of over £300,000. Each Millennium Green was eligible for cash funding from the Millennium Commission but before this could

be awarded, local communities had to show that they could match the potential contribution, and Six Continents stepped in to support.

The money donated by Six Continents was split roughly 60/40 between greens in urban and rural areas, and will serve as a lasting reminder of the turn of the millennium.

SIX CONTINENTS RETAIL

In a bid to prevent further climate change, the UK has pledged to reduce its carbon dioxide emissions by 20% from its 1990 levels by the year 2010. To reach this target, the government wants all industries to reduce their emissions and, by way of encouragement, introduced a new taxation – the Climate Change Levy – in April 2001 (which has increased Six Continents Retail's energy bills by more than 10%).

Six Continents Retail has responded by scrutinising and changing the way it purchases and manages the consumption of electricity and gas. In the past, Six Continents Retail purchased electricity and gas separately from local utility companies, but now, following extensive negotiations, TXU-Energi have been successful in securing Six Continents Retail's business. This new arrangement includes an industry first pricing agreement – an all-inclusive single unit rate on electricity – for Six Continents Retail, and will see the company reduce its electricity bill by in excess of £3.0 million each year.

The Company is developing 'Good Housekeeping Guidelines' with TXU to help our managers to drive down our costs. It is

also investigating the merits of introducing technology that will automatically feed meter readings from the outlet directly to the centre and our energy supplier. This will provide 'real time consumption data' and assist the negotiation of improved prices and more effective consumption management to offset the impact of the Climate Change Levy.

Visitors to all Vintage Inns in the UK are being invited to pop their corks for charity. Vintage Inns' landlords and landladies have teamed up with local Royal Society for the Protection of Birds (RSPB) groups and are asking diners to donate their corks to an appeal to save threatened cork orchards in Portugal which provide habitats for many rare bird species. The corks will be turned into a huge sculpture to draw the nation's attention to the value of the cork oak woods for people and wildlife.

A new scheme in collaboration with waste management company, Valpak, is enabling over 900 of Six Continents Retail's pubs, bars and restaurants to enjoy a weekly collection of their used bottles. The scheme has been specifically designed to make the recycling of waste glass simpler for licensed premises operators.

BRITVIC

The **Technical Centre** in **Chelmsford** achieved the ISO 9000 / 2001 Quality Standard, ISO 14001 Environmental Standard and OHSAS 18000 Health and Safety Standard in August and September.

The **Norwich factory** gained ISO 14001 accreditation along with Colmans, with whom it shares the site. The certification was given at the end of October.

The **Widford factory** gained accreditation to the Soil Association standard in May 2001. The accreditation covers storage, processing and manufacturing on one of its lines which fills organic products under both the Robinsons and Orchid brand names.

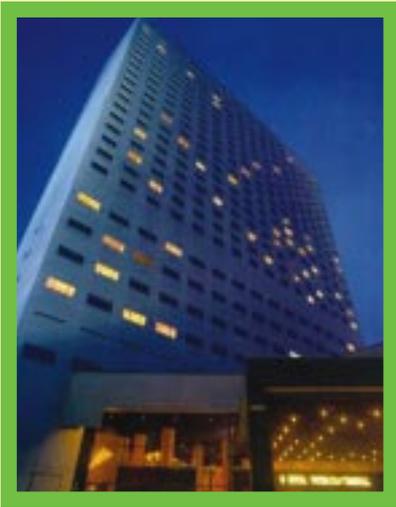
SUCCESS STORIES



Bob Cartwright, Director of Communications for Six Continents Retail, who managed the Company's Millennium Greens project, visits Derrington Millennium Green

Six Continents Retail owns some of the most sensitive buildings in the UK. Amongst recent renovation projects are Dick Hudson's, where the company received the Bingley Civic Trust's annual award for excellence to recognise the sympathetic way it was renovated. Dick Hudson's is a Yorkshire icon and is where the county anthem 'On Ilkka Moor Baht' At' was composed. The Hawes Inn in South Queensferry, near Edinburgh, has also been restored, and re-opened in December 2001. It has strong literary associations with Robert Louis Stevenson and Sir Walter Scott. In Leeds, the Victoria Hotel and the Scarborough have been carefully restored to their former glory as have other classic pubs in Guildford, Canterbury, Cambridge, Oxford and elsewhere. One of the most famous pubs in Britain is The Drum, in the beautiful village of Cockington, Torquay, and designed by Sir Edwin Lutyens. It is also being restored including re-thatching, while plans of the original Lutyens garden, never executed by the architect, are now being used for the first time. Another major re-thatching project has been at the Three Crowns, Stone, in Staffordshire. A fire caused serious damage but the Vintage Inn has now been rebuilt. The Trout Inn near Oxford, also a Vintage Inn and featured in the Inspector Morse films, has seen major work. The river wall has also been rebuilt and the nineteenth-century bridge over to Trout Island, which was derelict, has been restored.

SUCCESS STORIES



The Hotel Inter-Continental Leipzig

Every little helps

For nine years, a dedicated employee at the Holiday Inn Select Richardson has collected and taken home the waste paper and plastic juice containers and delivered it all to the local recycling plant.

SIX CONTINENTS HOTELS

Environmental management

Environmental activities at the Holiday Inn Bandung include a thorough energy and water conservation programme, and a waste management campaign, which sees hedge cuttings used as compost, all leftovers used as cattle feed and the usage of plastic materials reduced wherever possible.

In conjunction with another local hotel, the Hotel Inter-Continental Budapest celebrated World Environment Day by cleaning and renovating the area around the famous Danube promenade, the 'Korzo'.

The Crowne Plaza Jeddah has installed a range of eco-friendly ozonators in all guestrooms to improve in-room hygiene, reduce costs and eliminate the need for short-term air fresheners.

Energy conservation

The Hotel Inter-Continental Leipzig began an energy conservation programme in 1993, since when the hotel has successfully managed to reduce its overall annual energy costs from DM3 million in 1993 to DM2 million in 2000, through a combination of 40 energy-saving projects. Although ensuring that guests are unaffected by their activities, the hotel does remind guests to switch off lights and taps when not in use, and invite them to have their linen changed every other day. This measure alone has enabled the hotel to reduce the amount of laundry washed every day by 30%.

Waste management

The Grand Inter-Continental Seoul has implemented a successful 'wet waste management' project, which resulted in an

83% improvement in the levels of waste suitable for use as farm feed within the first ten weeks.

Wildlife protection

The Regency Inter-Continental Bahrain built a dedicated summer house for the ducks on the island in its water garden to enable them to shade from temperatures as high as 40°C in summer and nest in safety.

To encourage native Colombian birds such as robins, hummingbirds and white tails to return to its gardens, staff at the Hotel Inter-Continental Medellin have created a range of attractive but cost-effective birdboxes.

Local Jimbaran schoolchildren in Bali are benefiting from an environmental community project at the Bali Inter-Continental Resort to save the sea turtles, which come ashore on Jimbaran Beach, from extinction. With commercial interests leading to the turtle eggs being sold as a delicacy, the hotel now buys turtle eggs from the local market, hatches them and provides the baby turtles with a safe sanctuary until they are strong enough to be released back into the ocean.

While the turtles are being cared for at the hotel, local schoolchildren, guests and staff are able to learn about them and witness nature at work, in the hope that future Balinese generations will help this delightful species to prosper.

More than 20 hotel employees at the Holiday Inn City Centre Guangzhou participated in a treeplanting event in the barren mountains in Taihe town, during which 200 seedlings were planted.



The Green Team at the Bali Inter-Continental Resort

CONSERVING OUR PLANET

The inaugural Conserving Our Planet contest, open to every hotel in the Six Continents Hotels portfolio, attracted entries from all around the world. Designed to present hotels with the opportunity to publicise their environmental projects, the main Conserving Our Planet contest was supplemented by a competition for the children of hotel employees.

The **Holiday Inn Resort Sharjah** was named as the overall winner of the Conserving Our

Planet award, in recognition of its all-embracing commitment to the environment and the creative and successful activities undertaken on a daily basis.

The Children's Contest – conducted under the theme of "How can I make a difference?" – attracted many imaginative and colourful entries, with prizes of a state-of-the-art iMac being awarded to contestants in Pre-teen and Teen categories in each of the Six Continents Hotels regions.



A treeplanting ceremony at the **Holiday Inn Resort Sharjah**; just one of the many events which led to the hotel's Conserving Our Planet award

UNICEF CLEAN WATER CAMPAIGN

As part of the Conserving Our Planet contest, entrants were encouraged to establish a fundraiser to benefit the UNICEF Water, Environment and Sanitation (WES) Initiative. Since acting to respond to a devastating drought in northern India in 1967, UNICEF has supported longer-term WES programming initiatives in some 90 countries in Asia, Africa and the Americas.

About three billion people around the world – half of humanity – lack access to toilets or latrines and are unable to practise good hygiene, and UNICEF supports a large number of sanitation programmes in countries all over

the world. To protect children from environmental hazards, UNICEF works with all its partners towards the attainment of sustainable development goals through advocacy efforts and direct programme support, mainly in the water and environmental sanitation areas.

UNICEF focuses on the immediate environment of children with a clear objective of reducing child mortality and morbidity. As such, it integrates, where appropriate, environmental considerations into its regular programmes.



UNICEF projects continue to benefit from Six Continents Hotels' generosity

The excellent environmental work underway across the Six Continents divisions has also received extensive recognition from environmental agencies and regulatory bodies, as well as in the press. A selection of recent awards is included here.

In recognition of his leadership and commitment to environmental action in the hotel industry, the International Hotel and Restaurant Association's Green Hotelier and Restaurateur Environment Award was presented to Andreas Obrist, General Manager of the **Hotel Inter-Continental Leipzig**.

Less than a year after opening, the **Hotel Inter-Continental Doha** has beaten off competition from over 600 hotels to win a Kuoni Travel Green Planet Award.

The award recognises hotels which have developed effective environmental and communication strategies, in particular in the areas of solid waste disposal, water disposal and water conservation.

Green Globe 21, the global environmental programme for the travel and tourism industry, has awarded certification to the **Bali Inter-Continental Resort**. The hotel's creative

environmental activities were also recognised with an inaugural Travel Weekly East Innovators Award.

Serge Deck, Chief Engineer at the **Holiday Inn Brussels Airport** has won a waste management award from the local Chamber of Commerce. All companies in the Dutch-speaking part of Belgium were eligible to enter, but it was the day-to-day commitment of Serge Deck and the green committee which won the day.

The **Express by Holiday Inn Foligno** has won an ISO 1401 award in recognition of its environmental performance.



Success at the **Holiday Inn Brussels Airport**

AWARDS



The **Hotel Inter-Continental Doha** wins a Green Planet Award in its first year

HIGHLIGHTS

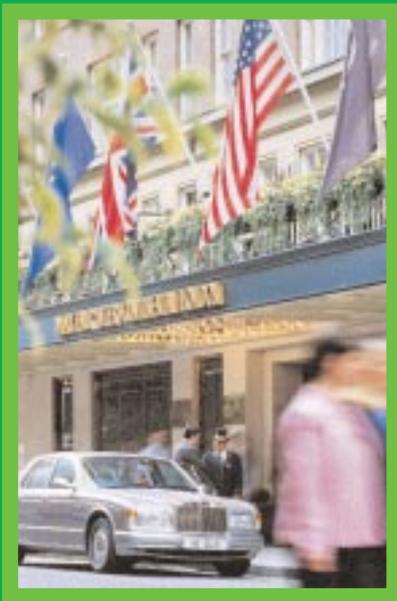
MAKING A CORPORATE COMMITMENT

Britvic has joined the UK Government's second campaign to Make A Corporate Commitment (MACC2). MACC2 challenges UK companies with over 250 employees to improve their environmental performance and

report on them publicly. Britvic is committed to improve their energy efficiency ratios by 2% and their water efficiency ratios by 1% over a two-year period.

CASE STUDY

MAY FAIR INTER-CONTINENTAL LONDON



The May Fair Inter-Continental London

A key task addressed by Six Continents in undertaking its significant capital improvements programme for the hotel estate is how to take the opportunity to introduce money-saving conservation technologies. The **May Fair Inter-Continental London** undergoes a renovation later this year, and is a good example of how these issues are tackled.

"At the start of the design process, we ask the design team how to achieve our aspirations for the construction and operation of the building, whilst observing good ecological and environmental practice," says Robert Shepherd, Six Continents Hotels Projects Director for London. "Prime targets are energy consumption and conservation, and these are crucial for engineering services contained within the hotel."

Six Continents' consultants for the renovation of the May Fair Inter-Continental London include BSG Mechanical and Electrical Engineers and Reardon Smith Architects.

Engineering services design

Using an environmentally responsible refrigerant (R134a), the chillers for the air conditioning system are specified with features to reduce electrical consumption. The distribution pumps used are also specified with low energy consumption in mind. A "free cooling" heat exchanger will be attached across the dry air coolers and chilled water system to provide "free cooling" when outside conditions are suitable, so chilled water can be delivered without running the chillers. Cooling towers are not being used, thus reducing water consumption and preserving better air quality.

The air-handling units will be fitted with a heat recovery system, and all fans serving meeting rooms will be inverter driven to minimise power consumption. Special "enthalpy" sensors will deliver "free cooling" when outside conditions are suitable.

For the heating water system, the boilers will be fitted with burners with ultra low Nitrous Oxide output. Both the boilers and the distribution pumps are also equipped with

energy saving features to reduce electrical consumption. The heating system has been designed with a view to optimising flow rates, but with reduced size pipes and efficient water treatment, thereby reducing pump energy consumption.

A high standard of insulation will be used on all distribution pipework to ensure low system heat losses. Similarly for the domestic hot water system, attention is being given to high insulation standards to reduce heat loss further.

Building management system

All the mechanical equipment will be monitored and controlled by way of the BMS system, so that maximum efficiency can be gained from the equipment. Gas, water and electrical supplies to main departments will be sub-metered to enable actual consumptions to be monitored and targets for reduction set.

Architectural design

In the architectural design and detailing of the building, careful consideration is being given to the following:

- **Energy saving**
For example, CFC-free insulation products have been specified for walls, floors and roofs.
- **Water saving**
For example, short flushing WC cisterns are specified.
- **Heat insulation**
There will be double-glazed windows and doors, and Insulight glass is specified as energy efficient glazing.
- **Conservation**
For example, soft wood timber is being specified from sustainable or managed, renewable sources.
- **Environment**
Non-toxic paints and finishes are specified.



An artist's impression of the elevation of the renovated May Fair Inter-Continental London to Stratton Street

SIX CONTINENTS PLC

Six Continents formally adopted the United Nations Children Fund (UNICEF) as its global charity and has pledged to donate £100,000 each year during the three-year partnership, as well as inviting employees to participate via local fundraising events.

These arrangements strengthen a relationship with UNICEF which has already existed for some years. The money raised for UNICEF by Six Continents will be part of a '100%' campaign within its hotels, restaurants and bars. Donations will then be allocated to specific educational projects in different parts of the world each year.

Six Continents Hotels in Atlanta already works with UNICEF and highly recommended the

charity as a potential partner. It was also the charity supported by Inter-Continental Hotels and Resorts during the brand's 50th anniversary in 1996.



CHARITABLE DONATIONS



Richard Winter, Group Company Secretary, presents to David Bull, Executive Director UNICEF UK, a cheque for £100,000

With its global headquarters based in London, Six Continents has confirmed that it will donate £150,000 over three years to a new UK charity partner – Victim Support – over the next three years.

The Company's donations to Victim Support will be based on employee events, fund-raising and customer involvement as well as the initial company donation.

Funds raised will go towards two vital new projects that will have a direct impact on local communities. The first of these will ensure that volunteers receive specialised training in how to support people affected by serious crimes such as murder, domestic violence and sexual assault. The second project will involve research and development work into child victims of crime, whose special needs are still sadly often overlooked.



Last year the Group contributed £1.5 million to charities as part of a long-term commitment to assist the communities in which we operate.

Our performance is benchmarked using the Business in the Community PerCent Club guidelines, which takes into account employee

time and gifts in kind. In addition to the partnerships with UNICEF and Victim Support mentioned above, the Group also supports a variety of charities with particular emphasis on community welfare, the sick and disadvantaged, young people, education, the environment and the arts.



Six Continents launches charitable partnerships with UNICEF and Victim Support

HIGHLIGHTS AND DONATIONS

BRITVIC

Respecting its communities is an express core value of Britvic and the company strives to make a positive contribution to the societies in which it operates through corporate donations and supporting employees who give time and energy to help others.

Following Britvic employees' choice of The Children's Society as the Company's charity of the 2000 financial year, Britvic made a corporate donation of £25,000 to the charity and challenged employees to match it. Employees organised a variety of fundraising events to raise the amount, and raised a further £31,000. The Company's **Beckton factory** held an open day and raised just over £5,000 for the society, while an open day at the Company's **National Distribution Centre**

raised over £2,900 for The Children's Society. Employees of all sites donated tinned food to feed homeless people over Christmas.

Britvic employees also raise money for a range of other charities including Children In Need, the Craniofacial Society and local hospices. The Company supports these individual fundraising initiatives by operating a pound-for-pound scheme, matching all donations up to £250.

Many members of staff spend time and effort collecting toys for Operation Christmas Child, an initiative that aims to give children in the third world a Christmas gift. The **Norwich factory** supports the Hamlet Centre, a centre for young people with learning difficulties.



Adam Martin, Marketing Director, Six Continents Retail (left) receives the cake from Julian Atkinson, Principal Double Bass, CBSO

SIX CONTINENTS RETAIL

Six Continents Retail has been supporting the City of Birmingham Symphony Orchestra for 21 years, making the company one of the orchestra's longest standing corporate supporters. In addition to regular sponsored concerts, Six Continents Retail has also developed a close relationship with the Principal double bass player, Julian Atkinson, thanks to the endowment of his chair in the orchestra.

To celebrate the collaboration between the two organisations, Julian Atkinson presented Adam Martin, Six Continents Retail Marketing Director, with a birthday cake emblazoned with the Company's logo. The cake was made and iced by fellow CBSO violinist, Cathy Scott.

The relationship continued in November when Six Continents Retail sponsored a CBSO concert at Symphony Hall, Birmingham. The concert was conducted by Gianandrea Noseda, a specialist in Russian music (Principal Guest Conductor of the Kirov Opera) who debuted with the orchestra two years ago. The programme featured works by Dvorak, Rachmaninov and Tchaikovsky.

In the last year, Six Continents Retail has donated more than £60,000 to a variety of good causes across the UK via its donations programme. Organisations receiving grants have included the Brittle Bone Society, the Big Issue, the Granville Bear Appeal, Age Concern, Dogs for the Disabled and Marie Curie. In addition, Six Continents Retail has continued to support employees' charitable work, while its pubs are estimated to raise thousands of pounds for charity through karaoke evenings, race nights, bungee jumps and bed pushes.

Customers and staff at O'Neill's Irish bars

nationwide celebrated St Patrick's Day in March by raising nearly £23,000 for The Children's Society. The funds raised, which more than doubled the initial target of £10,000, will be used to further the society's work with over 40,000 of Britain's most vulnerable children and young people.

Six members of Six Continents Retail Guest Care team donned their trainers to participate in a sponsored charity walk. The team took part in the five-kilometre Race for Life event at Sutton Park, Sutton Coldfield, raising £1,115 for Imperial Cancer Research.

Six Continents Retail have regularly supported the Diana, Princess of Wales Hospital in Birmingham. During the last festive period, the staff at **Six Continents Retail head office** in Birmingham joined together to raise funds for the hospital and for other charities including Victim Support.



The Six Continents Retail Guest Care team celebrate completing the course



O'Neill's raises almost £23,000 for the Children's Society on Saint Patrick's Day



An arresting outfit from Dawn secures donations on the spot for the Birmingham Children's Hospital

SIX CONTINENTS HOTELS

SEPTEMBER 11

Six Continents Hotels initiated a variety of activities in the wake of the September 11 attacks to help those affected by the events.

A special toll-free telephone number was activated to enable relatives of the victims to find hotel rooms more easily. Complimentary rooms were made available for police and fire rescue workers, reduced rates were given to relatives of the deceased and missing, and guestrooms at many hotels were converted into temporary office space to assist local businesses in remaining open.

The Company donated \$1 million in cash and services to be split between the American Red Cross and the September 11 Fund. An additional \$30,000 was donated to the American Red Cross following a special denim day held at Six Continents Hotels' Americas Headquarters in Atlanta, during which employees wore red, white and blue in a show of respect to America. Members of the company's loyalty programme, Priority Club Worldwide, were invited to convert their points into cash donations, a venture which raised in excess of \$270,000.

A "Come Back to New York" campaign was designed to encourage travellers to return to the city, thus benefiting local businesses and residents alike. The campaign included extensive nationwide media advertising and special reduced hotel rates.

GIVE KIDS THE WORLD-EMEA®

Faced with a choice, most people would prefer to support initiatives which have a positive effect on the local community. Perhaps that is what makes Give Kids The World-Europe/Middle East/Africa® most appealing, as it offers companies and individuals right across Europe, the Middle East and Africa the chance to see the tangible results of their fundraising or sponsorship very close to home.

An international association, Give Kids The World-Europe/Middle East/Africa® fulfils the most precious dreams of children with a terminal or life-threatening illness by arranging a once-in-a-lifetime trip for them and their family to Kids Village in Orlando, Florida or Disneyland® Paris in France.

Sending one family on such a holiday costs a minimum of €4,700 (c. \$4,200), and Six Continents Hotels staff have undertaken a range of activities to realise the dreams for more than 50 families in the last three years.



Members of a Broadway cast spread the word that New York remains open for business following the September 11 attacks. The campaign aimed to help businesses of all sizes start to recover

Each hotel which raises €4,700 can help make a dream come true for a sick child from within its own community.

A 'Change for Children' campaign was launched in August 2001, to invite hotel guests at over 580 Inter-Continental, Crowne Plaza, Holiday Inn and Express by Holiday Inn hotels and resorts across EMEA to donate any world currency or 'old' notes and coins, that will cease to be legal tender after the introduction of the euro. This initiative has also helped the hotels to raise staff and guest awareness of the introduction of the euro.

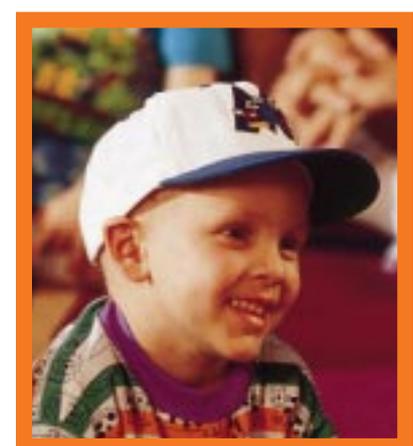
All money collected through 'Change for Children' and other individual fundraising activities organised by the staff, such as spaghetti evenings, raffles, auctions of lost and found items and sponsored sports events, is used in full to fulfil a holiday of a lifetime for some families who are less fortunate than most.

HIGHLIGHTS AND DONATIONS



Six Continents Hotels' corporate office in Atlanta established a monthly Denim Day programme in 1996 to increase the company's charitable efforts. Through this programme, one day each month employees can wear jeans in the office in exchange for a donation to the designated charitable organisation. In addition to employee donations, Six Continents Hotels provides a matching donation and a used computer to each of the 12 designated organisations.

In the year 2001, the Six Continents Hotels' Denim Day programme raised over \$71,000, including employee donations and company-matching funds. The photo above shows a donation and computer being presented to Project Healthy, based in Atlanta



COMMUNITY PROJECTS



A selection of the successful Youth Career Development Programme at the Hotel Inter-Continental Manila and the Holiday Inn Manila

YOUTH DEVELOPMENT IN THE PHILIPPINES

The Philippines is the venue for an imaginative Youth Career Development Programme (YCDP), undertaken by the **Hotel Inter-Continental Manila** and the **Holiday Inn Manila**, in collaboration with UNICEF and the Pan Pacific Hotel Manila. The programme aims to help Filipino youngsters aged between 16 to 20 years from disadvantaged families acquire the skills and self-confidence that will serve them well in their future careers.

Participants are selected by three non-government organisations (NGOs) recommended by UNICEF in the hope that they will serve as role models for others in their community. The 2001 intake of 19

trainees enjoyed a 20-week programme of theoretical and practical sessions giving them an understanding of all aspects of hotel operations, and were assessed at regular intervals. The programme includes sessions on general knowledge, skills training (including Housekeeping, Food & Beverage and Engineering), computing, English language training and hands-on experience.

With the support of the hotels, UNICEF provides accommodation and meals for the trainees and it is hoped that they will return to their communities to inspire their peers to work for a better future.

WORLDWIDE LOCAL AND RURAL INITIATIVES

Staff at the **Holiday Inn Batam, Indonesia** have instigated a monthly clean-up campaign and regularly donate clothes and food to a local orphanage.

When staff at the **Holiday Inn City Centre Guangzhou** were made aware that seven students from Liangxin village could not afford to finish their education, they joined together to raise enough money to pay their school fees for 12 months. In addition, 30 staff have been giving blood at the local Hygiene Institute since 1999.

Community initiatives at the **Holiday Inn Bandung** include a festive charity programme to benefit local Moslem and Christian orphanages, donation of old linen to a local old people's home and the provision of scholarships for poor students.

The **Holiday Inn Glasgow City-West** and **Holiday Inn Glasgow Airport** have joined forces with the City Council and Education Partnership to raise awareness of hospitality in the city's schools. The hotels support Industry Awareness Days, "I Can Do Anything" seminars and Pupil Mentoring within the four partner schools. The programme involves the recruitment of Modern Apprentices and over 20 students for weekend and evening work, enabling participants to gain an insight into the hospitality industry. This led to the hotels receiving a 'Partner in Learning' award from Glasgow City Council.

The **Holiday Inn Golden Mile, Hong Kong** has undertaken a host of community-focused activities, including a panda charity sale for the World Wide Fund for Nature, sponsorship of the Po Yin Student Welfare Association

which helps students in need and staff fundraising for the local Children's Kidney Trust Fund. Staff also visit local old people's homes to cheer up residents, arrange for a Clown Doctor to visit terminally ill children in hospital and donate old linen to the Salvation Army, Friends of the Earth and Evergreen Recycling.

The Environmental and Social Committee of the **Hotel Inter-Continental Singapore** has donated 120 gifts as well as a radio cassette player to the local Hariprasad Childcare Centre. The Centre, which was first opened in 1999, provides quality pre-school education and childcare for 40 children from disadvantaged homes.

As well as delivering the gifts, members of the Committee checked all the electrical power-points and appliances, fixed all the broken cupboard doors, painted all the classrooms, solved the sewage problems and gave the centre a thorough clean. And finally, they put up a Christmas tree to light up the centre and fill the children with Christmas spirit.

The **Nottingham City Holiday Inn** sponsored the launch event of Springboard and hosted an event to encourage the long-term unemployed to consider jobs in the hotel industry.

The **Holiday Inn Birmingham Airport** has scooped two impressive awards. The hotel received a Daily Telegraph Energis Award in recognition of its customer focus and 'can do' attitude. Sylvia Elphick, meanwhile, received the Silver Award in the Housekeeping section of the Midland Association of Restaurants, Caterers and Hotels Awards.



Eleven-year-old pianist Alina Elena Bercu from Romania gave a stylish performance at a fundraising concert at the Bali Inter-Continental Resort, with all proceeds being donated to the Rotary Club Bali Nusa Dua. Playing works by Haydn, Mozart and Beethoven, Alina delighted the audience of one hundred guests, who gave her a generous standing ovation

CORE VALUE

Six Continents values and trusts its employees. This includes encouraging their contribution and investing in their development. They are essential to the Company's overall success and their

enthusiasm, energy and expertise enable the Company to succeed and grow. They share our vision and commitment to create and deliver special experiences so that our customers will want to return again and again.

DIVERSITY

Diversity within Six Continents is about valuing and utilising the qualities that different people bring to their jobs. This improves employee motivation, the Company's business performance and relationships with its stakeholders worldwide. It is Company policy that employees will be offered equality of opportunity based on merit. Unfair discrimination will not be tolerated and any accusations of such behaviour will be investigated speedily, sensitively and in line with local employment legislation requirements.

Tom Oliver, Chairman and CEO of Six Continents Hotels and a Director of Six Continents PLC, has been appointed as diversity champion for the Group and reports

to the Strategic Business Committee on this matter. Each year the operating Companies develop action plans and feedback to the Strategic Business Committee on progress during the year.

Within Six Continents Hotels, diversity steering committees or champions have been appointed within each Region to sponsor and lead their diversity programmes. Six Continents Retail continues to work to ensure that its diversity principles are embedded in the business. Britvic aims to be a preferred employer by offering their employees more choice and is introducing more flexibility within its employment practices and programmes.

WORK LIFE BALANCE

The Company recognises that employees have various interests and demands on their life outside work. It realises that by enabling its employees to have more control over the balance between their work and personal activities, they are likely also to be more motivated and committed to the organisation and to perform better for our customers and shareholders.

Also, by offering flexible work arrangements and giving consideration to individual employee preferences, the Company is better able to attract the best people from within a competitive labour market and to retain the

mix of talented people necessary to continue to move the business forward in the future. As the needs are specific to the individual, the Company will give consideration to reasonable requests for the operation of a particular method of working that will help the employee achieve their desired work/life balance, provided that there is no negative impact on business efficiency.

Six Continents has implemented various methods of flexible working throughout the Company, e.g. part-time work, home working, job share etc., dependent upon the particular operational requirements of the job.

EMPLOYEE INFORMATION

Six Continents recognises that the provision of relevant information to and consultation with its employees is important. It increases understanding and motivation and, thereby, improves company performance.

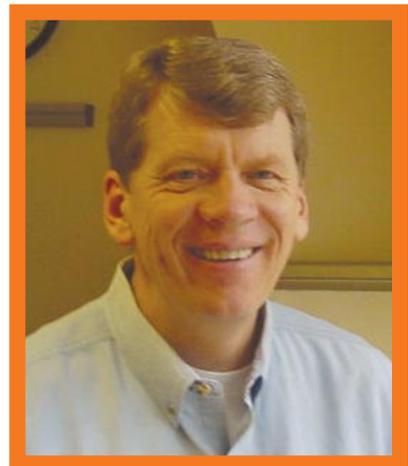
Communication channels and consultation procedures have been established within each operating Company that best meet their particular organisational and local needs.

The Company uses both direct and indirect methods of communication with its employees and is continually looking at ways to gain benefit in this area from new computer technology. It believes that employment issues are matters generally best

dealt with by direct contact between the employer and employee(s). It recognises also the value that partnerships can bring and works constructively with employee representatives and recognised trade unions.

In 1996, the Company established the Six Continents European Forum. This is a forum for the provision of information to and consultation with employees within the EU on pan-European issues. Six Continents chose to set up a voluntary forum before it had an obligation to do so under the EU European Works Council Directive 1994, in order to involve UK employees (who were not covered by the Directive at that time) from the start.

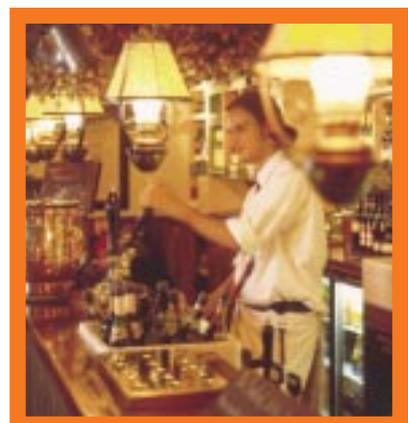
EMPLOYEE POLICIES



Jim Larson, Human Resources Director



Six Continents aims to attract and retain the best people



Six Continents values and trusts its employees

HUMAN RIGHTS



Six Continents is an international company operating in almost 100 countries and territories around the world, with a trading history of more than 200 years. We comply with the labour laws of all countries in which we operate and our Group Company Secretary is responsible for human rights issues across the Group.

We respect the preservation of cultural diversity wherever we conduct our business. Inevitably with such a wide global coverage, from time to time human rights issues may occur in the countries where some of our hotels are located. These hotels often house international media covering local situations whilst also providing a door to open cross-cultural communication. Wherever we operate we seek to maintain an apolitical stance and as an ethical global business organisation we do not support any political party in any country.

It is our global mission to offer the highest standards of service to all travellers and customers from all over the world regardless of their country of origin, political or religious beliefs, race, sex, colour or creed. It is part of the Group's purpose and values and our ethical approach to business that we respect the communities in which we operate. We actively encourage initiatives at the local community level as part of our overall corporate social responsibility policy.

We provide international standards of hospitality and facilitate the meeting of all cultures, and the free intellectual exchange of ideas and cultural expression. We believe that in achieving the objectives of this mission, the service that we offer can be an important catalyst for mutual understanding across continents and between nations to create trust, tolerance and peace.

INVESTORS IN PEOPLE



Investors in People (IIP) accreditation was first achieved in the Company's Corporate Offices in 1998. Six Continents PLC is one of only a very few HQs that have received accreditation. Re-accreditation was achieved in September 2001.

Within Six Continents Hotels, 122 properties in Europe have achieved recognition. Notable achievements this year were **Holiday Inn Madrid, Crowne Plaza Salzburg, Crowne Plaza Istanbul, Holiday Inn Istanbul and Holiday Inn Stuttgart**. 18 Hotels are applying for recognition in 2002.

Six Continents Retail has held Investors in People accreditation for the whole of its operations in the UK since 1993, and was the one of the country's largest employers to be accredited. Re-accreditation has already been successfully achieved, and to keep up this good record, an application to retain accreditation again for a third time will be made in Spring 2002.

Britvic Soft Drinks has achieved accreditation at its **Beckton** and **Hartlepool** factories and the **National Distribution Centre** operation at Lutterworth.

By meeting the IIP Standard the Company has demonstrated that:

- it is genuinely committed to developing its people
- it has clear goals and ensures that they are understood by all staff
- its investment in people enables and assists them to achieve the corporate goals
- it understands the impact this investment has on performance.

Recognition as an Investor in People is not the end, it is the beginning. The Company has demonstrated that by achieving the Standard it has a number of "best-in-class" examples of good practice. However, to ensure that the success is continued it is necessary to review what is being done in order to find ways to improve. With Investors in People in place, a benchmark exists against which future improvements can be reviewed and measured.

Six Continents employs approximately 80,000 people globally in nearly 100 countries, both within its Corporate Offices and its three major operating companies.

The Company values its employees and recognises that by investing in appropriate continuous development for them not only can they achieve higher job performance and satisfaction but it helps them also to manage their own career paths and move into more challenging and responsible jobs.

Training provision is targeted at building both the knowledge and skills necessary to perform the job and at addressing the individual development needs identified during performance reviews.

The range of training activities within the Group is broad, from customer service, instilling a 'Can Do' culture, understanding the Euro, brand standards and training for outlet managers to management of innovation projects, leadership programmes and MBA programmes.

A few examples of recent successes are:

Six Continents Hotels is rolling out a development programme for future hotel General Managers called 'Milestones'. This programme allows employees with potential to become General Managers to progress at a pace suited to them and learn from current General Managers and other senior management. It provides development in leadership and management capability,

Six Continents is committed to compliance with the principles of Corporate Governance as set out in the Combined Code in the Listing Rules of the UK Financial Services Authority and supports the principles which it sets out. For example:

- a) The Directors are required, in respect of significant risks, to maintain a sound system of internal control, to review the effectiveness of the system of internal control (at least annually), and to report in the Annual Report of the Company that they had maintained such a system and carried out such a review.
- b) In October 2000 Six Continents PLC appointed Tim Clarke to the position of Chief Executive, separating that role from that of the Chairman, Sir Ian Prosser.
- c) The Board of Six Continents PLC consists of eight Directors (including Sir Ian Prosser and Tim Clarke), four of whom are Non-Executive Directors.

technical competences, use of initiative and strategic thinking.

Twelve Britvic employees who successfully completed the Developing to Lead (DTL) course were presented with their certificates at a ceremony on 4 April 2001.

This course is accredited by the Institute of Supervision and Management (ISM) and aims to provide employees with the opportunity to develop their management skills and knowledge. So far, 122 employees have completed the course, which has not only given them a formal management qualification but has also resulted in savings to the Company of more than £4.5 million through the projects they have completed.

Within Six Continents Retail, central programmes are run for new outlet managers and Retail Business Managers and are required to be completed within a short time from appointment. Internal succession is an important mechanism for providing high-quality management and for giving employees career development.

In the financial year 2000/2001, 82% of new outlet manager appointments and 78% of new assistant manager appointments were internal promotions.

d) The Board has appointed the following main Committees:

Strategic Business Committee: including the Executive Directors

Executive Committees of each of the Hotels and Retail Operating Companies

Audit Committee: chaired by the Senior Non-Executive Director

Nomination Committee: chaired by Sir Ian Prosser but comprising the Non-Executive Directors and established to identify suitable candidates for Non-Executive appointment

Remuneration Committee: comprising Non-Executive Directors and chaired by the senior Non-Executive Director, it determines the remuneration of Executive Directors.

TRAINING



Britvic employees show off their DTL certificates



Training is targeted at addressing individual development needs

CORPORATE GOVERNANCE



Richard Winter
Group Company Secretary
and General Counsel

PREVIEW OF 2002

For environmental activities, the main focus for 2002 is to improve on the quality and quantity of energy management reporting across all operations. This is a prerequisite to improving energy management performance – "what we measure is what we manage". Where not already in place, we aim to establish robust energy management reporting streams; where already in place, we aim to improve on the quality of reported data. This will allow each location better to manage a key environmental impact and enhance Six Continents' ability to report quantitatively its corporate environmental performance.

Another key focus for us in 2002 will be on developing external reporting and closer engagement with our stakeholders, with a view to ensuring that the regular information which we provide on corporate social responsibility is meeting their requirements.

To this end, the quarterly update on Hotel environmental activities, entitled *Our Planet*, will be extended in scope to cover all Group operations and to provide coverage on social and community activities in addition to environmental matters.

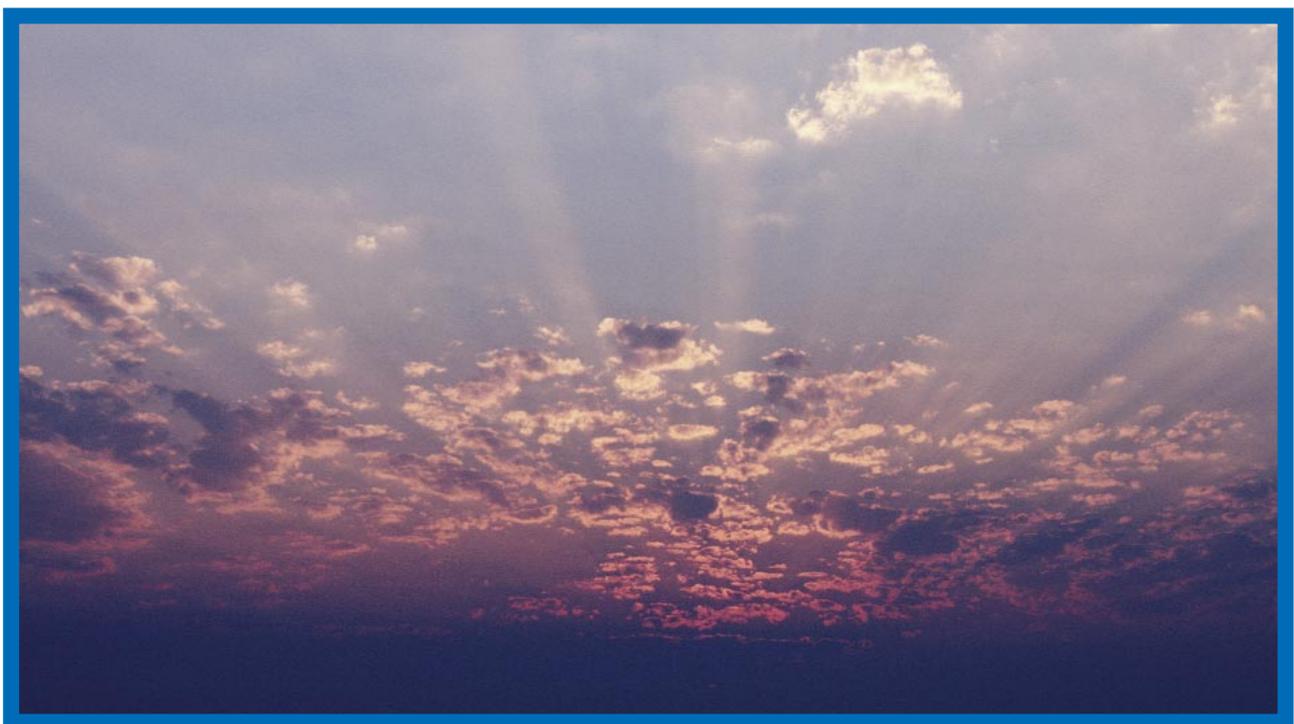
GROUP ENVIRONMENTAL POLICY

Six Continents seeks to embed good environmental practice into our business strategies and operations, and accommodate the needs of our local, national and international stakeholders.

As a basic requirement, environmental legislation in each country of operation will be observed. In addition, all Group companies will:

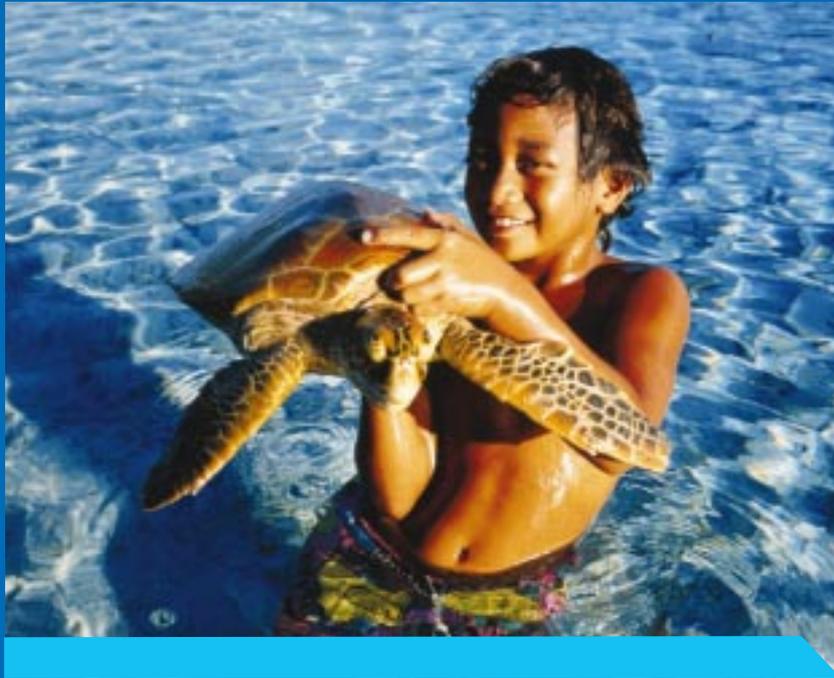
- give due regard to their respective stakeholder communities in the local implementation of Group Environmental Policy
- through effective senior management participation, ensure sufficient resources and information are made available to properly discharge environmental duties

- encourage the involvement of employees
- aim for continual improvement in environmental matters through a formal management structure and review process
- ensure effective communication of progress on environmental initiatives to all stakeholders through regular external reporting, in particular through the Group Environmental and Social Report and the Group quarterly newsletter, *Our Planet*.





www.sixcontinents.com



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