



**FRAMEWORK FOR WORKING WITH SUPPLIERS:**

# MITIGATING RISK OF MODERN SLAVERY



I am pleased to see the Stop Slavery Hotel Industry Network taking the lead on tackling modern slavery and human trafficking within the hotel sector. This Framework for Working with Suppliers is a robust guide for hotels to take action working with their suppliers to tackle modern slavery. I hope to see many within that sector taking it up, and other sectors following the leadership this displays to protect vulnerable people from exploitation.

Kevin Hyland,  
UK Independent Anti-Slavery Commissioner

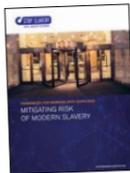


# 1: BACKGROUND INFORMATION

## 1.1 INTRODUCTION

Modern slavery has been called the great human rights issue of our time. The International Labour Organization (ILO) estimates that there were 40.3 million people held in forced labour in 2016<sup>1</sup>, with one in four victims of modern slavery being children. It is estimated that around 13,000 people are exploited in the UK.<sup>2</sup>

The hotel industry, like all industries, has a responsibility to ensure that it operates without exploitation. The guidance contained within this framework focuses specifically on how stakeholders within the hotel industry can work with suppliers to address and respond to risks of modern slavery within their businesses.



### How to use this framework

The Framework for Working with Suppliers: Mitigating Risk of Modern Slavery (“the Framework”) is a tool intended to be used by stakeholders at various levels of management within the hotel industry. It recommends specific responsibilities for brands, hotel owners and management companies, based on best practice and the experience and input of the Stop Slavery Hotel Industry Network (“the Network”) membership.

The Framework can be adapted by individual managers, department heads and teams as appropriate to better suit the nuances and needs of your organisation. It is important that senior management be ultimately responsible for any processes or policies put in place and that efforts are regularly monitored for effectiveness. Where appropriate, examples of good practice and additional resources have been signposted within this guidance. These examples do not provide an exhaustive list, but reflect the experience of the Network in developing effective anti-slavery business initiatives. In Section 3, we list examples from a range of external industries to provide an overview of anti-slavery efforts made by businesses to increase transparency in their own organisations; these are not intended to set a benchmark for good practice in the hotel industry but rather to showcase practical steps companies may take. We welcome feedback, constructive criticism and new partnerships to improve this work.

<sup>1</sup> <http://www.ilo.org/global/topics/forced-labour/lang-en/index.htm>  
<sup>2</sup> <https://www.gov.uk/government/news/true-scale-of-modern-slavery-in-uk-revealed-as-strategy-to-tackle-it-published>



The Network grew out of an initial roundtable meeting in November 2016 and was officially launched at the Thomson Reuters Foundation Trust Conference. It consists of a group of representatives from a range of companies from across the hotel industry including hotel management, owners and brands who aim to pool knowledge, resources and experiences in tackling modern slavery.

Its ethos stems from the acknowledgement that actors across the industry, whether international brands, bespoke hotel groups, independent owners, management or agencies share responsibility for combating this horrific crime and that the opportunity to take responsibility is welcomed.

This Framework was developed as a result of the learnings that came out of Network meeting discussions, in line with existing advice and guidance on addressing supply chain transparency and engaging with suppliers in business. The focus on working with suppliers derived from the Network's view of what specific complex challenge required collective action for the benefit of the wider industry.

### Framework scope

This framework considers existing good practice guidance and adapts it in consideration of the idiosyncrasies of the hotel industry. It sets out how the hotel industry is uniquely impacted by the crime of modern slavery, situating the issue using a wider business and human rights lens. It provides guidance on the implications of national and international legislation for the sector, and the role that the hotel industry can play in tackling modern slavery from the perspective of a responsible business. It provides guidance on the different responsibilities of key industry stakeholders within the hotel business structure and includes information on the rights of employees, and how to engage with suppliers to identify risk areas in hotel supply chains.

The Framework looks at how to engage with tier one suppliers in order to address supply chain risks. Awareness training to spot the signs of sexual exploitation in hotels, supplier auditing, policy writing, victim support response and monitoring and evaluation frameworks are all outside the scope of the Framework. It does not provide in depth guidance on how to conduct a deep dive into all tiers of the supply chain. Organisations that are starting out in this process can encourage their tier one suppliers to engage with their own suppliers in order to start to mitigate risks down the chain.

### This Framework will:

1. Provide a background of modern slavery and the particular risks the hotel industry faces;
2. Outline the key stakeholders within the hotel industry that we feel can be actively looking to tackle modern slavery risks within their supply chains;
3. Explore the key labour rights that must be considered when strengthening provisions to address labour exploitation;
4. Set out a step by step process of engaging with the modern slavery risks in your supply chain;
5. Provide examples of how modern slavery might manifest in the context of your supply chains;
6. Set out suggestions for protocols and policies you may implement in this regard; and
7. Signpost to further resources.





## 1.2 MODERN SLAVERY AND THE HOTEL INDUSTRY

### Background

For the purposes of this Framework, the definition of modern slavery, in keeping with the UK Modern Slavery Act 2015, includes:



**Human Trafficking** - the movement of people by means such as force, fraud, coercion or deception with the aim of exploiting them; and



**Slavery, Servitude, and Forced or Compulsory Labour** - ownership exercised over a person; or all work or service that is exacted from any person imposed by coercion or under the threat of penalty and for which the employee has not offered himself voluntarily.

The global demand for cheap labour fuels the trade in humans and market forces create both the supply and the demand for these people. Modern slavery is an umbrella term encompassing various types of exploitation including:

- forced labour
- child labour
- sexual exploitation
- debt bondage
- domestic servitude
- organ harvesting

In the UK, the hotel and hospitality sector is the 4th largest employer, employing 4.49 million people (10% of total workforce) directly across 180 000 businesses, and contributing £143 billion to the UK economy<sup>3</sup>. A 2016 study by COMBAT<sup>4</sup> found that of the 1.1 million people trafficked into modern slavery through Europe each year, 93,000 are subject to sexual exploitation and 4,500 to forced labour in Europe's hotels.

<sup>3</sup> [http://www.bha.org.uk/bha\\_news/hospitality-works-2017/](http://www.bha.org.uk/bha_news/hospitality-works-2017/)

<sup>4</sup> <http://www.hotelmanagement.net/security/europe-s-hotels-rife-human-trafficking>

### Risks for the hotel industry

Hotels can be subject to particular risks of human trafficking when it comes to use of facilities, employment structures and supply chains.

#### Hotel use

Hotels are one of the most commonly reported venues for sex trafficking.<sup>5</sup> Sex trafficking victims may be forced to stay at a hotel where customers come to them (in-call), or they are required to go to rooms rented out by the customers (out-call). Domestic servitude can also take place in hotel rooms. For example, a private household that employs a domestic worker, may take her with them when they travel. This is an issue if the worker is working under slavery-like conditions. This Framework does not focus on tackling this area here but please see Section 3 "Further Action" for more resources on this.

#### Employees

Incidence of labour exploitation can occur in hotels, notably as the employment structure of the industry is fragmented, and often includes labour providers for casual or outsourced workers for such services as housekeeping and cleaning. The industry relies heavily on low-skilled, migrant and outsourced workers, particularly for temporary and seasonal labour - these demographics are at particular risk of exploitation. If there are a high number of links in the supply chains from labour provider to hotel, unscrupulous practices can go unnoticed leaving workers vulnerable.

#### Supply chains

Global supply chains are long, multi-layered and difficult to trace; goods used and sold in hotels such as the food in restaurants, linen in bedrooms and toiletries in bathrooms pass through multiple producers, manufacturers and vendors before being brought into the hotels. Supply chain, under this understanding, includes all organisations that supply goods or services, including contractors, but can also include those organisations linked within the value chain that aren't necessarily direct suppliers.

### Five key risks to worker welfare in labour sourcing and recruitment:



#### Charging recruitment fees:

Large recruitment fees, whether for recruitment itself, travel, visa or administration costs, can leave workers in situations of debt bondage. Lower-skilled migrant workers tend to pay a higher percentage of job-matching fees than high-skilled non workers.



#### Contract deception:

Labor agencies may not provide written contracts of employment or may provide a contract to workers in a language other than their native language. Workers may find themselves in a different job or with a significantly lower salary than they were promised.



#### Wages and Benefits:

Current factors of labour exploitation include withholding of wages (notably if contract is terminated early), unreasonable pay deductions, wages not paid on time, worker bank accounts controlled by employer, and in-kind payments (e.g., bonds, manufactured goods, etc.).



#### Retention of Identification Documents:

Workers can be effectively bound to a job or employer when personal documents (e.g. passports), or any other valuables (e.g. wedding rings), are confiscated, destroyed, withheld, or otherwise denied to the worker, technically preventing them from leaving their job.



#### Worker living accommodations:

If employer provide accommodation for workers to live, the housing must be safe, clean, and offered at a reasonable price. For migrant workers, there may be no other options of a place to live. As workers become more reliant upon the labour provider, risk of exploitation can increase.

<sup>5</sup> <https://polarisproject.org/initiatives/hotels>

## 1.3 KEY STAKEHOLDERS

We have identified key industry stakeholders that we know, based on our experience, hold responsibility for at least some of the actions below. The following list provides definitions of the relevant stakeholders to this Framework.



**Hotel Brand** - A hotel brand is a part of group of hotels under the same branding and trademark. The series of hotels operating under the same brand can be operated by the same company or owner but are often owned or operated by a third party who has been given license to do business under the brand trademark.



**Hotel Owner** - A hotel owner can own a hotel group or an individual hotel. The hotel can be independent or part of a brand. Hotels belonging to that particular group or under that same owner are usually under the same management (whether the management is provided by another company or not).



**Independent Hotel** - An independent hotel is independently owned and run. It doesn't allow any other proprietors to use its name or brand.



**Management** - A management company functions as a third party operator providing day to day management services of a hotel, as well as support in accounting, HR, marketing, etc. The General Manager of the hotel is employed by the management company, or the owner or brand in situations where they are the operators of their own hotels.



**Supplier** - A supplier is a party that supplies goods or services. For hotels this may be the vendor supplying linen or the organisation supplying housekeeping staff.



**Agency / labour provider** - a third party that supplies or makes arrangements to supply labour to the hotel but who employs the supplied staff directly. For hotels this may be a company that provides housekeeping, cleaning or waiting staff.



**Recruitment agency** - a third party agency through which the hotel management recruits individuals. The individuals are then directly employed by the hotel management, or hotel owner.

Where responsibility for action sits with more than one organisation, the Framework makes the recommended practice clear below.



## RECOMMENDED RESOURCES:

- > **The International Tourism Partnership Statement on Respecting Human Rights** lays out a recommended statement, specific to the hospitality industry, for how hotels might draft a public commitment towards upholding international human rights.
- > **ITP Guidelines for Checking Recruitment Agencies** were created by the International Tourism Partnership Human Rights Working Group of hotel brands. It includes examples of auditing agencies.
- > **ICCR Best Practice Guidance on Ethical Recruitment of Migrant Workers** highlights the steps some leading companies have made that may serve as examples or models for other companies looking to implement ethical recruitment policies, and drive change at the recruitment agency level.
- > **Fees and IDs: Tackling Recruitment Fees and Confiscation of Workers' Passports** is a report by the Institute for Human Rights and Business which gives background information on exploitative recruiter practices and how to tackle them in practice.
- > **Verite Red Flags of Risk and Vulnerability to Broker-Induced Hiring Traps** seeks to provide indicators to identify common forms of exploitation linked to labor brokers and the trafficking of migrant workers into forced labor.
- > **The United Nations Global Compact - Developing a Human Rights based policy** provides guidance on how businesses can develop and implement human rights policies.
- > **UNODC The Role of Recruitment Fees and Abusive and Fraudulent Recruitment Practices of Recruitment Agencies in Trafficking in Persons** gives an overview of a UNODC study linking abusive recruitment practices and trafficking in persons.
- > **The Responsible Business Alliance (formerly the Electronic Industry Citizenship Coalition) "Definition of Fees"** emphasises the overarching principle that workers shall not be required to pay fees for their employment.
- > **The Responsible Sourcing Tool** is the result of the collaboration of four institutions: the State Department's Office to Monitor and Combat Trafficking in Persons, Verité, Made in a Free World, and the Aspen Institute. This resource was pulled together to introduce stakeholders to the issues and risks associated with human trafficking.
- > **The Electronic Industry Citizenship Coalition Code of Conduct 2016** (now the Responsible Business Alliance) establishes standards to ensure safe and ethical working conditions in the electronics industry supply chain.
- > **The Dhaka Principles for Migration with Dignity** are based on international human rights and labour standards and provide practical guidance for employers, labour brokers and other stakeholders working with migrant workers.
- > **The International Recruitment Integrity System Standard** is a multi-stakeholder system seeking to implement ethical recruitment standards. It builds standards around 5 key principles regarding workers' rights.
- > **Verite Ethical Framework for Cross-Border Recruitment** offers a checklist guide of specific Standards of Ethical Practice, and outlines a Verification and Certification system for firms involved in cross-border recruitment of workers



## 2: IMPLEMENTATION PLAN

The complex nature of global supply chains makes it challenging to identify hot spots for potential modern slavery<sup>6</sup>. The leverage that each company can use with their suppliers to improve respect for human rights will depend on its size and scope. Collaboration is useful for strengthening efforts, and sharing learnings. Working with suppliers is part of a preventative approach allowing for the early identification of risk and meaningful mitigation process.

It is important that employees are aware of their rights, and employers, whether they are agencies, hotels or suppliers, are responsible for ensuring this.



### Step One: Define your organisation's policies

What level of adherence to your principles do you expect your suppliers to uphold and what evidence is required for you to be satisfied that this has been met?

Where a brand and management are working together in terms of preferred suppliers, both are responsible for setting the standard, however management has the ultimate responsibility for the selection of a supplier, in collaboration with the owner.

Creating a Supplier Code of Conduct, which defines both your organisation's stance on modern slavery and the basic principles of cooperation that are expected from all of your suppliers, is one method in setting out your expectations. Annex 1 demonstrates the key areas that can be included in a Code of Conduct, where modern slavery is concerned.

<sup>6</sup> [http://www.stopslaverynetwork.org/wp-content/uploads/2017/07/001-GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.stopslaverynetwork.org/wp-content/uploads/2017/07/001-GuidingPrinciplesBusinessHR_EN.pdf) (principle 14)



### Step Two: Identifying risk

Modern slavery risk for any supply chain can be analysed according to various criteria, such as country, commodity and characteristics of the industry. Outlined below are some ways in which you may start to assess risk with regards to your first tier suppliers. The below information was obtained through the analysis and input of [STOP THE TRAFFIK](#). There are external consultants who can help you with this piece of work should it be required.



#### RECOMMENDED RESOURCES:

- > **The SEE Formula Initiative** provides guidance on how businesses can engage with their workforce to scrutinise their working conditions more closely.
- > **The Ethical Trading Initiative Base Code** provides standards of labour practice based on ILO conventions to drive improvements in working conditions around the world.
- > **The Ethical Trading Initiative Base Code Guidance on living wages** informs companies on what they can do to create the enabling conditions for the payment of living wages, in line with their commitment to the ETI Base Code.
- > **The Health and Safety Executive 'Young people and work experience' guide** is aimed at employers who provide work experience opportunities to young people. It provides guidance to ensure the health and safety of young people is protected at all times.
- > **The EBRD and IFC Guidance Note on Workers' accommodation: processes and standards** provides practical guidance to IFC and EBRD specialists, consultants and clients on the processes and standards that should be applied to the provision of workers' accommodation in relation to projects funded by IFC or the EBRD and also provides examples of good practice approaches that businesses have successfully applied in their operations.

See Appendix 1 for a sample Supplier Code of Conduct.

Contexts such as armed conflict, a weak rule of law, high incidence of corruption, and insufficient safeguarding of human rights and labour standards by the government may all increase the likelihood of workers being exploited in a particular country or region, and therefore increase the risk of exploitation being involved in the production of a particular product which passes through that region or country.



#### RECOMMENDED RESOURCES:

- > **US Department of State (2017) Trafficking in Persons Report (TIP)**. The annual report issued by the US State Department provides an overview of the trafficking risk in each country, highlighting the sectors in which it is most prevalent and the areas where resources are most needed.
- > **Transparency International (2016) Global Corruption Perceptions Index**. This report scores countries according to perceived levels of public sector corruption, which can provide an indication of modern slavery, according to expert opinion from around the world. It should be used to supplement country profiles.
- > **The Global Slavery Index** provides a map, country by country, of the estimated prevalence of modern slavery, together with information about the steps each government has taken to respond to this issue.
- > **Verisk Maplecroft Modern Slavery Index 2017** assesses the risk to business of exposure to practices of slavery, servitude, trafficking in persons and forced labour.
- > **The ILO "Profits and Poverty: The economics of forced labour" report** highlights the socio-economic root causes of forced labour.

## COMMODITY RISK

Some commodities or commodity derivatives are known to be more or less likely to have been produced using forced labour. This can be closely linked to country risk, but the vulnerability of a specific worker demographic can also be a factor in whether or not products are likely to have been produced using exploitation.



### RECOMMENDED RESOURCES:

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> **Verite (2016) Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains: Research on Risk on 43 Commodities Worldwide.**

This report focuses on 43 of the world's most important commodities and a multitude of data and reports have been collected which analyse forced and child labour associated with each commodity.

> **US Department of Labor (2016) List of Goods Produced by Child Labor and Forced Labor.** The US Government's Bureau of International Labor Affairs maintains a list of goods (and their source countries) it believes likely to have been produced through child or forced labour in violation of international standards.

> **Dark Chocolate, a report by Lexis Nexis and Stop the Traffik**, examines human trafficking risks in the chocolate supply chain.

## INDUSTRY CHARACTERISTICS

The following products and services, which are commonly used within the hotel industry, are considered to have higher risk as detailed below.

### Food and Beverage

Agricultural work can be hazardous, employing harsh methods and chemicals, and requiring a large-scale seasonal labour force. This can involve a low-skilled migrant workforce that may be vulnerable to exploitation by labour contractors or unscrupulous employers.<sup>7</sup>

Food and beverages deemed particularly high risk include sugar, seafood, tea and tomatoes.

### Housekeeping, Cleaning and Laundry

The cleaning sector employs a high number of agency workers and subcontracted labour involving intermediaries which increases the risk of exploitation.

These services typically require entry-level positions with low skills requirements meaning the individuals might be less aware of their rights and more vulnerable to abuse.<sup>8</sup>

### Uniforms and Bedding

The garment industry is high risk for modern slavery due to its long and complex supply chains which operate in countries where exploitative working conditions are prevalent. Cotton is one of the goods that can be produced using forced or child labour.<sup>9</sup>

### Agency Staff

Risk of modern slavery incidence arising with the employment of seasonal agency workers can depend on the type of agency and its practices.

<sup>7</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/638767/FACTSHEET\\_Modern\\_Slavery\\_Agricultural\\_v2\\_WEB.PDF](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/638767/FACTSHEET_Modern_Slavery_Agricultural_v2_WEB.PDF)

<sup>8</sup> <http://www.nortonrosefulbright.com/knowledge/publications/157741/food-for-thought-the-modern-slavery-acts-impact-in-fresh-food-retail-wholesale-and-agriculture>

<sup>9</sup> [https://www.oxfam.ca/sites/default/files/file\\_attachments/tourisms\\_dirty\\_secret\\_-\\_oxfam\\_canada\\_report\\_-\\_oct\\_17\\_2017.pdf](https://www.oxfam.ca/sites/default/files/file_attachments/tourisms_dirty_secret_-_oxfam_canada_report_-_oct_17_2017.pdf)

<sup>10</sup> <http://www.schroders.com/en/sysglobalassets/digital/global/modern-slavery.pdf>

<sup>11</sup> <https://www.antislavery.org/what-we-do/where-we-work/uk/staff-wanted-initiative/>



### Step Three: Risk mapping

The information gathered from the activity of identifying risk is ready to be reconciled with your list of suppliers. The information can be used to assess the potential risk of each supplier, from

first tier and down the supply chain, based on the nature of their business and the processes they have in place in order to identify and focus on those who represent the greatest risk. Your organisation may have other criteria that can factor into this process, such as:

- Whether the organisation is a "critical supplier".
- What the annual spend is for the supplier. Would a higher spend lead to more scrutiny?
- When the supplier was last active.
- How frequently the supplier is used.
- Has the supplier had an audit conducted recently that they can share the results of?



### Step Four: Engaging with suppliers

Once your organisation's principles on modern slavery are internally agreed, all new suppliers can be considered alongside these as well as other commercial criteria for selection. The purpose is not

to terminate all relationships when full compliance isn't immediately met. Instead having an open discussion about your principles and expectations with your suppliers is what best practice recommends. Allow time for suppliers to engage with your expectations and adapt their business practice accordingly.

There are a number of methods organisations may want to take when engaging with their suppliers. Some of these include:

- **Individual meetings** - meeting one on one to go through the criteria of your expected standard allows for genuine dialogue with your suppliers.
- **Code of Conduct agreement** - requiring either a signed copy or the completion of a questionnaire according to the content of a Supplier Code of Conduct allows for an efficient and standardised process with suppliers.
- **Action Learning Groups** - organisations may want to invite their critical suppliers to a roundtable discussion to work through the process of implementing relevant labour standards in an open and meaningful way.
- **Supplier training** - in cases where not much of the standard has been met but there is a strong appetite to create effective systems and processes, suppliers may want to attend training for this.
- **Supporting suppliers** - Organisations can support suppliers in strengthening their own policies in line with the principles you have set.
- **Cascading** - encouraging tier one suppliers to conduct due diligence with their own suppliers.

During engagement with suppliers, it is recommended to get formal acknowledgment of your principles and expectations. Further, it is good practice to invite the supplier to demonstrate their alignment with those principles by sharing their own policies and best practice. A constructive engagement around sharing of best practice can be a good foundation for an open dialogue to identify potential risks and collaborate on continuous improvement throughout the course of the business relationship.



### RECOMMENDED RESOURCES:

> **The Slavery and Human Trafficking Risk Template (STRT)** is a free, open-source data collection template that forms the backbone of corporate modern slavery due diligence programs. It is maintained by a Development Committee under the Social Responsibility Alliance.

> **Sourcemap** is a software company specialising in supply chain mapping. It helps companies trace, monitor and produce a visual graphic of their supply chain sources to enable them to communicate directly with all of their suppliers. Open Source Map is a free, online resource for consumers and smaller businesses.

**It is recommended that while prioritisation is useful in helping you address the greatest risk first, a company can determine the scope and timeline for engaging with its suppliers depending on the complexity of its supply chain.**



### Step Six: Ongoing management

Organisations can implement appropriate management processes with each supplier to monitor that the agreed expectations are being complied with and to establish action plans to improve

performance, where necessary. A continuous improvement approach can promote joint ownership of corrective action plans and the raising of standards. Options for continuing the management process include:

- Formal review meetings held regularly between organisations and supplier to review progress.
- Regular compliance tracking of suppliers' policies, processes and performance against the company's supply chain expectations.
- Spot-checks on staff working in your hotel to ensure that the agency employing these workers are acting as agreed in the standard.
- Spot-checks by a third-party agency.

For further information on auditing compliance and conducting spot-checks, see Section 3: Further Action.



### Step Seven: Reporting incidents

In the UK, mechanisms are already in place to assist victims of human trafficking once identified. Including information about these mechanisms in your reporting protocols means, those best placed can provide support to the victim.

After an incident has been reported, remedy involves three key steps which are outlined below.

**Investigation:** Any investigation beyond the initial report is performed in collaboration with local police and victim service providers in order to protect the business, employee(s), and victim(s).

**Victim Services:** If an investigation confirms probable incidents of trafficking, the organisation would work in cooperation with a local specialist victim provider (i.e. the Modern Slavery Helpline in the UK - 08000 121 700). Victims of trafficking would then be made aware of their options for access to remedy (both judicial and nonjudicial).

**Root Cause Analysis:** An analysis into the root causes of the incident would be conducted. If applicable, and depending on the severity of the incident, it is the prerogative of the organisation as to whether to give written warning notice or notice of termination to the relevant employee, supplier, contractor, or subcontractor that has violated policy.



### RECOMMENDED RESOURCES:

> **The Ethical Trading Initiative Human Rights Due Diligence Framework** provides guidance on how companies can prevent and manage labour rights risks.

Similar to the due diligence conducted at the beginning of a contract, in the UK, mechanisms are already in place to assist victims of human trafficking once identified. Including information about these mechanisms in your reporting protocols means those best placed can provide support to the victim. This is to ensure that the agency employing these workers is acting as agreed in the initial contract (i.e. paying wages, no withholding money).

Management is directly responsible for managing the performance of suppliers. If incidents are found, management would inform the Brand, as Brands share the reputational risk.



## 3: FURTHER ACTION

As previously mentioned, this Framework only covers one part of an organisation's processes to address and respond to modern slavery. The below are areas that fall outside the scope of this document with suggestions for finding further information.

**Auditing guidance** - Once due diligence is in place with a supplier, it is recommended that there are regular and ongoing audits that the agreed conditions are being met.

- See [Sedex](#), which is a global not-for-profit organisation which houses the world's largest collaborative platform sharing responsible sourcing data on supply chains. Sedex provides an Ethical Trading Audit (SMETA).

**Staff interviews** - Staff interviews are a key part of any audit to consider whether staff are being exploited.

- See [Stronger Together](#) for guidance on conducting worker interviews.

**Victim support guidance** - It is important to prepare for if an incident of modern slavery is discovered. Part of the preparations will be through the creation of guidance on how best to support the identified victim.

- See [Surrey Police Hotel Toolkit](#) which provides guidance on how staff can respond to incidents of modern slavery on site.

**Training** - Staff training can play an important part in your processes to address modern slavery. Training enables staff to understand modern slavery, to spot the signs and to report any suspicions.

- See [Vinciworks](#) for online procurement training.
- See [COMBAT Toolkit](#) which is designed to equip hotels with training materials they can use themselves to tackle human trafficking.

**Monitoring and evaluation** - monitoring and evaluating any initiative can help with assessing its effectiveness.



### RECOMMENDED RESOURCES:

> **Recommended resources on engaging with suppliers:**

Stronger Together and the Walk Free Foundation have both published guidance on implementing a system to improve transparency in business supply chains, and engaging with suppliers. These include sample examples of tools and steps to put in place all of the above procedures.

> **Recommended resources on the link between hotel use and sexual exploitation:**

Polaris Project's The Typology of Modern Slavery breaks down trafficking into categories based on industry, providing solutions for tackling the crime based on the characteristics of each. The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism aims to prevent sexual exploitation of children at tourism destinations.

## 3.2 RECOMMENDED EXTERNAL INDUSTRY EXAMPLES.

### Supply Chain Mapping

- [M & S Supplier Map](#) is an interactive map that Marks and Spencer's have put together to increase transparency regarding the geographical location of their tier 1 suppliers. It offers a broad overview of the global information regarding the number and location of their factories and workers.
- [Nike Manufacturing Map](#) is a mapping tool to learn about the independent factories contracted to make Nike products. The map includes information on the name and location of each factory, types of products each factory makes, and information about the workers.
- [Patagonia](#) maps out their factories, textile mills and farms. They also provide information on their activities on the living wage, sourcing and ensuring fair labour practices.

### Supplier Code of Conduct

- [Manpower](#), a recruitment organisation, has created a supplier code of conduct that explicitly prohibits human trafficking, forced and compulsory labour.
- [SC Johnson](#), a household products company, has a new supplier code of conduct that addresses the issue of human trafficking in its supply chains.

### Company guidance on human trafficking

- [Adidas Guidelines on Employment Standards](#) are to be used as a tool for working with business partners and to help Adidas identify potential problems that can be swiftly addressed with business partners. They provide practical tips for managing compliance labour issues and solutions to some of the more complex employment problems, including forced labour.
- [Coca-Cola Supplier Guiding Principles](#) reflect the values of the organisation within their own policies, and detail what they expect direct suppliers to follow to ensure respect for all human rights. They expressly prohibit the use of all forms of forced labor. The [Human and Workplace Rights Issue Guidance](#) provides a framework for responsible recruitment and employment practices with regards to migrant workers who are vulnerable to exploitation and human trafficking.
- [Hewlett Packard Company Supply Chain Foreign Migrant Worker Standard Guidance Document](#), created in consultation with Verite, provides suppliers tools for best practice in order to promote safe, fair, and legal working conditions, to tackle forced labor in supply chains.

### Industry collaborations

- [ACT \(Action, Collaboration, Transformation\)](#) is an agreement between global brands, retailers and trade unions to achieve living wages for workers in the textile industry.
- [The Consumer Goods Forum](#) has committed to priority principles against forced labour.
- [Building Responsibly](#) is an industry collaboration to promote the rights and welfare of workers in the engineering and construction industry.
- [International Tourism Partnership](#) is a non-competitive platform for the hotel industry to share ideas, build relationships and work together on making the industry more responsible.

## ANNEX 1 - SAMPLE SUPPLIER CODE OF CONDUCT

This policy defines both [x organisation's] minimum standards and the basic principles of cooperation that we require of all suppliers, whether they supply goods, services or people. It also identifies the commitments [hotel] will make to ensure the Supplier Code of Conduct is effectively implemented throughout the supply and value chains. The policy requirements are based on core international labour organisation conventions, the ETI base code and the UN Guiding Principles on Business and Human Rights.

### 1. Employment

- 1.1. There are no trafficked individuals working in any part of the supply chain, who have been recruited, transported, transferred, harboured or received for the purposes of exploitation.
- 1.2. There is no forced, bonded, indentured or involuntary prison labour.
- 1.3. Workers are not required to pay fees, either directly or indirectly to obtain work, or lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice.
- 1.4. No offence under the Modern Slavery Act 2015, the Immigration Act 2016, and any Gangmasters Licensing Authority regulation will be committed.

### 2. Freedom of Association and Employee Voice

Workers without distinction, have the right to join or form trade unions or other comparable, legal organisations of their own choosing. We recognise their ability to communicate their employee voice and will provide reasonable opportunities for them to do so.

### 3. Working conditions

- 3.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry, any specific hazards and legal requirements in line with internationally recognised certification and standards.
- 3.2. A record of health and safety incidents (accidents and injuries) shall be maintained, with an action plan to improve performance by minimising the causes of hazards in the working environment.
- 3.3. Workers receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.
- 3.4. Access is provided to clean toilet facilities, potable water, and sanitary food storage.
- 3.5. Responsibility for health and safety is assigned to a senior management representative.
- 3.6. Facilities will undergo an environmental and safety risk assessment and have all required documentation and permits regarding structural, electrical and fire safety.

### 4. Child labour

- 4.1. Suppliers may not employ workers under the age of 15 or as indicated by local law, whichever is the higher.
- 4.2. Suppliers must maintain formal documentation that verifies the age of each worker.
- 4.3. Suppliers must comply with all relevant child labour laws.
- 4.4. Suppliers shall contribute to programmes which provide for the transition of child labour to education, or support [x organisation]'s efforts to do so.
- 4.5. Young persons under 18 shall not be employed at night, in hazardous conditions and suppliers must comply with all international and national laws regulating young workers including educational opportunities.

### 5. Fair Wages

- 5.1. Wages and all legally mandated benefits paid for regular hours of work meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

- 5.2. Overtime must be paid at a premium rate, at a minimum compliant with national legislation.
- 5.3. Wages shall be paid directly to the workers in the form of cash or cheques or into a nominated bank account, at the agreed intervals and in full.
- 5.4. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and provided with wage slips including the particulars of their wages for the pay period concerned each time that they are paid.
- 5.5. Deductions from wages as a disciplinary measure shall not be permitted nor shall deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

## 6. Working hours and annual leave

- 6.1. Working hours must comply with national laws and industry standards.
- 6.2. Workers shall be provided with at least one day off for every seven day period on average.
- 6.3. Overtime must be voluntary, must not average more than 12 hours per week, and must not be undertaken on a regular basis.
- 6.4. Workers may refuse to work overtime without any disciplinary action being taken against them.
- 6.5. Reasonable annual leave must be afforded to each employee, based on a clear, formal policy.

## 7. Discrimination

- 7.1. Suppliers will fully comply with local laws regarding equality of employment opportunities.
- 7.2. Subject only to local law, suppliers will practise no discrimination in hiring, compensation, training, promotion, termination or retirement based on race, caste, nationality, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- 7.3. If the supplier feels that cultural or structural discrimination exists that is beyond its ability to control, then this should be recorded and reported to [x organisation]. A collaborative approach will be taken to resolve the issue in a manner that is sensitive to the cultural and social context.

## 8. Regular employment

- 8.1. Work performed must be on the basis of a recognised employment relationship established through national law and practice.
- 8.2. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.
- 8.3. Migrant, contract, part-time and home-workers must receive the same rights, benefits and opportunities for advancement as other workers performing similar activities.

## 9. Humane treatment

- 9.1. Physical and verbal abuse, the threat of physical abuse, sexual harassment or other forms of intimidation shall be prohibited.
- 9.2. Disciplinary actions must be fair, proportionate and fully compliant with local laws.
- 9.3. All disciplinary actions must be recorded.
- 9.4. Suppliers will record any incidence of harsh or inhumane treatment and develop action plans to prevent future violations.
- 9.5. Suppliers will develop a grievance and complaint policy and process for its workers.

## 10. Accommodations

- 10.1. Any accommodation facilities provided to employees must meet all local laws and regulations covering health, sanitation, electrical, mechanical, fire and structural safety.
- 10.2. An evacuation plan must be prominently displayed at any accommodation facilities provided to employees.

- 10.3. Accommodation facilities should have been designed and built for human habitation.
- 10.4. Facilities should be away from main factory and production buildings.
- 10.5. Charges for rent and food must be reasonable and benchmarked against local cost and wage levels.
- 10.6. Each worker must be provided with an individual sleeping bed.
- 10.7. Sleeping quarters should be segregated by gender, as appropriate.
- 10.8. Workers must be provided with adequate and lockable storage space.
- 10.9. Sleeping quarters must have adequate lighting.
- 10.10. Appropriate quarters must be provided for couples.
- 10.11. The living space per worker must be the minimum legal requirement or the local industry standard whichever is greater.
- 10.12. Workers must be allowed to leave and enter freely during time off work subject to reasonable restrictions imposed based on considerations of safety.
- 10.13. Accommodation must include access to potable water.
- 10.14. Workers must be provided with adequate recreational facilities
- 10.15. Adequate toilet and shower facilities must be provided, segregated by gender and maintained in a hygienic condition.

## 11. Ethical Corporate Practices

- 11.1. All relevant national and international legal requirements must be complied with.
- 11.2. [hotel] must be informed of any serious breaches of compliance or investigations by authorities into potential breaches
- 11.3. Suppliers must not take part in:
  - 11.3.1. Money laundering
  - 11.3.2. Insider trading
  - 11.3.3. Fraud, bribery and corruption and other improper payments or gifts
  - 11.3.4. Unauthorised access to personal and business information.
- 11.4. Suppliers will adhere to the principle of free, prior and informed consent of local and indigenous communities where sourcing takes place, ensuring rights and access to land is not abused.
- 11.5. Suppliers are required to act in accordance with the UK Bribery Act.

### Principles of Implementation

[hotel] understands that improving social and ethical standards in the supply chain is a challenging process that requires the cooperation of its employees, suppliers, business partners and other stakeholders. We also recognise that compliance to the Supplier Code of Conduct may not be immediately achievable, but we are committed to working collaboratively towards this goal. The principles of implementation herewith recognise this challenge and set out a process of continuous improvement with the ultimate objective of achieving compliance to the Supplier Code of Conduct.

A. To drive continuous improvement, [hotel] commits to the following principles:

- a. Work to fair, transparent and mutually agreed terms and conditions.
- b. Make payments for services provided on time and in full.
- c. Work collaboratively with suppliers to improve social and ethical standards where our support is needed and is appropriate.
- d. Acknowledge specific national, regional or cultural challenges.
- e. Protect the confidentiality of information entrusted to us.
- f. Recognise suppliers' own standards where they are comparable to our own.
- g. Ensure that all relevant employees are aware of the Supplier Code of Conduct.
- h. Include transparent environmental, social and ethical performance criteria in our supplier selection processes.
- i. Cease trading with suppliers demonstrating persistent disregard for this Supplier Code of Conduct.
- j. Give appropriate consideration to the impact of ceasing trading on suppliers and the communities in which they operate.
- k. Comply with the UK Bribery Act Legislation.
- l. Work to integrate the UN Guiding Principles on Business and Human Rights throughout our supply chain and in our own operations.

B. In conjunction with the principles of implementation, [hotel] will:

- a. Allocate the resources required in order to fully implement the Supplier Code of Conduct.
- b. Communicate the Supplier Code of Conduct to all relevant employees.
- c. Assign responsibility for the implementation of this Supplier Code of Conduct to specific individuals who will provide the Board, suppliers and other stakeholders with compliance updates and implementation performance as required.
- d. Provide appropriate training and key performance measures to all employees with specific sourcing responsibilities in order to enable them to support the implementation of the Supplier Code of Conduct.
- e. Communicate this Supplier Code of Conduct to all suppliers and seek formal acceptance and commitment to its implementation.
- f. Require all suppliers to report their level of compliance to this Supplier Code of Conduct and the corrective actions being taken towards improvement.
- g. Maintain an internal system to record and monitor the level of compliance to this Supplier Code of Conduct
- h. Actively engage with all suppliers to support continuous improvement towards compliance with this Supplier Code of Conduct.
- i. Annually communicate the progress towards compliance with this Supplier Code of Conduct to our employers, suppliers and public
- j. Review the Supplier Code of Conduct on an annual basis and whenever necessary and appropriate.

C. [hotel] requires its suppliers to advise and keep [hotel] updated on all suppliers used for the production and processing of [hotel] goods and services and, further, to commit to:

- a. Communicate the Supplier Code of Conduct to all employees, suppliers, sub-contractors, home workers, and temporary and contract staff engaged in their supply chain.
- b. Ensure this Supplier Code of Conduct complies with all applicable laws in the countries in which they operate and all relevant ILO conventions, UN Guiding Principles on Business and Human Rights and the UK Bribery Act. Where standards differ, the standard which offers the greater degree of protection to workers shall apply.
- c. Establish management systems for delivering compliance with this Supplier Code of Conduct.
- d. Maintain records demonstrating compliance. An individual in a senior management position should be given responsibility for compliance with the Supplier Code of Conduct.
- e. Train relevant staff on social, ethical, environmental and human rights standards to support compliance with this Supplier Code of Conduct.
- f. Allow [hotel] representatives access to documentation, management and workers to determine progress against compliance with this Supplier Code of Conduct.
- g. Report any serious breaches of this Supplier Code of Conduct to the relevant [hotel] representative.

Suppliers may in addition be required to comply with additional sub-policies or standards relevant to the products that we source from that supplier and specific risks or issues associated.

### **Signed Declaration by Supplier**

I declare that I have received and acknowledged in full the Supplier Code of Conduct and agree to work with [hotel] to work towards full compliance abiding by the Principles of Implementation.

Signed:

Title: (Company representative)

Date:

On behalf of: (Company name)

1 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/638767/FACTSHEET\\_Modern\\_Slavery\\_Agricultural\\_v2\\_WEB.PDF](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/638767/FACTSHEET_Modern_Slavery_Agricultural_v2_WEB.PDF)  
2 <http://www.nortonrosefulbright.com/knowledge/publications/157741/food-for-thought-the-modern-slavery-acts-impact-in-fresh-food-retail-wholesale-and-agriculture>  
3 [https://www.oxfam.ca/sites/default/files/file\\_attachments/tourisms\\_dirty\\_secret\\_-\\_oxfam\\_canada\\_report\\_-\\_oct\\_17\\_2017.pdf](https://www.oxfam.ca/sites/default/files/file_attachments/tourisms_dirty_secret_-_oxfam_canada_report_-_oct_17_2017.pdf)  
4 <http://www.schroders.com/en/sysglobalassets/digital/global/modern-slavery.pdf> (page 6)  
5 <https://www.antislavery.org/what-we-do/where-we-work/uk/staff-wanted-initiative/>



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For further information

**Shiva Foundation**

**Tel:** +44 (0) 203 758 8884

**Email:** [info@shivafoundation.org.uk](mailto:info@shivafoundation.org.uk)  
[www.shivafoundation.org.uk](http://www.shivafoundation.org.uk)  
[www.stopslaverynetwork.org](http://www.stopslaverynetwork.org)

[www.stopslaverynetwork.org](http://www.stopslaverynetwork.org)