Charting a Course for Collective Action:

Addressing Slavery in the Hotel Industry

SHIVA FOUNDATION
In 2016, Shiva Foundation brought together a group of UK companies to create the Stop Slavery Hotel Industry Network ("the Network") as a way to facilitate collaborative action in the sector. With a collective annual turnover of over £14 billion, this group of some of the UK hotel industry's most respected owners, brands and managers joined forces to understand how they could work together to address the challenging and multi-faceted issue of slavery in the supply chain.

Coordinated by Shiva Foundation, the Network came together throughout 2017 to learn, share and act. They produced the Framework for Working with Suppliers, a tool designed to help the industry take action in practical ways. But it became apparent that a great deal more could be done beyond the efforts of a group of companies to tackle modern slavery holistically. From their experience with the Network and through a consultation with the wider industry, Shiva Foundation has drafted a set of recommendations; government, industry bodies, unions, media, civil society and customers themselves all have a role to play in the fight.

The ten recommendations detailed in this report are as follows:

1. **Strengthen leadership from industry membership bodies in the UK:** advocate for change within companies and governments on slavery.
2. **Stronger, targeted action from labour market regulators.**
3. **Engage models that share responsibility across brands, managers and owners.**
4. **Change the discourse: instead of thinking about the risk involved with addressing slavery head on, consider how it could be an opportunity.**
5. **Make slavery a cross-functional issue and develop a broad approach within an individual company.**
6. **Foster relationships with law enforcement and victim support in advance of an incident, to ensure timely and thoughtful remedy protocols.**
7. **Reframe the conversation about incidents.**
8. **Put transparency at the forefront – even when it’s not mandatory.**
9. **Leverage and understand the value of purchasing power on creating change in supply chains.**
10. **Collaborate: more often, more honestly and with more organisations.**

As someone who knows the hotel industry, I can tell you that collaborative efforts are the only way we will be able to make any real impact on the risk of modern slavery within our sector. The industry is vast and multi-layered. Shiva Hotels has undertaken a number of independent actions to address modern slavery throughout its business. The company made a public commitment to tackle human trafficking and modern slavery in 2016, after which it rolled out practical training materials and tools across its business, and put into place policies and protocols that sought to cover everything from hiring to remediation. Yet we know that as one owner in a complex matrix that includes management companies, brands, recruitment agencies and suppliers, among many others, we would not be able to tackle modern slavery, given its scale and reach, alone.

In November 2016, Shiva Foundation hosted a roundtable discussion in partnership with Thomson Reuters Foundation. We brought together key players within the hotel industry for an open discussion about each of our experiences, the challenges we faced and good practice we were implementing. The conclusion was clear: to tackle this problem we needed to collaborate and facilitate communication between the complex layers of the industry. As a result of these discussions, the Stop Slavery Hotel Industry Network was founded – the first ever industry-wide network that brings together corporate and operational levels to tackle modern slavery.

As a network, we were adamant that the group be action-oriented and practically useful. That is why this report is key. As an industry that employs one in ten people in the world, we reach almost everyone in one way or another. For this reason, we are asking all key stakeholders, whether government, business, civil society or consumer, to get involved in this fight. As an industry we are working hard to address the issue, but to truly make an impact, collaboration must extend further.
The UK government has named modern slavery1 the greatest human rights issue of our time. Fuelled by the demand for cheap labour, the human trafficking market is formed of highly sophisticated and organised global networks of criminals that are deeply embedded into the global economy. The International Labour Organization (ILO) estimates that there are 40.3 million people trapped in forced labour globally. Of those, 21 million are victims of labour exploitation and a quarter of all modern slavery victims are children.2

Like many other industries, the hotel and hospitality industry is not immune to the challenges of addressing slavery in its own supply chains. In 2016, Shiva Foundation brought together a group of UK companies in the industry to set up the Stop Slavery Hotel Industry Network (“the Network”) as a way to create collective action in the sector.

The Network was founded on a wave of momentum throughout the country and the hospitality sector to address modern slavery. The UK Modern Slavery Act of 2015 has greatly raised the awareness of modern slavery nationally; many large hotels and hospitality companies have already issued their first statements. Support from The International Tourism Partnership (ITP) has helped hospitality and tourism stakeholders and working groups to identify prominent human rights risks in the industry. COMBAT, a project funded by the EC Directorate of Home Affairs, further engages stakeholders by providing a preparatory and preventive training toolkit for internal staff workshops. Training is now being held at a number of hotels for staff to spot, address and alert the authorities of human rights crimes.

Progress has been made, but the scale of the problem is enormous, so the solutions must go beyond what just one company has to offer. The idea that companies across the sector could come together for collective action, as has been evidenced across many industries, led to the creation of the Network. Launched at the Trust Women Conference in November 2016, the Network’s ethos stems from the acknowledgement that actors across the industry, whether international brands, bespoke hotel groups, independent owners, managers or employment agencies, share responsibility for addressing modern slavery.

The following pages of this report offer insight into the Network’s work in phase of working, review the challenges highlighted by this unique grouping of diverse companies – sometimes collaborators, sometimes competitors – across the hotel and hospitality industry, and provides recommendations for the multifaceted changes that need to occur across sectors to tackle this horrific crime.

The Network created the Framework for Working with Suppliers: Mitigating Risk of Modern Slavery (“the Framework”). 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 the experience and input of the Network.


“...the Network has been instrumental in bringing the actors together to make a real difference. We are not part of any other member group that are action-oriented like this group is.” Network Member

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1. 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, or deception with the aim of exploiting them; and Slavery, Serfdom, 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.

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From the very beginning, the Network set itself a challenge: can it attempt to tackle this problem collectively, challenging the status quo as an industry? A number of recommendations for companies and groups at any stage in their journeys have been elucidated as a result of this experience:

First, know what you don’t know.

In both name and ethos, collective action is about taking action – and it can be tempting to embark on a collective plan immediately. However, ensuring challenges and context are clear is a critical first step.

Before officially launching the Network, Shiva Foundation and the Thomson Reuters Foundation held a session focused on bringing companies across the hotel industry together to learn and share their experiences on the topic. The content was designed to educate, bringing everyone to a common understanding of modern slavery and how it affects the hotel industry.

Next, the Network set out to uncover the area where collective action was needed. Issues reliant on an individual company to make change, such as staff training, don’t require the agreement and cooperation of multiple stakeholders, whereas others, such as dealing with a shared supply chain, might. After prioritising a number of different issues, the group honed in on two key challenges most member companies were individually facing:

The core commonality between both of these challenges is that they both deal with the supply of people and goods into hotels, and the risks they bring. With this understanding, addressing slavery in the supply chain became the core focus of the Network.

About the Network

The Network represents a diverse group of players in the UK hotel and hospitality industry. Collectively, they own, manage or license their brand to 6,000 properties in over 100 countries. They employ over 220,000 people around the globe, and subcontract work that touches many more. They share an annual turnover of nearly £14 billion.

Shiva Foundation designed and led four workshops for Network members in the first year, with the aim of working towards the production of a tangible output – the Framework - to be shared with the wider industry. Shiva Foundation also worked with the British Hospitality Association (BHA), publishing a consultation document inviting input from the BHA’s over 40,000 members.

The work of the Network adhered to basic principles, agreed to by all members:

1. Open and honest communication, bound by confidentiality. Members were asked to come prepared to share and face their toughest internal challenges, with the knowledge that no information would be shared or attributed outside the meetings.

2. Commitment to collective working. The group committed to regular meetings, sharing best practice and actively contributing to sessions and materials.

3. Increasing awareness. Members agreed to raise awareness of modern slavery and share resources, information and support within and beyond the network.

4. Focus on action. Each meeting was designed to focus on practical outcomes for the group to address and share more widely at the end of the first year.

The First Phase: Learnings

From the very beginning, the Network set itself a challenge: can it attempt to tackle this problem collectively, challenging the status quo as an industry? A number of recommendations for companies and groups at any stage in their journeys have been elucidated as a result of this experience:

Recruitment and retention of staff:
High staff turnover makes recruitment and retention a significant business issue for hotels. Many resolve this through outsourcing recruitment to third party agencies. However, transparency through the employment chain becomes more limited with the addition of multiple actors.

Communicating reputational risk:
With the layered nature of the industry, not every player addresses modern slavery in the same way. When an incident occurs, the effects to a hotel’s reputation create ripples up and down the value chain. Even when legal risk is clear, reputational risk is shared.

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Businesses are complex entities on their own; when they work together, the challenge of understanding roles and responsibilities only increases. Hotels must work with their peers, colleagues and competitors to ensure everyone’s role in preventing slavery in the supply chain is clear.

To address the multi-layered and often opaque roles and responsibilities among multiple actors, the Network undertook a RACI exercise. RACI – which stands for Responsible, Accountable, Consulted and Informed – is a tool used to break down complex processes with multiple stakeholders and clarify the roles of each actor, step-by-step.

The Network’s RACI exercise looked at three activities identified as particularly challenging with regard to supply chains: recruiting subcontracted staff through a third-party agency; contracting to construct a new property; and procuring goods.

In some cases there was immediate agreement, for example that management is responsible for conducting the due diligence on a third party agency prior to co-contracting with them. However, others were more complicated. For example, criteria for selecting third-party agencies is often defined by management. However, the way criteria are defined can have reputational implications across the value chain. The Network determined that in an ideal-world situation, other stakeholders, including brands, unions and membership bodies, would be consulted when criteria is being decided to ensure red flags, which indicate possible occurrences of slavery, are being addressed.

By understanding when and how to consult and inform each other, the Network developed a clearer understanding of how members could better work together to address challenges quickly or spot global trends.

As an industry with complex relationships between actors in one property, clarifying roles and responsibilities around slavery hot spots is critical.
What Can we Learn from Health & Safety?

Since the onset of the industrial revolution, demands for greater health and safety legislation have steadily increased. Major workplace incidents and accidents, along with increased recognition of workers’ rights, have helped to drive support for stronger health and safety enforcement across the UK.

Building on previous health and safety laws, the introduction of the Health and Safety at Work etc. Act 1974 was a defining moment in UK legislative history. The Act had two important elements: (1) it stipulated that all workplace personnel should be involved in meeting defined health and safety regulations, and (2) the goal-based approach marked a move from a reactive to a proactive approach.

The growing and consistent impetus for workplace health and safety at a social and political level has resulted in gradual acceptance by UK companies of its integrity. As such, it is fair to make the claim that this acceptance, driven by social, political and legislative demand, will also eventually be applied to anti-modern slavery efforts.

Despite the lack of enforceable legislation, modern slavery is internationally recognised as the second largest illegal industry in the world. With daily media coverage of modern slavery scandals and greater social awareness among the younger generation, it is inevitable that demands for anti-modern slavery regulation will increase. The UK Government has taken the first step by introducing the Modern Slavery Act 2015, but this is only the beginning.

As an extension of socially accepted standards on the appropriate conditions for workers, but on a global scale, it is only a matter of time before anti-modern slavery laws, policies and practices are as commonplace as health and safety regulation. This perspective has registered within many British companies, who are already choosing to work collaboratively to share the responsibility of tackling modern slavery. As this trend continues, leading sectors will be in an excellent position to meet new legal standards and influence the direction of future legislation.

Ruth Wood, Shiva Hotels

The Horizon: Recommendations and Action

After a year of coordinating the Network - reflecting on the experience, research and discussions - along with offline conversations with stakeholders and the responses submitted from the BHA-supported consultation with the hospitality sector, Shiva Foundation has derived a set of recommendations.

One key learning of the Network’s first phase was that there is much that collective action can accomplish, but to truly tackle the issue of slavery, action must occur far beyond the walls of a boardroom: Government, industry bodies, unions, media, civil society and customers themselves all have a role to play in the fight.

1. Strengthen leadership from industry membership bodies in the UK: advocate for change within companies and governments on slavery.

When industry bodies marshal the forces of their members to create change, the results can be staggering. The Consumer Goods Forum provides a stellar example of how a group of collaborators and competitors in the same industry can come together to produce simple, strong and forceful standards on slavery that resonate with CEOs and CSR leaders. The Network calls on the industry bodies within the hospitality and hotel sector to work towards creating a focused working group on slavery in the industry, particularly one that engages smaller hotel companies and includes their voices. Collective advocacy has already demonstrated its ability to create change in other spaces – it’s time to come together and do the same on this critical issue.

2. Stronger, targeted action from labour market regulators.

Historically, the UK has had little regulation that holds hotels to account in terms of their labour practices. Licensing labour providers has been demonstrated to work in tackling labour abuses in other industries, such as the Gangmasters and Labour Abuse Authority’s licensing scheme for businesses that provide workers to the fresh produce supply chain. Regulation can help move progress along more quickly and ensure labour providers are meeting basic guidelines around slavery and trafficking, when regulation is properly in consultation with the industry, and enforced accordingly.¹

Addressing Slavery in the Hotel Industry

3. Engage models that share responsibility across brands, managers and owners.

In the Network’s RACI exercise, participants identified inherent challenges in the way liability is distributed among the numerous actors in one particular property. For example, when a property or construction project seeks suppliers or contractors, brands are rarely involved. However when a problem arises, it is usually the brand that faces the greatest public reputational risk. Shared accountability could mitigate this risk, address challenges more quickly or spot global trends.

4. Change the discourse: instead of thinking about the risk involved with addressing slavery head on, consider how it could be an opportunity.

Slavery and other human rights issues tend to sit firmly in the risk department of most companies. However, some have found success in tackling the problem head on, and sharing that progress with their clients and customers. Guests in most hotels already see a company’s environmental or sustainability policies on display; why not showcase their work on human rights?

Shiva Hotels worked with one of their London properties to develop a commitment that could be shared publicly. “This has acted as a motivator and actually a point of pride for many of the staff and even for guests too,” said Nishma Jethwa, Innovation and Strategy Lead for Shiva Foundation. “We even received a positive review on TripAdvisor noting the messaging as a highlight of the guest’s stay.” Shiva Hotels’ commitment is currently displayed in the lobbies of each of its properties.

5. Make slavery a cross-functional issue and develop a broad approach within an individual company.

Diverse business units including HR, procurement, finance, legal and communications all have roles to play in the fight against slavery – yet it’s often a CSR person working on the issue alone.

One Network member has created a cross functional working group to come together quarterly to discuss their work and these issues. The group requires senior level membership or support from the highest levels in the company in order for it to be sustainable and effective. Each function should have a clear understanding of their own role in the process and their responsibility to communicate this within their own function. Most companies already use cross-functional committees to manage risks like bribery, corruption and money laundering. Treating slavery as a priority will help spot trends, gaps and create a better working environment.

6. Foster relationships with law enforcement and victim support in advance of an incident, to ensure timely and thoughtful remedy protocols.

Local police and victim support providers can be strong allies if an incident occurs. Relationships should be built early and maintained often. These advisors can input into an internal incident reporting protocol, ensuring it is victim-centred, in line with national practice, and is clear and simple to follow.

7. Reframe the conversation about incidents.

Incidents of slavery are devastating when they occur; historically, the natural inclination of some companies was to run from them as quickly as possible. This is already changing, with many companies shifting to take ownership and responsibility, and working to remedy the situation. Increased reporting of incidents is immediately assumed to be bad – but it doesn’t necessarily mean slavery is increasing. On the contrary, companies can use the fact as reassurance that their policies and processes are working.

8. Put transparency at the forefront – even when it’s not mandatory.

One of the Network’s first activities was to compile a resource hub for its members, featuring standards and best practice guidelines. Drafting the Framework meant members had to input on their own policies and practices. We encourage sharing of materials, even among companies who could be considered competitors, as they can be integral toward creating collective solutions.

The Modern Slavery Act requires large companies to report on the efforts they are undertaking to address slavery in their supply chains. Smaller companies, even those under the reporting threshold should also be sharing with their stakeholders how they are working to combat these challenges. By being open and honest with successes and challenges, companies can ensure solutions are shared more quickly, pitfalls are avoided and collectively their efforts are more effective.

9. Leverage and understand the value of purchasing power on creating change in supply chains.

Increasingly, large and small companies across industries are coming together to leverage their collective purchasing power to make change in their supply chain. Some good practice in recent years, spurred on by the reporting requirements of the Modern Slavery Act, has trickled down to suppliers – but these efforts are not happening fast enough. Companies could be doing more to share data on responsible suppliers, rewarding those who address the issues of slavery head on.

Beyond the corporate sector, government has a great deal of power to address slavery through its own procurement of hotel rooms and other hospitality needs. With widespread purchasing power in the industry, if the government asked about companies’ responses to modern slavery in its requests for proposals, there could be far reaching effects throughout its own supply chain.
Collaborate: more often, more honestly and with more organisations.

Countless networks have been created among peers within industries in the for- and not-for-profit sectors to address many intractable issues, but most have been challenged on moving from discussion to output and action. Bringing together diverse actors with multiple priorities, exceedingly full schedules, and different lines of accountability is a significant barrier to creating collective action.

Yet this is the only way change can truly be achieved. It is not only the responsibility of companies and civil society to join together. The Network has demonstrated that progress can be made in a small group of like-minded companies, but there is much more to be achieved.

Government has a leading role to play in bringing these key actors together across sectors – not just companies, but regulators, civil society, elected officials, unions, media, hospitality colleges and others. By offering to facilitate these conversations, the scale of collective action could be multiplied.

JOIN THE FIGHT: A CALL TO ACTION

The experience of the Network over the past year has offered insight and inspiration, alongside an awareness of the great amount of work left to do.

Shiva Foundation and the Network will continue to work toward addressing modern slavery in the hotel and hospitality industry. Through 2018 and beyond, the Foundation will use these recommendations to advocate for and work towards change among a wide range of stakeholders. The Network members will continue to meet, share, discuss and challenge each other and build a robust plan of work for its second phase. It calls on others in the industry to join the network, and come to address the challenges ahead collectively and with an eye to action.

“Our industry needs to have a better understanding that this is everyone’s job. We can’t hide behind the big brands and rely on them to take care of it just because it’s the biggest risk to them. Conversely the brands can’t rely on saying, ‘we don’t own or manage, it’s not our legal responsibility.’ We should continuing fostering these discussions in the spirit of collaboration and with shared goals – we need to find a solution together.” Network Member
“This is an unseen crime to most. If we don’t join forces this will continue to be a ‘low risk, high reward’ crime for perpetrators.”

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Acknowledgments
Shiva Foundation would like to thank all those that helped with the research and production of this report including including Kat Rolle, Phoebe James and Sophie Moiton, the British Hospitality Association, all members of the Stop Slavery Hotel Industry network and Alisha Fernandez Miranda and Amy Whight of I.G. Advisors.