

# Reporting under the UK Modern Slavery Act:

A factsheet for the hospitality industry

March 2021

This factsheet has been compiled to help hotels respond to the UK Modern Slavery Act 2015 Transparency in Supply Chains clause. It may be used as a supplement to the UK Home Office guidance – [Transparency in the Supply Chain: a Practical Guide](#) – issued in October 2015. Other resources are available and listed in the further reading section.

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# 1. Summary

The full text of the UK Modern Slavery Act 2015 is available from [www.legislation.gov.uk/](http://www.legislation.gov.uk/). The Transparency in Supply Chains clause (part 6) applies to companies:

- with a total turnover of at least £36m
- who do business in the UK, regardless of where they are headquartered

It requires companies to:

- produce a statement for each financial year of the organisation, describing what actions they are taking to address modern slavery in their operations and supply chains to ensure that slavery and human trafficking is not taking place in any of its supply chains and in any part of its own business.
- report on their global activities, not just their UK operations.

Companies are encouraged to take the necessary time and effort to consider their existing processes and practices related to modern slavery, as well as labour standards more generally. An effective, informative and substantive statement will address and report on modern slavery in the context of a broader human rights' due diligence context.

The statement should be:

- signed by a Director or equivalent
- explicitly approved by the Board of Directors
- published on the company website and must include a link to the statement in a prominent place on the website's homepage.

Companies are not legally required to report on franchisees, though it is strongly recommended that working with franchisees on this issue and reporting on activity is best practice. There is equal risk to the brand if human trafficking is found in the business or supply chain in owned, managed or franchised properties. We recommend that brands with franchised properties set plans to work with franchisees to address human trafficking risk, for example through awareness raising, training and other resources. We offer a [free online training](#) for hotel companies on the *Risks of modern slavery in labour sourcing*.

“The UK Home Office Guidance explicitly states that it is the annual revenue of a franchisor that determines whether it meets the criteria to publish a modern slavery statement ... and that turnover of franchisees should not be used to calculate the franchisor's revenue. Contrast this with the applicability of the Act to parent companies, whereby turnover is calculated through the sum of all subsidiaries' revenue. By not coming within the scope of the legislation, hotel companies may be incentivised to franchise. However, taking this 'arms-length' approach can also become meaningless when instances of modern slavery occur in a franchise that are automatically associated with the franchisor and its brand, causing reputational damage, regardless of their legal liability.”

**[Beyond compliance in the hotel sector: A review of UK Modern Slavery Act statements, Minderoo Foundation, 2019](#)**

## 2. Covid-19 guidance and response

The UK and Australian governments have already issued clear guidance on complying with both the spirit and the letter of their respective Modern Slavery Acts in the context of COVID-19.

- UK Government, [reporting during the coronavirus \(COVID-19\) pandemic](#)
- Australia Border Force, [Modern Slavery Act information sheet: Coronavirus](#)

Additional resources include:

- Mekong Group, [Covid-19 and modern slavery within the hospitality industry](#)
- IOM CREST, [Covid-19 places migrant workers in highly vulnerable situations](#)

## 3. Minimum legal requirements

To demonstrate compliance with the minimum legal requirements of the UK Modern Slavery Act a company must:

### 1. Update a modern slavery statement once a year

An annual modern slavery statement should be published within six months of your organisation's financial year-end. The date of the financial year being covered in the report should be explicitly stated in the report.

### 2. Get approval from the board of directors

Your statement should clearly state that board approval has been given with the date of approval.

### 3. Get sign-off from a director (or equivalent)

Include the name and job title of a director, or equivalent. A physical signature is not a requirement but there should be explicit mention of who signed the statement and the date.

### 4. Publish a modern slavery statement on the company's UK website

A link to the statement must be placed in a prominent place on the UK website homepage. It is recommended to publish the statement on the main company website too. It is best practice to keep previous statements on your website so that your progress can be monitored.

The legislation only requires you to comply with the above points at a minimum, however, statements should go beyond compliance with effective responses to modern slavery risks. We strongly recommend you refer to the [guidance from the UK Home Office](#) (for which the Alliance was part of the consultation) for advice.

In terms of how deep down the supply chain you need to go and what other issues you wish to include, consider what is material, what work you have already done, and where is it feasible and reasonable to get information. Indicate why you have prioritised the risks you are addressing and where you intend to expand your work in future. The point is to give credible evidence that you are addressing material issues, recognising any gaps and planning to take further action where needed.

## 4. What to include in the statement?

There is no common template for modern slavery reporting. The rationale for this is that it could create a low common denominator, supply chains are different company to company, and that companies are encouraged to demonstrate leadership, innovation and excellence in their own words.

As such the below points are not intended to be a recommended format or content, neither are they exhaustive; they are to start you thinking on what you can include in your statement now and identify what you may plan to do in future.

Listed as suggested content in section 54, the [Home Office's statutory guidance](#) recommends the following six areas are covered in modern slavery annual statements. [The Ethical Trading Initiative](#), and [CORE Coalition](#) have also produced detailed guidance on what should be included in modern slavery statements against each of these areas.

### A. Organisational structure, the business and supply chains

Organisations should disclose their structure, business and supply chains.

- **Business structure**  
including an explicit list of the brands, companies or subsidiaries covered by the statement, which is critical given the complexity of hotels' ownership, management and franchised models.
- **Supply chain**  
Publish detailed supply chain information, including geographic specifics. Disclose what goods and services you source, relationships with suppliers and other, including trade unions, so stakeholders can identify likely risks. Recommended is to include the names of tier 1 suppliers at a minimum.
- **Nature of labour force**  
Include a description of the nature of the labour force in operations and supply chains (e.g. use of temporary/seasonal workers, migrant workers, agency workers).
- **Changes**  
Outline the main changes in structure since last statement.

### Key considerations

- Name subsidiaries and brands to which the statement applies.
- Publish the names of suppliers – tier 1 suppliers should be listed, at a minimum.

## B. Policies in relation to slavery and human trafficking

Organisations should disclose their policies and enforcement mechanisms.

- **Business codes of conduct**  
Include codes of conduct for employees, suppliers, contractors, business partners.
- **Policies addressing vulnerabilities in the industry**  
Include details on specific policies on migrant workers, the employer pays principle, and use of ethical labour recruiters.
- **Enforcement mechanisms**  
Disclose enforcement mechanisms for policies, including prohibition of use of forced labour and child labour, clauses on slavery in codes of conduct.
- **Accessibility of policies**  
Information of how employees and other stakeholders can access relevant policies.
- **Policy governance**  
Processes for development, sign-off and ownership of policies within the business.

### Key considerations

Don't only refer to complying with relevant international and local laws. Suppliers may be operating in locations where laws protecting human rights laws do not exist or are not enforced by authorities.

Don't forget to include policies relating to the specific vulnerabilities of the hotel sector:

- Migrant workers
- Employer pays principle
- Use of ethical recruiters

### Top tips

We know from our own work and stakeholder engagement that the **most material risks are sexual exploitation on the premises and forced/bonded labour through the labour supply chain** (i.e. staff working in the hotels). These should be acknowledged and addressed as priorities as they are well known direct risks for hotels.

The hotel sector is fragmented – acknowledge that the risks differ based on the model of operation, where the most control exercised is over owned and managed hotels, whilst companies may have limited control over franchised hotels.

## C. Due diligence processes in the business and supply chains

Due diligence processes should include assessing actual and potential human rights impacts, integrating, and acting upon the findings, tracking responses and communicating how impacts are addressed.

- **Cases**  
Description of cases of modern slavery discovered and what steps were taken, including continuous engagement with supplier and monitoring of action plans.
- **Managing and mitigation of risk**  
Describe any programmes or initiatives undertaken to manage and mitigate modern slavery risk. Include information on worker involvement in the due diligence processes.
- **Grievance mechanisms**  
Include description of grievance mechanisms for workers, including whistleblowing mechanisms, hotlines or other ways in which they can access a remedy.
- **Response planning**  
Provide evidence of incident response plans developed to be implemented in the event that a case of modern slavery is discovered within the business or its supply chain.
- **Regional differences**  
Consider a differentiation per region in a global context. Due diligence processes can be differently approached depending on the specific risks per region.

### Key considerations

If you have not identified any incidents of modern slavery or related forms of exploitation, it doesn't mean the abuse is not happening. Most companies will have experienced labour exploitation and forced labour in their direct operations or supply chain. By not disclosing this information, companies are either not conducting thorough due diligence, or are potentially hiding reports that have been made about these forms of exploitation.

## D. Risk assessment and management

Beyond responding to risks and incidents, companies should take action to prevent forced labour from happening.

- **Risk assessment**

How have you worked out your risks? What are they (to individuals, brand, financial) and where are they? Specific risks can include geographic, industry, workforce and resource). Understand that risks will differ from region to region and may fluctuate based on events and seasonality.

- **Engagement**

Include a description of your engagement with internal and external stakeholders in understanding and prioritising risks and where possible provide evidence of continuous engagement with suppliers.

- **Regional differences**

Consider a differentiation per region in a global context. Risk assessment and engagement can be differently approached depending on the specific risks per region.

### Key considerations

How are you checking adherence to policies? What procedures do you have to reduce the risk of slavery? For example, are you using our [\*Guidelines for Checking Recruitment Agencies\*](#), the [\*Framework for Working with Suppliers\*](#) or other due diligence processes? If so, at what stages of the recruitment process?

Who is responsible for ensuring compliance? Do you have action plans for when you find something?

Is there continuous engagement with suppliers? Have audits and on-site visits been conducted? Are there improvement plans or correction action plans for if/when a risk is identified?

## E. Effectiveness and key performance indicators

To measure the effectiveness of steps taken and check that business practices do not increase risk of exploitation, business performance indicators should be included, in addition to reporting on the modern slavery performance indicators.

- **Business model and KPIs**

Include a description of the existing business model and business KPIs. It's recommended to state how business KPIs might increase the risk of modern slavery. If not managed carefully, indicators may influence and create modern slavery risks.

- **Modern slavery response KPIs**

Establish specific KPIs related to your modern slavery policies and due diligence and report on the progress of your modern slavery efforts. Draw up an action plan that sets out the organisation's commitments over the next 12 months and aligns KPIs with those commitments. This can include training statistics, but also details of audits, inspections, and review of practices.

### How to set effective targets

It is extremely difficult to assess what 'good' looks like when addressing modern slavery issues. As a result, this is the weakest point of most statements published to date.

Consultation with stakeholders on this suggests that having long and short-term goals and measurable targets and timelines for rolling out or extending training programmes, engaging with suppliers, and introducing new due diligence procedures, and similar, are good KPIs. Think about where and how you can demonstrate progress against a plan.

See the UK Home Office Guidance p36 and p17 of the CBIS report [\*Corporate Strategies to Address Human Trafficking\*](#) for further guidance.

The 2019 report [\*Beyond compliance in the hotel sector: A review of UK Modern Slavery Act statements\*](#) recognises [TUI](#) and [Hilton](#) as paving the way in communication progress towards KPIs.



## F. Training on modern slavery and human trafficking

Training is critical for various stakeholders to understand the importance and relevance of modern slavery in their operations and supply chain, but also know how to respond, identify and prevent risks.

- **Training**  
Describe the training objectives, expected training outcomes and include delivery methods (e.g. workshops, webinars, videos, manuals etc). Also, include information on frequency and regularity of training and how the effectiveness of these training programmes is reviewed.
- **Target audience**  
Which groups have been provided with training and who provides training? If possible, provide a breakdown of different stakeholders e.g. leadership, suppliers, recruiters, procurement, other staff.
- **Risks associated**  
Training on modern slavery and trafficking need to include risks associated with migrant workers and hotels used as a venue for forced sexual exploitation.

### Key questions to consider

Awareness raising and training – are you using our resources, including online training on [Modern Slavery in the Labour Supply Chain](#), [Know How Guide to Human Rights](#), [Guidelines for Checking Recruitment Agencies](#) and other resources from specialist organisations? Which staff are trained on what, how many staff, and how are they trained? Are you training staff on how to spot incidences and how to handle these? The CBIS report [Corporate Strategies to Address Human Trafficking](#) is very clear that investors require more detail on this.

Activities with franchisees – How are you engaging with franchisees on this issue?

Assistance for staff – Do you have activities which support staff who may be victims of trafficking, for example have you used the back of house posters produced by IHRB / Polaris providing contact details for support lines?

Collaboration with industry and specialist organisations – How are you working with specialist organisations e.g. ECPAT, Polaris, ICCR, IHRB to accelerate learning and practical action on this issue? It is well worth mentioning memberships of organisations, such as Sustainable Hospitality Alliance, who work on this issue with the hotel sector.

### Training tools

- We offer a free online training on [risks of modern slavery in labour sourcing](#) on our website. This training module provides a comprehensive approach to raise awareness and tackle risks of modern slavery in operations and supply chain. Companies can also request the training from us to integrate into their own learning management system.

## 5. Top tips for the statement:

- **Clear structure:** Make it easy for stakeholders to find the information they seek.
- **Avoid generalisations:** 'We have a policy' and 'we have a zero-tolerance approach' tells little. What does that mean in practice? How are these communicated? How do you ensure compliance? Many reports are very weak on this point.
- **Show responsibility:** Detail who is responsible in all cases.
- **Measurable:** Make your activities measurable and state your KPIs.
- **Signpost for further information:** Include hyperlinks or refer to other documents and reports as appropriate in your statement.
- **Honest and transparent:** Never claim to be doing something you are not.
- **Show future intent:** Detail what next steps you are taking to further your activity.

Stakeholders will be the judges of what is good reporting, not government. The 2019 report [\*Beyond compliance in the hotel sector: A review of UK Modern Slavery Act statements\*](#) provides further details on what stakeholders want to know from the hospitality sector.

For this report, 18 metrics taken from the Home Office guidance were assessed:

- Minimum compliance
- Policies
- Risk management
- Risk assessment
- Identification of risks
- Supply chain disclosure
- Whistleblowing
- Incidents identified
- Incidents remediated
- Training
- KPIs

Additionally, specific risks facing the hospitality industry include:

- Vulnerable workforce
- Complex supply chains with little transparency
- Franchising model

Therefore, sector specific metrics for hotels include:

- Employer pays principle
- Part of industry initiatives (e.g. Sustainable Hospitality Alliance)
- Training on commercial sexual exploitation
- Migrant workers identified as a specific risk

### Worried you are not doing enough?

The above should give ideas of some activities you can undertake to get started. The point of the reporting is to demonstrate you are identifying potential risks, addressing issues, recognising any gaps, and planning to take further action where needed. Make a plan and communicate this in your statement.

## 6. Linking the report on your website

To comply with the legislation, your statement must be accessible by a link / dropdown from your website homepage. The recommended wording is 'Modern Slavery Act transparency statement' but this is flexible.

The statement may be part of your corporate responsibility report, a separate webpage, downloadable document, or whatever format fits your reporting best.

In the case where you have multiple websites, it is for you to determine which is the most relevant. This is most likely to be what you would consider to be your main corporate website where people would logically go to find corporate information. **If you have a UK website, as part of the legal requirement, you must include a link to your modern slavery statement on the homepage.** It is best practice to keep previous statements on the website too, so that progress can be monitored.

## 7. Legal implications

Given the sheer volume of companies reporting, it is more likely that companies that do not comply with the legislation will be pursued by investors, stakeholders or interest groups before they may be held to account by the UK government. This should not affect how you respond, however. This is a highly visible issue that is attracting a lot of attention in the media and with stakeholders.

There are no legal requirements on the content of your statement – only that you publish a statement, have it signed by a Director, approved by the Board, and publish it on your website with a link from the homepage.

Where slavery is found in your supply chain, this is a whole different matter where different legislation comes into force. It is not appropriate for our organisation to advise on legal matters of this nature and complexity.

The UK government has [announced](#) it will be implementing penalties for non-compliance with the legislation, announced as part of its measures on exploitation of the Uyghur population. There is no concrete mention on when this will be implemented.

## 8. Modern slavery statement registries

Although currently not a mandatory requirement, it's best practice to share your modern slavery statement on dedicated statement registries. The UK Government will launch its own central registry of modern slavery statements in 2021 and is currently running the beta version of the registry. For over four years Business & Human Rights Resource Centre has played a central role in monitoring compliance with the UK Modern Slavery Act. Also the Australian Government has its own registry of modern slavery statements.

- For historic records from 2015–2020: [www.modernslaveryregistry.org](http://www.modernslaveryregistry.org)
- UK Government registry: [modern-slavery-statement-registry.service.gov.uk](http://modern-slavery-statement-registry.service.gov.uk)
- Australian Government registry: [modernslaveryregister.gov.au](http://modernslaveryregister.gov.au)

## 9. Sample company reports

A company's modern slavery statement should seek to demonstrate a commitment to tackling practices of slavery, exploitation, coercion and trafficking in its operations and supply chain. Differences of size, scale of operations, sector, and type of risk means that there is no single template that can be used by all companies. However, there are specific objectives that can and should be met which offer assurances to investors and consumers that the issue of modern slavery is being taken seriously and that efforts to prevent abuses are fully embedded throughout the company's operations.

- **Organisational structure and supply chains:** [ASOS](#) provides comprehensive details of its supply chain and structures including the details of the five different tiers involved in its production process. ASOS also indicates the extent of its mapping according to each of the five tiers of operation, identifying areas where further mapping is required.
- **Policies in relation to slavery and human trafficking:** [Vodafone](#) has developed a Code of Ethical Purchasing which applies to every supplier and specifically addresses slavery and human trafficking. The Code is overseen by the Vodafone Group Board through the Group's Chief Financial Officer, who is an Executive Director of the Group and also sits on the Group Executive Committee. Development and implementation of the Code is led by the Group Supply Chain Management Director, who is a member of Vodafone's Global Senior Leadership team.
- **Risk assessment and due diligence:** [Marks & Spencer](#) documents the risks posed by its operations, and mechanisms for identifying those risks. Marks & Spencer says that it has established an internal governance structure on modern slavery and human rights at both operational and leadership levels, where the directors of each business area are responsible for compliance in their respective departments for their supplier relationships.
- **Effective action to address modern slavery:** [Direct Seafood](#) joined the Thai Seafood Working Group to investigate the farmed prawn industry in Thailand. It documents the type of actions it considers when presented with evidence of poor labour practices. The company pledges to immediately cease contractual relations in the most serious cases (e.g. worker passport confiscation and forced labour) but when there is an opportunity to influence working hours and conditions, the company states that it attempts to train and educate suppliers on better practices.
- **Training on modern slavery and human trafficking:** [John Lewis Partnership](#) provides a diverse and targeted training programme, including planned training in countries where it has a large manufacturing base, and in the UK where modern slavery legislation applies. It also reports on the delivery of training to workers and managers on their rights and workplace grievance mechanisms.

## 10. Further reading and resources

### Sustainable Hospitality Alliance resources

- Principles on Force Labour for the hospitality industry (2018), available at: <https://sustainablehospitalityalliance.org/our-work/human-rights/principles-on-forced-labour/>
- Know How Guide to Addressing Human Trafficking in the Hospitality Industry (2013), available at: <https://sustainablehospitalityalliance.org/resource/know-how-guide-human-rights-and-the-hotel-industry/>
- Guidelines for Checking Recruitment Agencies (2013), available at: <https://sustainablehospitalityalliance.org/resource/guidelines-for-checking-recruitment-agencies/>
- Risks of Modern Slavery in Labour Sourcing training, available at: <https://sustainablehospitalityalliance.org/training/>
- ILO's Promoting Fair Recruitment and Employment: Guidance tool for hotels in Qatar <https://sustainablehospitalityalliance.org/wp-content/uploads/2020/09/Human-Rights-Guidance-Tool-for-Qatar-Hotels.pdf>

### UK government publications

- UK Government (2015), The UK Modern Slavery Act 2015, available at: <http://www.legislation.gov.uk>
- UK Government (2015), *Transparency in Supply Chains Guidance*, October 2015, available at: <https://www.gov.uk/government/uploads>

### Business guidance

- [Stop Slavery Blueprint](https://shivafoundation.org.uk/), Shiva Foundation – guidance and recommended action and templates to set up processes and protocols to address risk of modern slavery within your business and supply chains specifically designed for UK hospitality. Available at: <https://shivafoundation.org.uk/>
- Stronger Together – checklists, posters and toolkits, available at: <http://stronger2gether.org/>
- CORE Coalition (2016), *Beyond Compliance: effective reporting under the Modern Slavery Act*. A civil society guide for commercial organisations on the transparency in supply chains clause, available at: <https://corporate-responsibility.org/>
- IHRB (2016), *Corporate Liability for Forced Labour and Human Trafficking*, available at: <https://www.ihrb.org>
- Polaris (2015), *Human Trafficking and the Hospitality Industry*, available at: <https://polarisproject.org>
- Shift (2016) *business model red flags*. Sourcing low-paid labour from labour providers, where there is little visibility into or control over the protection of worker rights. <https://shiftproject.org/>

### Reporting guidance

- CORE Coalition (2017), *Recommended Content for A Modern Slavery Statement*, available at: <https://corporate-responsibility.org>
- CORE Coalition (2017), *Modern Slavery Reporting: Weak and Notable Practice*, available at: <https://corporate-responsibility.org>
- Ethical Trading Initiative, *Modern Slavery Statements: A Framework for Evaluation*, available at <https://www.ethicaltrade.org>

- Minderoo Foundation's Walk Free Initiative, WikiRate, BHRRRC, Australian National University (2019), *Beyond Compliance In The Hotel Sector: A Review of UK Modern Slavery Act Statements*, available at: <https://cdn.minderoo.com.au>
- CIPS, *Making a Plan for Remediation*, available at: <https://www.cips.org>

### Other useful resources

- European Coalition for Corporate Justice (ECCJ) work on human rights due diligence: <https://corporatejustice.org/priorities/13-human-rights-and-environmental-due-diligence>
- More info on proposed EU law & consultation: <https://www.business-humanrights.org/en/latest-news/eu-commissioner-for-justice-commits-to-legislation-on-mandatory-due-diligence-for-companies/>
- Reporting guidance for UK (includes guidance by the NGO, CORE Coalition): <https://www.business-humanrights.org/en/from-us/modern-slavery-statements/reporting-guidance-for-companies/>
- Reporting guidance Australia: <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>
- Sign up for email updates from Home Office: <https://www.gov.uk/government/publications/contacts-database-for-guidance-on-modern-slavery-reporting/contacts-database-for-guidance-on-modern-slavery-reporting>