

MODERN SLAVERY & HUMAN TRAFFICKING
TRANSPARENCY STATEMENT

JANUARY 2018 – DECEMBER 2018



DE VERE



This statement is our third issue of our Modern Slavery & Human Trafficking Transparency Statement.

We welcome the opportunity to publish this statement confirming our ongoing commitment for the prevention against slavery and human trafficking. Each year we will explore all opportunities to improve our practices and learn from industry trends and other best practice initiatives.

De Vere acknowledges its responsibilities under the Modern Slavery Act 2015, making a voluntary commitment to ensure acts of slavery, human trafficking, child and sexual exploitation do not occur across its operating businesses, and those within its suppliers of goods and services.

The Group will not knowingly support or deal with any business involved in slavery, human trafficking and child or sexual exploitation.

This policy statement has been reviewed and approved by the Board of Directors and will be reviewed and published annually.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31st December 2018.

This statement relates to actions and activities during the financial year ending 31st December 2018.

Tony Troy
Chief Executive Officer
12th April 2019



RESPONSIBILITIES

The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations. This includes, but is not limited to, preventing the use of Group premises for the sexual exploitation of adults and children; recruitment of employees or agency workers via unauthorised agencies or subcontracts and the purchasing of goods or services from non-approved suppliers, exposing the Group to the potential risk of indirectly supporting unethical employment practices such as forced or bonded labour.

The success of this policy and the delivery of our objectives will be supported by the General Manager and the senior team of each respective hotel or venue. This commitment is a condition of employment for all new managers and executives of the Group.

All colleagues are required to support and promote the Group's commitment to anti-slavery & human trafficking prevention measures.



OUR BUSINESS AND STRUCTURE

Formerly known as the Principal Hotel Company, which up until July 2018 was the trading name of a collection of companies (the Group) which, during the first half of the financial year, operated 33 hotels/venues across two divisions, 'Principal' and 'De Vere', providing accommodation, food and beverage, conference and events services, leisure clubs and spas.

In July 2018 the 'Principal' brand was sold, along with two De Vere branded properties. Post July 2018, the Company now solely operates the trading brand of De Vere which consists of 18 directly managed properties and 4 properties operated by way of a management contract. At the end of December 2018, the Group employed 2,550 operational colleagues and 83 central head office support colleagues.

Further details of the operating companies in existence at the end of the financial year 2018 can be found in the appendix to this statement. The parent company of the Group is Principal Hotels Topco 1 Limited.

OUR SUPPLY CHAINS

De Vere has relationships with external businesses to support the running of the hotels and venues as follows:

- Arrangements to supply agency workers to supplement hotel staffing needs, as and when required.
- Arrangements for the supply of goods and services (some by contractors) to the hotels.

As a business we have a multi-million pound supply chain. In 2018 we took the proactive stance to move away from direct imports. At the time of publishing this statement, in excess of 90% of our supply chain spend is now with agents, wholesalers, distributors and producers who are based in the UK and Northern Ireland. In line with our future objectives this will become a standard new supplier criteria and will extend to 100% of our existing supply chain by 2020.



POLICIES & PROCEDURES RELATING TO THE PREVENTION OF MODERN SLAVERY AND HUMAN TRAFFICKING

Our principal policy is one of a *zero tolerance* approach to modern slavery and human trafficking. Upon identification of an incident or suspicion of activity, which could be construed as modern slavery and human trafficking, we will work with all interested parties to ensure that the appropriate action is taken and preventative measures adopted to reduce the likelihood of a reoccurrence.

As part of the Group's due diligence processes to avoid slavery and human trafficking, a number of policies and procedures exist. These include, but are not limited to:

ETHICAL RECRUITMENT POLICY

The requirement of the HR teams and those colleagues who are delegated the responsibility for the recruitment of colleagues, to understand their responsibilities correctly by carrying out 'right to work' checks, and therefore ensure legal compliance. This requires full ID checks to take place including passports and, where relevant, work permits. This process is audited annually.

As part of the Group's due diligence, all potential providers of agency workers are required to complete and sign a declaration confirming that they are fully compliant with the requirements of UK Immigration legislation and the Modern Slavery Act. This necessitates agency worker providers to respond to set questions to which responses are assessed to ensure 100% compliance before approving providers of agency workers.

In 2018 a central register of agencies was set up and, as part of this process, face-to-face meetings were held by the Group's Head of Talent with all agency worker suppliers and recruitment agencies. The purpose of these meetings was to reinforce our policy, ensure full understanding and compliance with their obligations and to reinforce the Group's zero tolerance approach to modern slavery and human trafficking.



WHISTLE BLOWING POLICY

The Group at all times conducts its business with the highest standards of integrity and honesty. It expects all colleagues to maintain the same standards in everything they do. Colleagues are therefore encouraged to report any wrongdoing by the Group or its colleagues that falls short of these business principles. To support this, a totally confidential and independent whistleblowing call service continues to be available to all colleagues.

Whilst primarily directed at our colleagues, the policy also supports and encourages all stakeholders, including suppliers and business partners, to disclose any concerns they may have without fear of recrimination.

MANAGEMENT OF SUPPLIERS TO PREVENT MODERN SLAVERY WITHIN THE SUPPLY CHAIN

All potential suppliers continue to be required to complete a 'new supplier questionnaire' as part of the process to seek approval to supply the Group. This includes the requirement to confirm their compliance with the Modern Slavery Act. In addition, potential suppliers must agree to the Group's right to inspect their premises, manufacturing, processing and storage facilities. Initial audits have been performed on the Groups behalf to review all aspects of the supply chain, including safety, working practices and other legal requirements.

Imported goods from sources from outside the UK and EU are potentially more at risk of slavery and human trafficking issues. The Procurement department for the Group constantly review the supply chain to evaluate such risks.

MODERN DAY SLAVERY & HUMAN TRAFFICKING TRAINING POLICY

The Group recognise that hotels may be used as temporary accommodation to aide the exploitation of vulnerable adults and children. Since 2017 all hotels and venues operate a structured blended learning programme for colleagues working in areas of the hotel where they may encounter instances involving slavery, human trafficking or sexual exploitation i.e. reception and nights, housekeeping and duty/senior management. Awareness training is provided at induction and refreshed annually. We remain committed to identifying and providing new training materials and new technologies to aid a continuous improvement in colleague awareness.



HOTEL AND VENUES	EMPLOYEES	GOOD AND SERVICES
<p>RISKS:</p> <p>As a hotel business we recognise that our services may be used to exploit vulnerable adults and children, by moving them through the hotel or holding them against their will within bedroom accommodation for the purpose of sexual exploitation.</p>	<p>RISKS:</p> <p>Some of our properties will be more reliant upon agency resource to support our existing colleagues, particularly during busy trading periods. With a geographic spread, we use a number of employment agencies/outsource services, making it more difficult to constantly monitor their recruitment practices.</p>	<p>RISKS:</p> <p>With products and services sourced from around the world there is a possibility that unethical working practice, including poor working conditions, welfare and pay, may exist within some aspects of the supply chain; particularly during the manufacturing process.</p>
<p>ESTABLISHED ARRANGEMENTS:</p> <p>Standard operating procedure (SOP) for checking in guests. Amended and enhanced in 2018 to include validation of the relationship between a child and parent/guardian checking in together if concerns arise</p> <p>SOP for late night/short lead/ walk in bookings updated to include a requirement of formal identification when booking by card or paying cash.</p> <p>Annual training for front of house managers (FOH), new for 2018, with responsibility to cascade to all FOH colleagues.</p> <p>5 Day FOH Academy programme including specific training on Modern Day Slavery and Human Trafficking, new for 2018. This programme is compulsory for all new team members to attend within 8 weeks of commencement.</p> <p>Blended learning programme for colleagues working in areas of the hotel where they may encounter instances involving slavery, human trafficking or sexual exploitation, i.e. reception and nights, housekeeping and duty/senior management. Reviewed and updated October 2018.</p> <p>Policy and updates published direct to all colleagues via the Inspire Learning Portal.</p>	<p>ESTABLISHED ARRANGEMENTS:</p> <p>Established central register of approved agencies. Selection and vetting process included face to face meetings held by the Group's Head of Talent. The purpose of these meetings was to reinforce our policy, ensure full understanding and compliance with their obligations and to reinforce the Group's zero tolerance approach to modern slavery and human trafficking.</p> <p>Bi annual talent acquisition workshop with a focus on industry best practice recruitment standards. Workshops facilitate opportunities to reinforce agency standards, including updates on modern day slavery, human trafficking and immigration.</p> <p>Continued support and involvement with the Stop Slavery Hotel Industry Network to integrate best practice within our own policies and procedures.</p> <p>Colleague information regarding the prevention of modern slavery and human trafficking is outlined in our colleague handbook and Inspire Online, our e-learning portal.</p>	<p>ESTABLISHED ARRANGEMENTS:</p> <p>Head of Procurement engaged in ongoing training and involvement in policy development. Training also undertaken by wider procurement team.</p> <p>Standard 'new' supplier questionnaire issued for potential suppliers to be eligible to become an approved supplier. Questionnaire incorporates declaration of compliance with the requirements of the Modern Slavery Act 2015 along with other risk management based declarations.</p> <p>During 2018 the Head of Procurement has enhanced and expanded the Modern Day Slavery Clause in all Group contracts and trading agreements.</p> <p>Periodic review meetings with all incumbent suppliers, including opportunity for suppliers to advise on any instances of noteworthy activity in relation to modern day slavery, human trafficking and other unethical business practices.</p> <p>In 2018 the Head of Procurement commenced a process of moving away from direct imports. 90% of the current supply chain spend is now with agents, wholesalers, distributors and producers who are based in the UK and Northern Ireland.</p>



HOTEL AND VENUES	EMPLOYEES	GOOD AND SERVICES
2019 OBJECTIVES:	2019 OBJECTIVES:	2019 OBJECTIVES:
<p>Reporting parameters added to our existing Online Risk Management/Incident Reporting Platform.</p> <p>Update to whistle blowing policy to include confidential helpline number.</p> <p>Launch code of conduct online training module which includes awareness on modern day slavery, human trafficking, whistle-blowing, anti-bribery, discrimination and other core HR behavioural conducts. Launch date 1st May 2019 with all existing colleagues to complete within 3 months. New colleagues will complete this module within the first week of commencement. KPI reporting on completion targets.</p> <p>Internal audit processes reviewed across all audit disciplines to incorporate formal documented validation of policies and procedures within all departments, auditors to robustly 'test' procedures.</p> <p>All properties to establish a working relationship with their local police liaison team and attend any local meetings, network events and training opportunities.</p>	<p>Agency supplier agreement to be implemented with all incumbent suppliers (validated by the current declaration of compliance with the requirements of the Modern Slavery Act 2015).</p> <p>Removal of remaining outsourced cleaning contract resource. TUPE process providing opportunity for continuous employment.</p> <p>Group wide bespoke posters for colleague noticeboards to raise awareness, promote communication and highlight confidential reporting procedures.</p>	<p>Full audit of centrally procured suppliers by the end of 2019 to confirm compliance to all Group KPI's, including regulatory compliance parameters.</p> <p>Collate modern day slavery statements from all incumbent suppliers by September 2019.</p> <p>Move to 100% UK/Northern Ireland based agents, wholesalers, distributors and producers by the end of 2020.</p>



MEASURING EFFECTIVENESS OF OUR POLICIES AND PROCEDURES

We continue to measure the effectiveness of our policies and procedures via a number of direct and indirect indicators, namely:

TRAINING

With the roll out of the code of conduct online training, together with improvements to existing training material, we are confident that all colleagues will have access to training and general guidance commensurate with their respective roles. The new online training will also feature a test of a colleague's knowledge throughout the module and at the end of the programme via an examination with a minimum pass percentage of 85%.

AUDITING

Internal audits conducted by our central support team, including compliance, human resources, procurement, internal finance and operations will require a minimum pass rate of 85% across all discipline specifics.

Operational audits on a monthly cycle with department specific parameters.

External audit activity by our independent consultants to sample the effectiveness in an unplanned scenario.

REPORTING

Online incident reporting capturing detailed, specific information relating to any given incident. Multimedia evidence gathering including CCTV data capture. KPI reports generated on demand for Group wide or hotel/venue specific trends.

During the reporting period there was one instance where the local police sampled our policies and procedures by way of an undercover mock scenario. This was subsequently announced to the Duty Manager with the Liaison Officer commending the front of house colleague involved. This was a positive outcome and reinforces the scenario based activities which forms part of our front of house training.

APPENDIX

Companies which operate hotels and conference centres:

COMPANY NAME	COMPANY NUMBER
De Vere Cotswold Water Park Limited	3987970
De Vere Grand Connaught Rooms Limited	6809588
De Vere Selsdon Estate Limited	4977813
De Vere Limited	1396936
De Vere Oxford Thames Limited	2944262
De Vere 2 Limited	2025334
De Vere Tortworth Court Limited	3745617
De Vere Wokefield Estate Limited	7430305
Oxford Spires Hotel Limited	3629986

Property companies:

COMPANY NAME	COMPANY NUMBER
Beaumont House Properties Limited	5971173
Castlewood Property Management Limited	3215195
Castlewood Securities Limited	6082575
Cranage Hall Properties Limited	5940107
De Vere Wokefield Property Limited	6448766
Grand Principal Birmingham Limited	10521069
Horwood House Properties Limited	59469580
Lagonda Selsdon Propco Limited	4216938
Venice Spareco Limited	5894320

Group central services:

COMPANY NAME	COMPANY NUMBER
Principal Hayley Limited	6137931

APPENDIX

Non-trading companies:

COMPANY NAME	COMPANY NUMBER
Principal Hotels Topco 1 Limited (Parent)	9357457
Castlewood Utilities Ltd	6082575
De Vere Venues Group Limited	6139080
De Vere Venues Properties Limited	5622843
De Vere Wokefield Park Limited	6448669
De Vere W Park Limited	6718572
DVV Holdco Limited	8813573
DVV Investco Limited	8813674
DVV Properties 2 Limited	9670573
Four Pillars Hotels Limited	1303927
Hadrian Bidco 1 Limited	6198404
Hadrian Bidco 2 Limited	6220852
Hadrian Bidco Limited	6198387
Hayley Conference Centres Acquisitions Limited	5576842
Hayley Conference Centres Enterprise Limited	5947002
Hayley Conference Centres Group Limited	3908294
Hayley Conference Centres Holdings Limited	5436673
HCC Group Properties Limited	5971189
HCC Properties Limited	5946999
Lagonda George Holdings Limited	5452202
Martins Bidco Limited	9929546
Milan Newco 1 Limited	9669562
Milan Newco 2 Limited	9669909
Oxford Witney Hotel Limited	2200412
Oxford Spires Hotel Opco Limited	11360940
Oxford Thames Hotel Opco Limited	11361075
Principal Hayley HP Limited	3977187
Principal Hayley Group Limited	4977436
Principal Hotel Company Limited	9358450
Principal Hotels Topco 3 Limited	9359772
Quad Bidco Limited	8821600
Quad Holdco Limited	8821509
Rome Holdco Ltd	8373863
Rome Investco Ltd	8374006
Spire Bidco Hotels Limited	7146956
Venice Bidco 1 Limited	5839374
Venice Hadrian 4 Limited	6198392
Venice Newco 1 Limited	5839399
Venice Newco 2 Limited	5879450
Vocalhaven Limited	2189787