

and that staff are expected to receive training on how to recognise and resolve this.⁸The group is also a signatory to the United Nations Global Compact, principle 4 and 5 of which call for the elimination of forced labour, child labour and child sexual exploitation.

This amounts to partial evidence that ICH recognises sex trafficking as a potential problem. However, group statements fall short of the explicit recognition required by The Code. There is no information about the extent of staff training on this issue, nor any evidence that the group has taken any other relevant action.

Whitbread: Through its 600 Premier Inn hotels, Whitbread claims to be the largest hotel brand in the UK. It plans to be the biggest budget hotel chain in London by 2012.

There is no evidence that Whitbread recognises sex trafficking as an issue that could involve its business or that the group has undertaken any anti-trafficking activity.

Questions to ask hotel groups

- How is the group responding to the issue of sex trafficking?
- What special initiatives are being put in place in advance of the 2012 Olympic and Paralympic Games and the 2014 Commonwealth Games?
- Would the group consider making an explicit commitment to address sex trafficking by adopting The Code?

Questions to ask fund managers

- How is the fund manager engaging with hotel companies on the issue of sex trafficking?

Hotels, sex trafficking and London 2012

ICH and Whitbread action on sex trafficking

Action	ICH	Whitbread
Adopted The Code	No	No
Policy explicitly refers to sex trafficking	No	No
Signatory to Global Compact	Yes	No
Conducts staff training	Some evidence	No evidence
Sex trafficking clause in supplier/franchise contracts	No evidence	No evidence
Guest awareness raising	No evidence	No evidence
Provides information to local stakeholders	No evidence	No evidence
Other anti-trafficking initiatives	No evidence	No evidence
Reports on anti-trafficking initiatives	No	No

Further information

The Interfaith Centre on Corporate Responsibility: www.iccr.org.uk

ECPAT (End Child Prostitution, Sex Trafficking, Tourism and Pornography) International: www.ecpat.net

Intercontinental Hotels Group Corporate Responsibility

Report, April 2010. Available at: http://www.ihgplc.com/files/pdf/2010_cr_report.pdf

Whitbread Summary Corporate Responsibility Report 2010/11. Available at: http://www.whitbread.co.uk/content/dam/whitbread/micosite_CSR/download_c/Whitbread%20corporate%20responsibility%20summary%20report%202010-11.pdf

This briefing has been commissioned by CCLA Investment Management, managers of the COIF Charities Ethical Investment Fund, and was written and researched by the Ecumenical Council for Corporate Responsibility (ECCR). Its aims to highlight how FTSE 100 hotel groups can be implicated in human sex trafficking and show the role that ethical investors can play in addressing this issue in advance of London 2012. It is the first of a series of leaflets concentrating on FTSE 100 companies and issues relating to pornography and human trafficking.

⁸ See: <http://www.ihgplc.com/index.asp?pageid=763>

Written and researched by



Commissioned by



Hotels, Sex Trafficking and London 2012

Sex trafficking is a form of modern slavery. Its victims – mostly women and girls – but sometimes men and boys, are exploited in the commercial sex industry where they are forced to work as prostitutes, in strip clubs, in pornography, and as ‘mail order brides’.

Although an underground activity, sex trafficking can affect some of the largest listed companies in your portfolio. Hotel groups are particularly at risk of inadvertently being associated with this crime as their services and facilities are sometimes used by traffickers. In recent years the media has highlighted cases where victims of trafficking have been hidden or forced to meet clients in hotels. The problem affects low and high-end establishments alike.

The 2012 Olympic and Paralympic Games and the 2014 Commonwealth Games will bring millions of visitors to London, Glasgow and other cities around the United Kingdom. There are fears that this influx will be accompanied by a greater demand for sexual services and an increase in sex trafficking.

Hotels are not responsible for this crime; but they are well placed to assist in the fight against it. Responsible companies should be able to show that they are taking action to prevent their facilities being used by traffickers and that their staff have been adequately trained to identify and respond appropriately to potential trafficking cases. The Games present further opportunities to demonstrate ethical leadership by raising public awareness of sex trafficking and co-operating with other anti-trafficking initiatives.

In the United States, faith-based investors have played a vital role in encouraging hotel groups to combat sex trafficking. Members of the Interfaith Center on Corporate Responsibility (ICCR) have engaged with over a dozen hotel chains on this issue; encouraging them to develop anti-trafficking plans in advance of major sporting events such as the 2010 World Cup and the 2011 Superbowl. ICCR’s work has contributed to several groups developing programmes to combat sex trafficking.

Ethical investors in the UK can play a similar role in advance of the Olympic and Paralympic Games for

which UK-listed, FTSE 100, hotel chains are preparing to welcome thousands of additional guests. ICH’s Holiday Inn brand is the official hotel provider to the Games, whilst Whitbread’s Premier Inn division plans to be the biggest budget hotel chain in London by 2012. At present neither group has made an explicit commitment to address sex trafficking.

Scope of the problem

Whilst no one really knows the true extent of this crime, there are an estimated 2.4 million victims of human trafficking worldwide. 43% of these cases are thought to be specifically for sexual exploitation whilst another 25% involve both sexual and other forms of exploitation.¹

In the UK 621 cases of suspected sex trafficking have been referred to the authorities since April 2009.² However, this figure is seen by many to be under-representative. Churches Alert to Sex Trafficking Across Europe (CHASTE) for example, estimates that there are 4000 women trafficked for sexual exploitation in the UK.³ A recent report by the Association of Chief Police Officers found that out of an estimated 17,000 migrant women involved in off-street prostitution in England and Wales, just over 15 % were trafficked. Another 56% were considered vulnerable to trafficking.⁴

The human cost

Sex trafficking victims are often assumed to be poor women and girls, illegally smuggled across international borders. In reality, victims encompass both sexes and a variety of social backgrounds. Many enter the UK legally. The internal trafficking of UK nationals is also a problem. Some victims are ‘sold’ to traffickers or are lured into a trafficking situation by promises of jobs that do not exist. Others expect to work in the sex industry, but are deceived about the conditions they will face. Typically identity papers are confiscated, wages withheld or threats directed towards victims and their families as a means of control.

The cost to victims is immense and includes rape, physical and mental injury. The harm can continue long after leaving a trafficking situation. Victims often struggle to reintegrate into their communities or find decent

employment.⁵ There is also a wider social impact. As well as the financial cost of identifying and reintegrating victims, sex trafficking is associated with other forms of organised crime including drugs trafficking, people smuggling, vehicle theft and burglary.⁶

Mitigation strategies

Hotels can take a number of steps to prevent and respond to sex trafficking. It is vital that such measures are put in place in advance of events such as the Olympic, Paralympic and Commonwealth Games.

The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism, also known as ‘The Code’ is a set of voluntary guidelines developed by ECPAT (End Child Prostitution, Sex Trafficking, Tourism and Pornography), in co-operation with the travel and tourism industry. Hotels can adopt The Code as part of a strategy to help prevent what is arguably the worst form of sex trafficking – child sex trafficking (CST). (See box opposite.)

The Code has been signed by over 1000 travel and tourism companies including major hotel groups Accor, Carlson, Hilton and Millennium. These groups vary in the extent to which they implement it across their operations. Hotels can extend their implementation of The Code to other forms of sex trafficking.

Opportunities for UK investor engagement

ICH and Whitbread are the two largest hotel groups listed in the UK. Both are getting ready to welcome thousands of guests associated with London 2012. However, as yet, neither appears to have included anti-trafficking initiatives as part of that preparation. The companies could be encouraged to make explicit commitments to address sex trafficking in the run up to the Games and beyond. A first step, and a sign of their commitment, would be to adopt The Code.

ICH: Brands in the UK include Intercontinental, Hotel Indigo, Crown Plaza, Holiday Inn, Holiday Inn Express and Staybridge Suites. Holiday Inn is the official hotel provider to the London 2012 Olympic and Paralympic Games. Approximately 85% of hotels are operated on a franchise basis.

ICH’s 2010/11 Corporate Responsibility report mentions “Sex tourism/Prostitution/Adult entertainment” as a “medium impact” stakeholder issue.⁷ Group human

The Code

Companies that adopt The Code commit to:

- *Establish an ethical policy regarding commercial sexual exploitation of children*
By explicitly recognising CST, hotels signal that they will not tolerate their facilities being used for the purposes of sexual exploitation. They also show that they are committed to take action on this issue.
- *Train personnel in the country of origin and travel destinations*
Hotel staff should know about corporate policies against CST, be able to recognise the signs of trafficking and know how to respond to any potential incidents. ECPAT provides training advice on The Code website.
- *Introduce a clause in contracts with suppliers, stating a common repudiation of commercial Sexual Exploitation of Children*
Tour operators should ensure that any hotels used have a commitment against CST. Hotel groups could include a similar clause in contracts with franchisees.
- *Provide information to travellers*
By providing information in guest literature and on their websites, hotels can raise awareness; facilitate the reporting of abuse and direct victims to sources of assistance.
- *Provide information to local “key persons”*
Local stakeholders such as public officials, taxi drivers and other businesses should know that a hotel has a policy against CST. They can also be encouraged to support anti-trafficking initiatives.
- *Report annually*
Signatories should report to ECPAT on how they have implemented The Code. Similar information could be made available to investors.

See: www.thecode.org

rights statements refer to the need to avoid “the unlawful exploitation of labour, women or children”

¹ *ILO action against trafficking in human beings*, International Labour Organization, 2008 pages 1-3 http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_090356.pdf

² To 31 March 2011. National Reporting Mechanism data. Available at: <http://www.soca.gov.uk/about-soca/about-the-ukhtc/statistical-data>

³ Churches Alert to Sex Trafficking in Europe website <http://www.chaste.org.uk/sextrafficking/global.html>

⁴ *Setting the record: the trafficking of migrant women in the England and Wales off-street prostitution sector*, Keith Jackson, Jon Jeffrey and George Adamson for the Association of Chief Police Officers, August 2010. Available at: <http://www.acpo.police.uk/documents/crime/2010/201008CRITMW01.pdf>

⁵ See for example *Re/integration of trafficked persons: how can our work be more effective?*, King Baudouin Foundation, 2008. Available at: http://ec.europa.eu/anti-trafficking/download.action?nodeId=c21476fd-6218-4731-80b9-06fe7ec2add5&fileName=King+Baudouin+Foundation+TB+report+2008_en.pdf&fileType=pdf

⁶ *Analysing the business model in the trafficking in human beings to better prevent the crime*, Organisation for Security and Co-operation in Europe, May 2010 pages 11 and 56. Available at: <http://www.osce.org/cthb/69028?download=true>

⁷ Intercontinental Hotels Group Corporate Responsibility Report, April 2011 page 24. Available at: http://www.ihgplc.com/files/pdf/2010_cr_report.pdf