INTRODUCTION

This is the Modern Slavery Transparency Statement of Macdonald Hotels Limited ("Macdonald Hotels") for the financial year ending 31st March 2018. This statement is made pursuant to s.54(1) of the Modern Slavery Act 2015.

Macdonald Hotels is committed to operating with integrity and accountability. That commitment applies both within the organisation and in our relationships with suppliers.

We adopt a zero-tolerance approach to slavery and human trafficking. We are committed to taking all reasonably practicable steps to ensure that slavery and human trafficking is not present either in our operations or supply chains.

Macdonald Hotels recognises that slavery and human trafficking are not issues which are confined to the overseas hospitality sector. In particular we recognise and are assessing the risks that arise from the use of foreign and migrant labour, and from supply chains both in the UK and overseas.

ABOUT MACDONALD HOTELS

Our business

The Macdonald Hotels group is one of the UK's leading privately owned hotel and hospitality businesses. This Statement is made in respect of the operations of Macdonald Hotels Limited. Macdonald Hotels is headquartered in Bathgate, Scotland.

The group consists of over 40 hotels and resorts in the UK, Ireland, Spain, and Portugal. The focus of our business is people, and our responsibility begins with the way we treat our staff and invest in their potential through training and personal development. The business relies on the services of around 4,000 workers spanning food and beverage operations; housekeeping; guest service operations; kitchen operations and recreational operations. We also have employees in commercial and finance operations; hotel operations (including hotel general managers) and in administration, IT and HR roles.

POLICIES AND PROCEDURES
Macdonald Hotels has an existing compliance programme comprising policies, procedures and requirements for employees, suppliers and hotels in relation to human rights, ethical practices and modern slavery. This includes robust checks and verification in respect of migrant workers; a whistleblowing policy to encourage reports from staff of unethical conduct; and a central register of recruitment agents and supplier contracts. We only work with trusted agents and suppliers and we require all potential employees to provide evidence of entitlement to work in the UK.

In direct response to the risk of slavery and human trafficking, Macdonald Hotels has built on its existing compliance framework by:

- Updating our Whistleblowing policy to ensure coverage of suspected slavery and human trafficking incidents
- Implementing an Anti-Slavery Policy
- Issuing our Anti-Slavery Policy to our suppliers and recruitment agencies
- Taking external legal advice on the application of the Modern Slavery Act 2015 to our business
- Communicating our senior management team’s strong support for the aims of the Modern Slavery Act 2015 and our zero tolerance approach to slavery and human trafficking
- Conducting a risk assessment of our business and our supply chains (as detailed below)
- Identifying Key Performance Indicators against which to assess our progress in managing the risks of slavery and human trafficking in our business and our supply chains (as detailed further below)

**DUE DILIGENCE IN OUR SUPPLY CHAINS**

As part of our zero tolerance approach to slavery and human trafficking, Macdonald Hotels will only work with those who provide assurances on their working practices and commitment to combating slavery and human trafficking in their own businesses and supply chains.

We endeavour to conduct regular Risk Assessments of our supply chains. Where we identify suppliers to be "at risk" of slavery and human trafficking we will seek compliance assurances from them; exercise right to terminate early for failure to comply with applicable laws and our Anti Slavery Policy etc

**KEY PERFORMANCE INDICATORS ("KPIs")**

We will use the following KPIs to measure how effective we have been to ensure that slavery and human trafficking is not taking place in our business or supply chains:

- Any and all incidents or complaints of slavery and human trafficking reported to the Legal Department, whether under our Whistleblowing Policy or otherwise, are investigated within 24 hours
- Monitoring the response rate of "at risk" suppliers to our request that they advise us on the steps taken to ensure slavery and human trafficking is not taking place in their business or supply chains
- Numbers of staff trained on our Anti-Slavery Policy and updated Whistleblowing Policy;
Remedial action taken following non-compliances found during audits

FUTURE STEPS

Macdonald Hotels believes in increased transparency in how businesses are playing their part in preventing slavery and human trafficking. We will continue to monitor the effectiveness of our compliance programme and take necessary steps to address any instances of slavery and human trafficking on an ongoing basis. We will publish an updated Modern Slavery Act Transparency Statement in each financial year.

Any queries in relation to this Modern Slavery Act Transparency Statement should be addressed to the Legal Team, Macdonald Hotels Limited, Whiteside House, Bathgate, West Lothian, EH48 2RX or by email to: legal@macdonald-hotels.co.uk.

This Modern Slavery Act Transparency Statement was approved by the Board of Directors of Macdonald Hotels Limited on 26 September 2018.

R. Gordon Fraser

Deputy Chairman &

Group Managing Director

Macdonald Hotels Limited

October 2018

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