Business & Human Rights Resource Centre

Wake-up call

EXPLOITATIVE RECRUITMENT RISK TO MIGRANT WORKERS IN QATAR'S WORLD CUP HOTELS

JULY 2022

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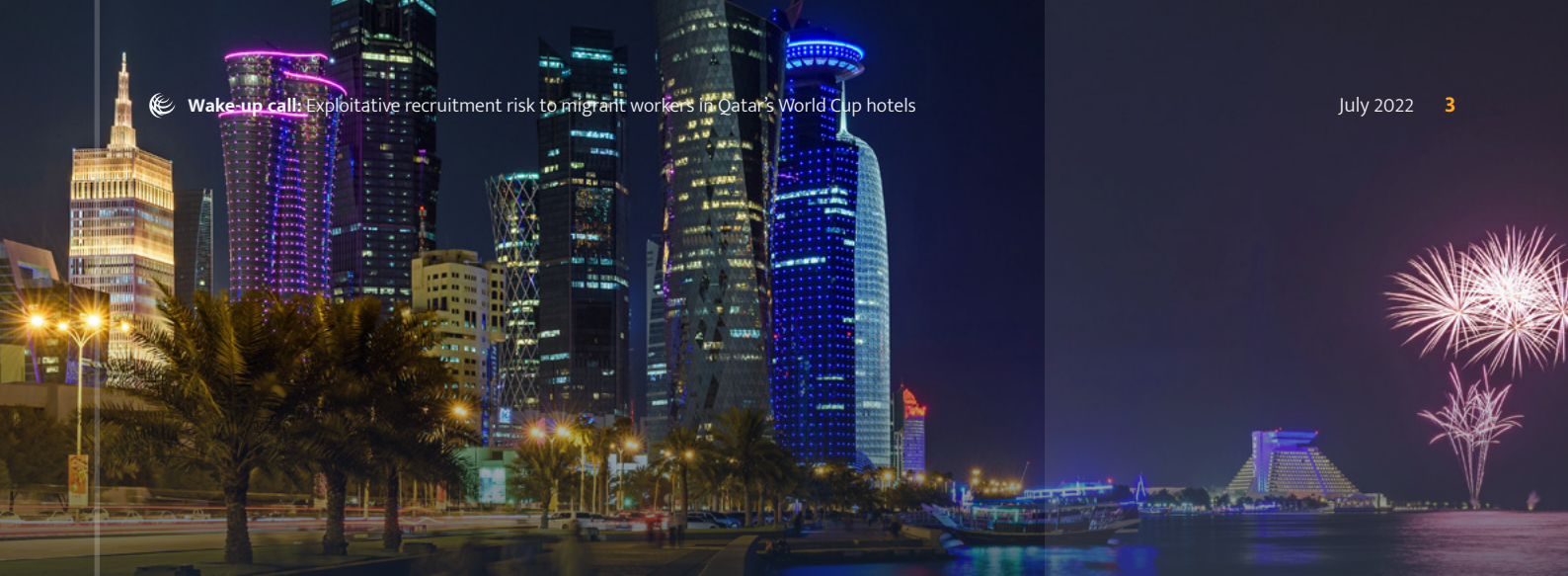


Executive summary

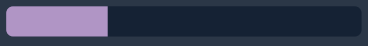
Ahead of the Qatar World Cup 2022 kick-off in November, with its accompanying influx of an estimated one million visitors, recruitment is ramping up at astonishing speed. So too are the implications of this hiring surge for the plight of migrant workers staffing Qatar's hotels. By the end of 2022, Qatar's hotel market is predicted to increase by 50% to over 44,000 hotel rooms staffed by workers – mainly from South Asia, Southeast Asia and East Africa – pursuing employment opportunities promised by one of the world's largest sporting tournaments. Many seek jobs in hospitality, security and transport, joining the two million workers who already live and work in Qatar, a country heavily reliant on its migrant workforce. Together they will make it possible for Qatar to deliver the World Cup, toiling to ensure teams, fans and corporate sponsors enjoy a seamless and unforgettable experience.

Research has shown the payment of recruitment fees by migrant workers to be one of the region's single largest drivers of abuse. Despite prohibition of recruitment fees under Qatari labour law, migrant workers commonly pay the equivalent of up to one year's salary to secure work – whether formally to hotel brands' business partners (including recruitment agencies and labour supply companies), human resources consultants, or informally to friends and contacts who get them an interview. Where companies do not recognise their responsibility to cover these costs, workers lack some of the most basic protections against exploitation and are often left struggling financially; in the worst cases they have been driven to suicide under the pressure of debt and low wages.

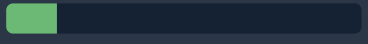
14/30 brands responded to our outreach on recruitment risks and due diligence

10/14 brands named at least one labour supplier or recruitment agency

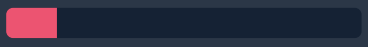
4/14 disclosed uncovering recruitment fee payments



2/14 publicly align with the Employer Pays Principle



2/14 committed unequivocally to disclose data on recruitment risks within six months



In 2021, our research found Qatar's multinational hotel brands were failing to adequately identify and mitigate risks around exploitative recruitment practices. Eight of 18 interviewed workers reported paying recruitment fees, yet none reported fees being repaid by employers. Half had taken out loans to cover the cost. Responses from hotel brands lacked transparency, with few disclosing names of business partners and most failing to uncover fee payment, despite it being a well-known practice among workers migrating to the region. Crucially, brands had failed to undertake adequate human rights due diligence prior to contracting business partners, monitor conditions for subcontracted and seasonal workers[1] or interview workers. Only **Kempinski** and **Radisson** evidenced a public commitment to the Employer Pays Principle.

Our research this year indicates industry transparency has increased. Ten of the 14 brands responding to our questions disclosed names of one or more business partners. Four brands disclosed uncovering recruitment fee payments, up from just two last year. Encouragingly, nine brands disclosed conducting worker interviews during recruitment, in contrast to just three brands in 2021 – although only a small number uncovered fee payment, suggesting interviewers may fail to properly account for the imbalance of power between employers and workers. These discussions risk being a check-box exercise if workers are unable to voice concerns. Notably, **Radisson** demonstrated significant improvement in its commitment to transparency, while other multinational brands including **Hyatt**, **Best Western** and **Wyndham** failed to provide any information in response to our survey.

As a general matter, progress made by hotel brands in undertaking due diligence of recruitment agencies and monitoring business partners' recruitment standards has been modest. Brand responses revealed limited understanding of their responsibilities to all workers who wear their uniforms, or the complexities of recruitment risk. Answers demonstrated a reliance on contracts to ensure compliance with standards after agencies have already been hired, rather than proactive due diligence, which would help identify and mitigate these risks to workers up front.

With the World Cup a mere five months away, the opportunity to address the suffering of the workers who will ensure the success of the event is fading fast. Many workers are likely to face the consequences of recruitment fees for months or even years – long after the final match of the tournament is played. Hotel brands have a central role to play in this process and are obliged to commit to rights-respecting recruitment practices, both in the lead-up to kick-off and into the future.

Summary of recommendations:

- Increase **transparency** through annual reporting;
- Improve **due diligence** and monitoring of business partners;
- Commit to **remediation** for workers.

For full recommendations, see conclusion.

1 "Subcontracted" workers are those employed by someone other than the brand or hotel property owner, for example, an outsourced cleaning or security company contracted to provide workers to the hotel, either long-term or short-term during periods of high demand (seasonal).

Outreach

We invited 30 hotel brands to respond to six questions on the scale and scope of their operations in Qatar and during the World Cup, their commitment to the Employer Pays Principle, their human rights due diligence processes and fee payments. These 30 brands represent over 115 hotel properties in Qatar, all of which will be completely booked out come November. Fourteen brands responded, including two which did not respond to our 2021 survey (**Four Seasons** and **Retaj**) and two newly-approached brands (**Ascott** and **Chiva-Som**).

Respondents (14/30)

- Accor
- The Ascott Limited
- Chiva-Som International Health Resorts
- Deutsche Hospitality
- Four Seasons Hotels
- Hilton
- IHG Hotels & Resorts
- Kempinski Hotels
- Marriott
- Millennium Hotels and Resorts
- Minor International
- Radisson
- Retaj Hotels & Hospitality
- Whitbread

Non-respondents (16/30)

- Al Sraiya Hotels & Hospitality
- BWH Hotel Group
- Centara Hotels & Resorts
- Corinthia Hotels
- Dream Hotel
- Dusit International
- Frasers Hospitality
- Holiday Villa Hotels & Resorts
- Hyatt
- Katara Hospitality
- Louvre Hotels
- Mandarin Oriental
- Rotana Hotel Management Corp.
- Swiss-Belhotel International
- TIME Hotels
- Wyndham Hotels & Resorts

Key findings

- Fourteen of 30 brands (47%) responded to our outreach, including three new responders (**Ascott**, **Chiva-Som** and **Retaj**).
- Significant improvement in transparency:
  - Ten of 14 brands (**Accor**, **Ascott**, **Deutsche Hospitality**, **Four Seasons**, **Kempinski**, **Millennium**, **Minor**, **Radisson**, **Retaj** and **Whitbread**) named at least one recruitment agency or labour supplier, compared with four in 2021.
  - Four brands (**Hilton**, **IHG**, **Kempinski** and **Radisson**) disclosed uncovering recruitment fee payment, compared with two in 2021. However, only **Kempinski** and **Radisson** disclosed figures and no brand provided complete data on reimbursements.
- Increased direct engagement with workers:
  - Nine brands (**Accor**, **Chiva-Som**, **Deutsche Hospitality**, **Four Seasons**, **Hilton**, **IHG**, **Kempinski**, **Millennium** and **Radisson**) said workers were interviewed at least once during recruitment, compared with three in 2021.
  - Four brands (**Deutsche Hospitality**, **Four Seasons**, **Kempinski** and **Millennium**) referred to two or more processes, including worker interviews, to monitor business partners' standards.
- Only **Kempinski** and **Radisson** have a public policy aligning the Employer Pays Principle, in no change from 2021.
- Regarding fee payment prevention, eight brands (**Accor**, **Deutsche Hospitality**, **Four Seasons**, **Hilton**, **Kempinski**, **Millennium**, **Radisson** and **Whitbread**) stated they pay agencies directly, though it was unclear whether this only included agency fees or itemised worker-paid fees.
- Mixed picture on quality and understanding of due diligence:
  - Four brands (**Accor**, **Deutsche Hospitality**, **Kempinski** and **Retaj**) cited a reliance on contracts or audits, without describing additional due diligence steps before contracting an agency.
  - Ten brands (**Accor**, **Ascott**, **Chiva-Som**, **Deutsche Hospitality**, **Four Seasons**, **Marriott**, **Millennium**, **Minor**, **Retaj** and **Whitbread**) recorded zero instances of fee payment or did not provide figures, while failing to outline adequate due diligence to prevent it.
- Lack of monitoring recruitment risk to subcontracted and seasonal workers:
  - Three brands (**Hilton**, **IHG** and **Kempinski**) described investigating and engaging business partners to remediate worker welfare non-compliance.
- Only two brands (**Four Seasons** and **Radisson**) committed unequivocally to disclose recruitment risks, data on recruitment fee payment discovered during the World Cup and remediating these within six months; 12 did not.
  - **Accor** stated it could not commit to disclosing information relating to workers deployed across World Cup-serviced apartments due to a non-disclosure agreement.

Exploitative recruitment practices

Workers migrating to the Gulf suffer exploitative conditions in both origin and destination countries, paying extortionate or illegal recruitment fees amounting to hundreds, or even thousands, of dollars. Workers and their families often obtain bank loans or raise this cost informally through networks, leaving families burdened with debt and remittances squeezed.

Our research demonstrates fee payment has been inadequately monitored and reimbursed by employers and although it is illegal in Qatar, fees are still paid in origin countries. The scope of this problem is significant. Since July 2021, we have tracked 100 cases of labour abuse in Qatar, 28 of which included reports of migrant workers paying recruitment fees. Workers contracted short-term for the World Cup risk paying high recruitment fees, for which they might take on debt they will not work long enough to pay off – let alone make money for themselves and their families.

Numerous recruitment agencies have been banned or shut down due to non-compliance with labour regulations, illustrating the prevalence of abuse. Among them are agencies recruiting for security, hotels and catering companies, such as Nepali recruiter Vision & Value, which was raided and banned in 2021 for charging high fees. Hotel brands using the agency were invited to respond, but answers from **Marriott**, **Millennium** and **Hilton** at the time suggested they relied on a narrow definition of recruitment fees that left workers at risk of bearing administrative costs, including visa processing fees. Nepali civil society has since expressed concern that brands abruptly terminated relationships with Vision & Value, raising fears of the irresponsible nature of "cutting and running" rather than engaging constructively with business partners to improve, as is best practice. In August 2021, NGO Migrant-Rights.org reported so-called project visas were misused by World Cup contractors (see responses from UrbaCon Trading & Contracting and Galfar Al Misnad) to recruit short-term workers; recruitment agencies involved also sourced hospitality workers.

In 2021, eight of 18 workers interviewed reported paying fees of between USD 500 and USD 2,360, while only one brand (**IHG**) disclosed the number of workers it identified had paid fees. Most interviewed workers were employed in one of the survey respondents' properties. No worker reported remediation by employers and only three workers reported being asked about recruitment fees by a manager. Several mentioned the toll high-interest loans had taken on them and their families.

Recruitment fees in practice

Responses from several brands suggested they perceived recruitment risks as relevant solely to workers recruited via an agency. **This approach runs counter to the** International Labour Organization (ILO) definition of recruitment fees **and the testimony gathered from workers in 2021**, which demonstrated fee payment is a risk to both directly-employed and subcontracted hotel workers. **Ascott** said our questions regarding worker interviews in hotels did not apply as the *"property has not signed any contract with recruitment agents."* **Minor** said: *"We do not use any recruiting agencies or consultants for our recruitment needs."* Regarding data on fee payment, **Accor** stated *"hotels in Qatar and The Living Adventure have no records of payments our employees have made to agencies."*

> *"I was hired directly in Qatar. I did not use an agency. When I transferred from my old company to this, the old company took money from me, to release me. But, this money was not required for the transfer."*
>
> **Concierge from Bangladesh**

Brands must recognise any payment or wage deduction made by a worker while obtaining employment, however small, may expose that worker to exploitation – whether they are directly hired, subcontracted and working for a service provider, or working in the hotel on a temporary basis to cover seasonal demand.

In 2021, six of the 14 directly-hired interviewees paid recruitment fees. One bell boy from Bangladesh said: *"I did not use an agency. It was someone who worked here who helped me get the interview. I had to pay him for his help."* On arrival he discovered the visa he paid USD 2,100 for should have been free; he had taken a loan to raise the money. Testimony suggested management did not appreciate direct and local hires may have paid fees. One Filipino finance worker said management *"never asked [about recruitment fees] because they know I am directly hired in Qatar."* A front office agent from Nepal said they paid almost USD 2,000 for visa and airfare, but was not asked whether he had paid fees because he was hired locally. A concierge from Bangladesh reported paying an illegal fee to change jobs between hotels within Qatar. The breadth of experiences reflects the varied forms payment can take.

> *"I did not use an agency. It was someone who worked here who helped me get the interview. I had to pay him for his help... I paid 200,000 BDT to my contact at the hotel to get visa. After I came here, I came to know about free visa."*
>
> **Bell boy from Bangladesh**

Moreover, recent research from Migrant-Rights.org reflected an emergent trend across industries in Qatar, whereby brands allegedly say they hire workers directly from origin countries without using agencies, while instead using human resources consultants to source workers. Documented cases showed workers paying fees to consultant middlemen (for example, to take interviews) that were significantly higher than those paid to traditional recruitment agencies, as the consultants collect commission from workers. Workers are rarely given receipts or documentation to prove fee payment, and very few brands appear to specify workers should not bear these costs.

Towards better practice in recruitment

Fair recruitment has been a central pillar of the World Cup organisers' Worker Welfare Standards, with the Supreme Committee for Delivery & Legacy establishing a Universal Reimbursement Scheme in 2017 to reimburse fees paid by construction workers without the need for workers to produce proof of payment. The Supreme Committee has recently expanded the scope of its work to include hotels.

The Sustainable Hospitality Alliance (the Alliance), a charity which counts several responders and three non-responders to our questions among its membership, developed a guidance tool for hotels in Qatar in 2020 along with the Ministry of Labour, ILO and IHRB. More recently, the Alliance and International Organization for Migration (IOM) published guidance on mitigating recruitment risks to migrant workers and produced industry guidance on risk to workers regarding short-term labour and combatting recruitment scams ahead of the World Cup (see more here).

Analysis of brand responses

Scope of operations

Four brands (**Accor**, **Ascott**, **Minor** and **Radisson**) anticipated increasing recruitment ahead of the World Cup and disclosed figures on scale. **Accor**'s hotel workers will increase by an average of 5% from October until the end of the tournament; **Accor** is also recruiting locally and internationally for managed accommodation. **Ascott** and **Minor** described recruitment increasing by 45%; **Minor** also attributed this to the ongoing post-pandemic recovery. **Radisson** described increasing staffing at its Doha property by 400 permanent and temporary recruits between June and October 2022.

IHG *"expect[s] hotels in Qatar to recruit additional workers,"* without specifying by how much. Three brands (**Deutsche Hospitality**, **Four Seasons** and **Kempinski**) were not anticipating additional recruitment. **Four Seasons** and **Kempinski** stated colleagues from a *"task force"* working at *"sister properties"* would be brought on board to provide additional staffing, if necessary.

Six brands (**Chiva-Som**, **Hilton**, **Marriott**, **Millennium**, **Retaj** and **Whitbread**) did not provide clear information on recruitment rates during the World Cup.

Transparency

Disclosure of business relationships and workforce demographics are staples of corporate transparency. This signals an understanding numerous stakeholders desire information on brands' contractual relationships with providers of goods, services and staff, and reflects preparedness to be scrutinised, including by investors, rights groups and unions.

In 2021, only four brands (**Accor**, **Louvre**, **Minor** and **Whitbread**) disclosed names of any business partners. This year, 10 brands (**Accor**, **Ascott**, **Deutsche Hospitality**, **Four Seasons**, **Kempinski**, **Millennium**, **Minor**, **Radisson**, **Retaj** and **Whitbread**) named one or more business partners in Qatar, indicating real progress by the industry in just one year. **Accor**, **Ascott**, **Deutsche Hospitality**, **Kempinski**, **Millennium**, **Minor** and **Radisson** disclosed full or partial information on the gender and nationalities of workers supplied by each recruitment agency or labour provider.

Four Seasons referenced service providers but only disclosed names of recruitment agencies. **Retaj** and **Whitbread** referred to recruitment agencies but provided only the names of labour suppliers, such as security providers. Four brands (**Chiva-Som**, **Hilton**, **IHG** and **Marriott**) did not provide this information; **Hilton** disclosed only the countries where it uses agencies.

Seven brands (**Deutsche Hospitality**, **Four Seasons**, **Kempinski**, **Hilton**, **IHG**, **Millennium** and **Radisson**) described ending contracts following non-compliance with standards, but only **Kempinski**, **Millennium** and **Radisson** named those business partners.

Last year, only two brands (**Hilton** and **IHG**) stated they had uncovered instances of worker-paid recruitment fees, but only **IHG** disclosed exact figures. This year, four brands (**Hilton**, **IHG**, **Kempinski** and **Radisson**) disclosed uncovering instances of workers in their operations paying recruitment fees. Disappointingly, no company disclosed complete data on the amount workers had paid or been reimbursed for 2020, 2021 and 2022, respectively.

Employer Pays Principle

The Employer Pays Principle (EPP) is the international standard defining recruitment fees and expectations to safeguard workers in company operations and supply chains. Disappointingly, **Kempinski** and **Radisson** were again the only two brands fully compliant with the EPP, however, **Minor**'s recruitment policy outlines its property's *"People & Culture Department will be responsible for all recruitment-related charges, such as Onboarding Ticket, Hotel Quarantine, Qatar ID, and Hamad Health Card."* As it does not expressly prohibit worker-paid fees, **Minor**'s policy does not adhere to the EPP. However, it should be recognised as an important example of better practice where Qatar-specific recruitment costs have been identified and publicly pledged to be covered.

Although most other brands stated they have a policy compliant with the EPP, none of them evidenced this publicly; several stated they prohibit recruitment fee-charging by suppliers or subcontractors, or referenced Qatari labour law, but did not identify who is responsible for covering those costs when they are incurred. **Millennium** stated: *"We as an employer will solely bourne [sic] the fees related with the hiring process of the employee,"* but this is not reflected in its public policy on recruitment and selection of recruitment agencies. **Retaj** stated: *"Our contract with the Recruitment Agency clearly stipulates that a worker is not to be charged with any Recruitment or Processing Fees including any upfront deposits or security payments for the provision of recruitment services,"* though this is not a public policy.

The Alliance's recent industry guidance reflects the two primary elements of the EPP: to prohibit worker-paid fees and to specify the employer should bear these costs. However, **Radisson** was the only compliant member. Noting the prevalence of recruitment fee payment and the industry's complex business relationships and migration channels, brands must, at a minimum, specify who is responsible for covering fees and reimburse workers where recruiters and suppliers do not. This should be within a reasonable timeframe and workers must verify remediation.

Due diligence on recruitment agencies

Brands which use agencies must ensure they are properly assessed and compliant with human and labour rights principles prior to entering a contract, and as an ongoing process. This could include assessing workforce risk according to nationalities and migration corridors, and considering factors such as whether agencies use sub-agents, how jobs are advertised, how candidates are selected (including non-discrimination principles) and whether workers receive pre-departure training.

In 2021, only **Hilton** described conducting active due diligence to select recruitment agencies which went beyond reviewing legal documentation. Across the industry, we identified a reliance on external accreditations or audits in lieu of adequate, tailored human rights due diligence that sought to engage with civil society in sending countries or workers. A lack of robust, worker-centric due diligence processes meant risks simply could not be adequately identified or mitigated.

Encouragingly, most brands responding to this year's survey described one or more actions that went further, though none outlined a comprehensive due diligence process. Although most brands told us they interview workers, no company cited engagement with relevant civil society in sending and destination countries or thoroughly addressed associated recruitment issues such as the risk of contract substitution or document retention, and there was a lack of demonstrated understanding that due diligence should be proactive and ongoing.

Millennium described *"conduct[ing] feedback checks from networks who worked with the same recruitment agents and from candidates hired through them. Prior to the pandemic, site visits were conducted by the corporate office HR, to ensure that due diligence are in place."* However, it was unclear whether these related to human rights or commercial concerns, who the "networks" are or how frequently visits occur. **Four Seasons** disclosed: *"[Overseas agencies'] credentials are checked, a formal interview is held with the agency to assess compliance, and partners from those countries are required to sign an MOU,"* without elaborating on what credentials are checked and how central rights are to this process.

Disappointingly, four brands (**Accor**, **Deutsche Hospitality**, **Kempinski** and **Retaj**) still cited a reliance on contractual terms or external audits without satisfactorily outlining additional checks according to their own standards and before contracting agencies. **Deutsche Hospitality** described a contractual clause allowing it to terminate a contract with the agency, but did not describe steps taken prior to contracting, such as risk assessments. It only referred to *"researching about the agency with competition and doing a thorough reference check in order to establish a fair and transparent recruitment process,"* without describing what is meant by a reference check or research.

Ten brands (**Accor**, **Ascott**, **Chiva-Som**, **Deutsche Hospitality**, **Four Seasons**, **Marriott**, **Minor**, **Millennium**, **Retaj** and **Whitbread**) said they recorded zero instances of fee payment or did not provide information, while failing to outline adequate due diligence steps to prevent it. **Retaj** explained: *"Our Recruitment Contract clearly stipulates that we are responsible for the payment of all Recruitment or Processing Fees... thus, we did not come across any recruitment fee reimbursement."* Contractual wording alone is typically insufficient to prevent fees being paid.

Recruitment fee prevention

The most effective measures to prevent fee payment include a solid mapping and understanding of recruitment channels according to operations and costs of fees. It also requires brands to demonstrate that recruitment fees are paid directly to agencies in addition to the cost the agency charges the brand for services.

In examples of better practice, **Hilton** and **IHG** described risk assessments specific to Gulf migration. **Hilton** also described engaging with *"third-party experts, including consideration of human rights and modern slavery issues such as recruitment fees, wages, working/living conditions and health and safety. The nature and scope of such due diligence is adjusted depending on the particular risks of the jurisdictions at issue and other key factors."* **IHG** described collaborating with the IOM and the Alliance to conduct due diligence and assess workforce risks in the Philippines-Gulf migration corridor. **Radisson** also discusses its involvement in the project in its Modern Slavery Statement and states *"Overall findings have been utilized to strengthen capacity building and remediation planning."* The process included property questionnaires and worker interviews *"to better understand the migrant journey of Filipino workers."* **Marriott** referenced this initiative without giving detail.

Eight brands (**Accor**, **Deutsche Hospitality**, **Four Seasons**, **Hilton**, **Kempinski**, **Millennium**, **Radisson** and **Whitbread**) stated they pay contracted agencies once workers are recruited or after deployment in Qatar. While this could be an important first step towards preventing fee payment, if brands are to demonstrate an understanding of worker-paid fees, clarification is needed on what payments include. Simply stating agency fees have been paid does not demonstrate brands have also interrogated and covered the cost of worker-paid fees.

For example, **Millennium** disclosed a copy of their recruitment policy which specified *"payment of agents must be within 30 days of candidate commencing work"* and *"Human Resources must plan in their budgeting procedure how much they believe they may need to spend in any year on agency fees."* However, it is unclear whether this budgets for more than agency services and therefore contemplates covering fees paid by workers if these occur. **Hilton** stated: *"For each Team Member that we hire from a recruitment agency, we pay that recruitment agency a fee for having sourced, interviewed, and presented that candidate to us."* However, covering associated costs was not guaranteed, with **Hilton** only stating it *"**may** also pay the recruitment fees associated with medical costs, government fees, and visa processing fees."*

Radisson disclosed an example of a recruitment contract which explicitly noted coststhe company covers, including visa, airline and employment contracts, while costs such as passport copies and medical documentation are borne by the agency. Payments from **Radisson** to the agency covered processing and administrative fees, mandated insurance fees where applicable and recruitment advertising. Although the contract specified *"the applicant will bear the pre-medical expenses if any, employment related taxes, any other actual expenses only prior to their deployment,"* suggesting the worker is still exposed to fee-charging, **Radisson**'s contract notably reflects significantly better practice for the industry.

Worker interviews

Given the prevalence of recruitment fee payment, we asked brands what percentage of workers are interviewed prior to and during employment to establish whether fees are paid. Anonymous testimony collected in 2021 from hotel workers describing intimidation and reprisal highlights the important of brands clarifying to workers they are not required to pay fees of any kind (formal or informal). Brands must also ensure workers are encouraged, through multiple opportunities post-onboarding, to bring fee payment to management's attention. In 2021, only three workers said a manager had asked whether they paid fees, indicating a need for thorough interviews with every member of the workforce to understand individual experiences.

In 2021, only three brands (**Accor**, **Kempinski** and **Hilton**) told us they interviewed workers. This year nine brands stated workers were interviewed at least once at onboarding, when offered a job or during employment. In examples of better practice, **Accor**, **Kempinski** and **Hilton** said all workers are asked about fees during the interview and upon arrival in Qatar. **IHG** said the *"**majority** of IHG-branded hotels in Qatar have processes in place to informally interview all recruited workers during their onboarding period and/or 90 days post joining sessions."*

Kempinski and **Radisson** referenced the "New Starter Checklist", provided by the Supreme Committee, which asks new joiners if they have paid any fees. The Checklist, positively, asks in general terms whether workers paid money to come to Qatar, who the money was paid to (acknowledging this could be an agent, company, relative or friend), whether workers had to borrow money, from whom and how frequent repayments are.

The fact only four brands disclosed uncovering fees, while nine referenced interviews, suggested the process may require strengthening. Interview procedures must foster an environment where workers are comfortable raising abuses with management. Moreover, staff managing the recruitment process, and workers themselves, need clear guidance on what is meant by recruitment fees. Given the varied expenses workers may pay while obtaining employment, employers must ensure workers understand any payment, however small, will be reimbursed and they will suffer no adverse impact.

Monitoring business partners

In 2021, the industry's sole reliance on social audits to monitor conditions for subcontracted workers was a major concern. The inefficacy of audits in revealing systemic issues is well-documented, owing to their top-down and often checklist-based approach. Brands must realise audits, like partnering with external organisations, do not absolve them from undertaking their own risk assessment and due diligence. In 2022, when asked about monitoring business partners' compliance with recruitment standards, four brands (**Deutsche Hospitality**, **Four Seasons**, **Kempinski** and **Millennium**) referred to two or more processes, including worker interviews, as part of the monitoring process. However, only superficial details were disclosed.

> *"No one has asked or offered to reimburse this cost, everyone is just keeping quiet."*
>
> **Subcontracted Kenyan kitchen helper**

Minor described checking business partners' *"compliances such as QID Issuance, Health Cards, Checking their housing and other facilities. And... [monitoring] Monthly Wage Payment (Amount & payment date)."* **Deutsche Hospitality** said it *"systematically and regularly interview[s] subcontracted workers about their overall wellbeing, health & safety, living conditions."* **Millennium** referred to *"monitoring done through site visits, legal/official document compliance, licenses, contract review, and employees' feedback."*

Deutsche Hospitality was the only brand to describe giving *"assurance of non-retaliation."* Only **Four Seasons** referred to *"spot checks"*, speaking to subcontracted workers without advance notice; they subsequently uncovered *"human rights issues"* at a security company.

Improving practices

In 2021, we noted a need for hotels to engage constructively with business partners to improve practices when indicators of exploitation are found. This may include outlining clear standards and expectations of business partners, identifying breaches of commitments, as well as sustainable solutions to address root causes. Brands have failed to acknowledge how their own business models are driving abuse. Terminating business partners' contracts without addressing underlying issues will not change systems and will continue to leave workers exposed.

Three brands (**Hilton**, **IHG** and **Kempinski**) described a process to address exploitative practices through investigation and engagement to remediate issues. On receiving reports of fee payment between 2020 and 2022, *"**IHG** engaged with the recruitment agencies to better understand their practices, and subsequently decided to suspend the relationship with two agencies due to their lack of transparent practices."* **Hilton** committed to investigate *"any allegation that a business partner has violated Hilton's standards"* and *"used its leverage to compel the recruitment agencies to modify its practices."*

However, termination remains an immediate option for several brands, rather than a last resort only to be taken after constructive engagement. While **Kempinski** stated *"investigations are conducted and steps taken to immediately rectify the situation,"* it can *"immediately stop collaborating with any agents that are found to charge such fees to candidates."* **Deutsche Hospitality** also stated in its contracts with agencies: *"In the event the Recruitment agency has received any fees or payments from any applicant/candidate/worker, this Agreement is terminable and the fees must be reimbursed to the workers."*

Alarmingly, **Millennium** said: *"In such cases that [an] employee confirms they have paid fees, we conduct probing and investigation against the agency. **We do not proceed employing the candidate from them and immediately terminate the agreement.**"* Such a policy is likely to discourage workers from disclosing payment if they understand they may lose their jobs. This approach does not address the problem and may leave workers exposed to abuse.

Commitment to remedy

Remediation for abuse should be a priority for all brands which take their human rights responsibilities seriously. UN Guiding Principle 22 outlines: ***"Where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes."*** We asked brands whether they commit to disclosing information on recruitment risks identified during the preparations for and during the World Cup, including how many workers were discovered to have paid fees, how much they paid and how much was reimbursed within six months[2] of the risks being identified.

Just two brands (**Four Seasons** and **Radisson**) unequivocally committed to all these asks; 12 did not. Concerningly, **Accor**, which is contracted by the Supreme Committee to manage World Cup serviced apartments, cannot disclose recruitment risks or fee payment relating to workers deployed across the Living Adventure portfolio as the tender is subject to a non-disclosure agreement until 2025.

2 See: Impactt's Principles and Guidelines for the Repayment of Migrant Worker recruitment fees and related costs

Conclusion

The hotel industry should certainly be credited for stepping up efforts and demonstrating commitments to some of the fundamental principles of corporate transparency, including disclosing information on business partners. However, there is still insufficient contextual understanding by brands of how migration is facilitated, and the possible stakeholders involved, to be able to fully identify and mitigate risks to their workforce. Although kick-off is only five months away, hotel brands can and should make sure every worker is regarded as at-risk, interviewed to understand their recruitment process and reimbursed any payments made to obtain their job, whether made formally to an agency or informally to networks.

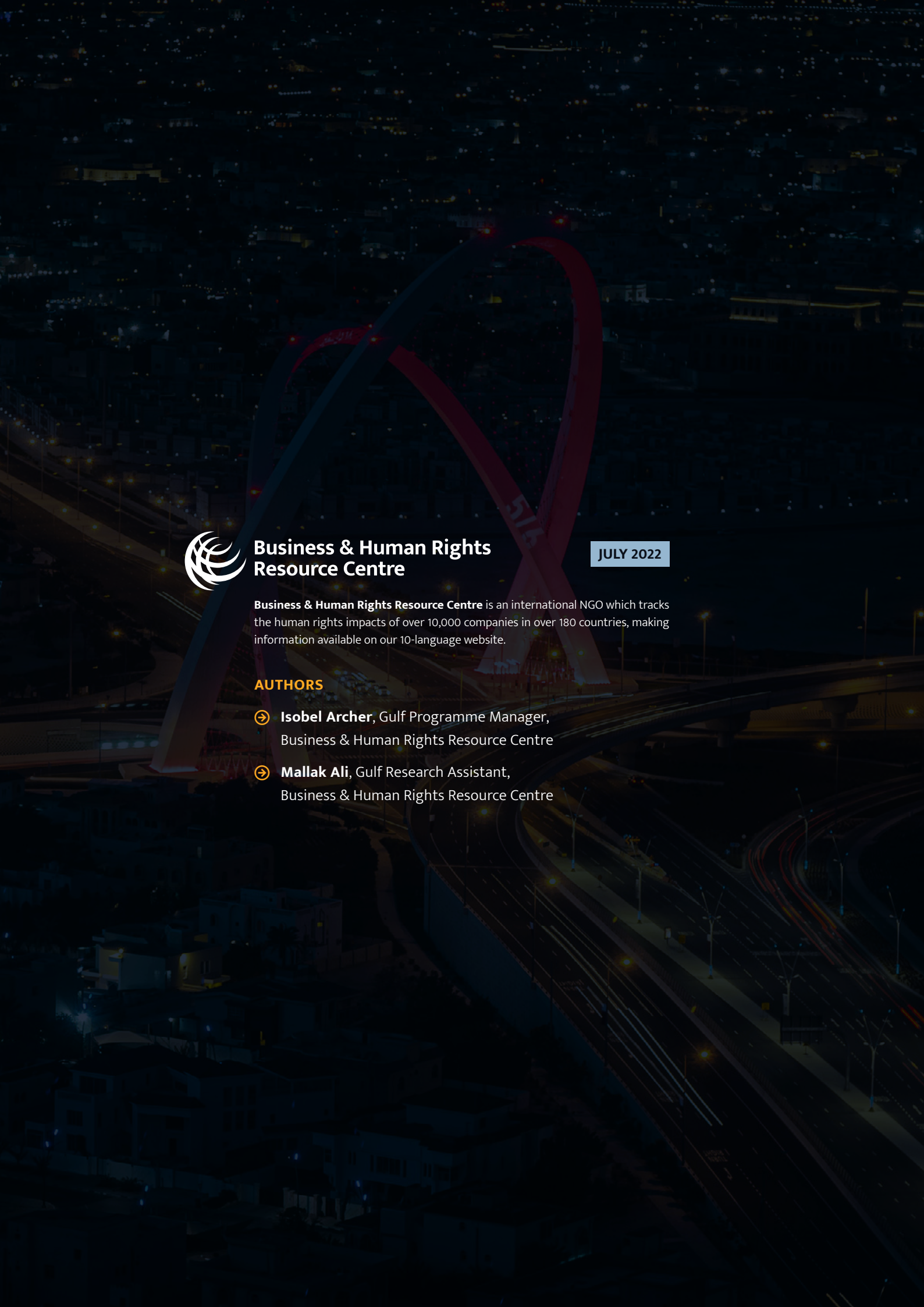
Recruitment is an area where meaningful changes can be implemented by hotels in the short term to prevent harm to workers and provide redress to those who have paid recruitment fees. Brands must publicly disclose the recruitment risks and fees they uncover during the tournament and commit to remedy abuse and repay fees within six months. All stakeholders have a responsibility to ensure the legacy of the World Cup does not leave essential workers shouldering the costs of recruitment.

If brands do improve their practices, the impact for workers would go far beyond the World Cup. Hotel workers across the Gulf – in countries like Saudi Arabia, where the hotel industry is booming and protections are much lower – experience similar treatment and face similar abuse without brand intervention. The below recommendations should help brands as they consider risks to workers in all Gulf migration corridors and start looking to solutions to mitigate those risks.

Recommendations

Hotel brands should:

- Increase **transparency** by reporting annually to provide complete information on:
  - Contracted business partners, including information on those they discontinued relationships with and why.
  - Number of instances of recruitment fees paid by hotel workers, what percentage of the workforce they represented and how much was reimbursed.
  - Operational data to understand workforce recruitment risks and enact effective and context-specific due diligence processes, which will vary according to workers' gender and nationality, and operations' locations.
- Improve **due diligence and monitoring** of business partners by:
  - Thoroughly assessing migration channels to understand how their business models contribute to risk for subcontracted, seasonal and direct hires, beyond the use of recruitment agencies.
  - Systematically conducting worker interviews (including with subcontracted, seasonal and direct hires) throughout recruitment, including at onboarding and after deployment, to establish whether fees were paid and requiring subcontractors to do the same.
  - Fully investigating alleged abuse or indicators of exploitation, including interviewing workers with assurances of non-retaliation and engaging constructively with business partners to outline expectations and ensure principles of fair recruitment are upheld, rather than effecting immediate termination of agreements.
- Commit to **remediation** by ensuring:
  - Information is provided to all workers through pre-departure training, on arrival and throughout deployment, so they fully understand the various forms of recruitment fees and that they should not make any payments to obtain work or change jobs.
  - Fees are reimbursed to workers and subcontracted workers by employers, and if necessary, reimbursed to workers directly where recruiters and suppliers are unable to do so in a reasonable time frame, with remediation verified by workers.
  - No worker is penalised or disadvantaged for poor and unfair practices by unscrupulous recruitment agencies.



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Business & Human Rights Resource Centre is an international NGO which tracks the human rights impacts of over 10,000 companies in over 180 countries, making information available on our 10-language website.

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