

2018 Questions for Hotel Companies in Qatar *Migrant Worker Rights*

NOTICE

The result of the recent study on labour relations of migrant workers in the hospitality industry in Qatar and the UAE does not reflect the reality of operational and labour standards within Kempinski Hotels as Kempinski Hotels neither was directly involved nor participated in the study, therefore the results of the below questionnaire are not reflected in the summary of research findings which has been published.

Scope of operations

1. **Please describe the scope and structure of your company's operations in Qatar in the table below, including the business model each hotel operates under (owned and managed; leased; managed properties; franchised properties; joint ventures; other).**

Kempinski currently manages two properties in Qatar: Marsa Malaz Kempinski, The Pearl – Doha and Kempinski Residences & Suites, Doha.

Human rights and due diligence

2. **Does your company have a publicly-available policy commitment to respect human rights in its operations and throughout its business relationships¹, that addresses workers' rights? Please provide links or attachments to the company's relevant policies.**

Just as our employees are dedicated to providing Kempinski guests with the best possible hotel experience, we're committed to providing a safe and engaging working environment. That is why we adhere to local labour laws and regulations and require that all our suppliers do the same. This approach is codified in several policies in place across our business, notably within our Code of Conduct & Business Ethics, which outlines the standard for ensuring a safe and respectful working environment for all employees, free of harassment and discrimination. We also have a Labour Standards for Third Parties Policy that hotels and residences operated by Kempinski are required to build into all supplier contracts providing outsourced labour, addressing rules that must be observed to safe guard worker's rights.

These policies are available embedded internally through onboarding training, are incorporated into supplier contracts, and are available on our public [website](#).

3. **Does the company have a human rights due diligence process for identifying and prioritising workforce risks in its operations and throughout its business relationships in Qatar? If so, please explain this process and highlight the top three workforce risks relating to a) its direct operations and b) its value chains.**

Kempinski's due diligence assessments for identifying workforce risks centre around a series of internal audits, coupled with investigations into any employee concerns

¹ [According to the UN Guiding Principles on Business and Human Rights](#), the term "business relationships" encompasses business partners, entities in the company's value chain and any other State or non-State entity directly linked to its business operations, products or services. This includes entities in its supply chain beyond the first tier and indirect as well as direct business relationships. The business partners we are primarily interested in for the purposes of this survey are **hotel property owners, labour suppliers, and service providers**.

raised through our anonymous whistleblowing mechanisms and internal grievance procedures.

These audits enable us to be aware that high labour standards are in place. Risks may occur with third party providers of outsourced labour, as their practices are not within the direct control of the hotel. However, we address these by requiring third party providers to adhere to clear contractual standards and auditing contracts and practices within the range of the possibilities available.

4. Does your company include labour practices relating to recruitment, working, and living conditions, as part of its due diligence criteria when deciding to enter into business relationships in Qatar?

Kempinski requires that all our business partners comply by local labour practices, laws and legislation at all times, as a minimum. This includes the provision that all persons performing work at any hotel or residence – whether employed directly or through a contractor – must be treated fairly and in line with the law. All such provisions are captured in our supplier agreements globally, including in Qatar.

5. Does your company require hotel property owners and subcontractors in Qatar to comply with your human rights and other rights-related policies and procedures?

If yes:

a) How do you hold them accountable to these requirements (e.g. through contract clauses, brand standards) and what mechanisms do you employ to monitor and evaluate their compliance?

Yes, all contractors are required to comply with the Kempinski policies.

In Qatar, a recent (2018) comprehensive audit saw all existing supplier contracts reviewed and updated to include clauses in line with the above. All new contracts will also incorporate this supplier clause.

Our verification process to monitor compliance includes:

- Strong communication with hotel management and owners on policy and self-audit, and annual audits carried out by the regional office.
- Outsourced workers are interviewed regularly to ensure that their rights are being protected and that they have an opportunity to raise any concerns.
- The provision of an anonymous whistle-blowing line, where employees and outsourced workers can raise any concerns about conditions and non-compliant suppliers.

Instances of non-compliance are met with zero-tolerance. Kempinski will either work with the contractor to correct its practices or will cease the working relationship as necessary.

Recruitment

6. If you directly employ workers, please describe your company's process for recruiting migrant workers to Qatar.

Recruitment typically takes place via a secure Kempinski website or external job sites, by advertising vacancies and receiving applications from interested candidates. These candidates are mainly expatriates, who are either overseas or locally available.

Once they apply for certain roles, candidates pass through the selection process and the successful individuals are presented an offer of employment with the company. This offer – the content of which has been reviewed and approved by lawyers – contains in detail the terms of employment, including, but not limited to:

Salary and Benefits, Leaves Entitlement, Repatriation Terms. Employees are asked to review their offers and, only if in agreement, to sign in acceptance of the terms. Acceptance triggers the onboarding process, whereby the employment visa and joining formalities are being completed.

We have also implemented a Talent Referral policy, applicable to existing employees who introduce successful candidates.

When recruiting, Kempinski maintains compliance with all applicable labour practices, laws and legislation in all markets where we operate, including Qatar.

For pre-opening properties, or when there is a need for larger-scale recruitment, some of our properties opt for collaborations with recruitment agencies. In this respect, there is a policy in place whereby no recruitment agencies may be used that charge fees to the candidates.

For any workers hired by third-party providers of outsourced labour, these are obliged to abide by the terms stipulated on the hotels' agreements, as outlined in our Labour Standards for Third Party Providers Policy, which includes a guarantee that no recruitment fees are being charged to the new hires.

- 7. Does your company have a publicly-available written policy to respect migrant workers' rights that addresses the human rights risks they face during recruitment? Please explain how it applies to workers that are both directly employed and subcontracted at your hotels.**

Please also include the following information:

- a. How does your company prevent the practice of contract substitution? Does your company have a policy of honouring the terms of contract signed in workers' home countries?**

All offer letters and contracts of employment are signed by employees of the hotels. Two original copies are then issued: one that remains with the employee and another which Kempinski puts on file for comprehensive employment records. Furthermore, upon joining the company, the exact same terms are logged in a local labour contract as part of the residence visa processing. Employees review and sign this contract as well and a copy is also kept in their file.

For subcontracted employees, providers are required to comply with the standards of our Labour Standards for Third Party Providers Policy.

- b. If your company has a policy of no-fee recruitment, what steps does it take to ensure workers do not pay recruitment fees and related costs? How could you demonstrate that workers (both directly employed and subcontracted at your hotels) do not incur any fees?**

Our company does not contract with agencies that charge recruitment or placement fees from any candidates introduced. This point is included in the agency contracts, as a separate clause. Also, we check with our employees upon joining whether they have been charged any recruitment fees. Where discrepancies are found, investigations are conducted, and steps are taken to immediately rectify this situation.

We require our hotels to include a contractual clause in their service agreements with subcontractors of labour whereby recruitment fees cannot be charged to the staff by the employer or any other third party and should be absorbed by the employing entity i.e. the subcontractor.

To monitor compliance, we also perform spot checks by asking outsourced workers upon joining to see if they have been charged any recruitment fees. Providers which are in breach of the Labour Standards are put under warning to remedy the situation and risk a termination of their contract.

8. What are the most common countries of origin of migrant workers operating in your directly employed and subcontracted workforce?

The employees at our hotel & residence in Qatar are most commonly from the Philippines, India, Sri Lanka, Nepal and South Africa. We also recruit from multiple countries in the Gulf Region, North Africa, and Europe.

Payment & wages -

9. What is your company's process for determining the wages of workers in Qatar, and what external benchmarks does it use to set wage levels (e.g. do nationalities play a role in determining salary scales, do you consider a living wage in setting wage amounts)? Please explain how these policies apply to workers who are both directly employed and subcontracted at your hotels.

Kempinski operated hotels & residences comply with local labour practices, laws and legislation in all cases. As such, if there is a minimum wage stipulated in the law, this is adhered to in all markets where we operate, including Qatar. We also carry out annual benchmarking, so our employees' salaries remain competitive. Salaries are determined by position, level within the organisation and experience. Nationality, background, ethnic origin or religion do not play any role in determining the salary scale.

10. How does your company ensure that workers (both directly employed and subcontracted at your hotels) are paid on time and in full, including for overtime and without illegal deductions? What steps does the company take when entities in its value chain fail to pay workers on time and in full?

Salary is paid on a monthly basis and in full compliance with Kempinski payroll policies and processes. This includes a review of attendance, days off (planned and unplanned), and any overtime. Deductions are not permitted at Kempinski, unless as part of a travel ticket loan.

All our suppliers are required to comply by the same process, as outlined in our Labour Standards for Third Party Providers Policy. Hotel HR also cooperates regularly with our outsourced workers to verify whether they have received their salaries on time, and in full. Should any issue be highlighted, HR will then instigate an audit with the concerned company, and take remedial action as necessary.

Freedom of movement

11. **How does your company ensure that workers (both directly employed and subcontracted at your hotels) have free and secure access to their passports, identity documents, and other valuables? What steps does the company take when entities in its value chain fail to ensure workers have sole, secure access to these personal items?**

For direct employees of the hotels and residences in Qatar, full access to their legal documents is ensured, the hotel & residence do not safekeep the passports of their employees.

For the outsourced employees, the hotel's HR conducts spot checks by questioning the outsourced employees, and should any issue be highlighted the HR will then require an audit with the concerned company. These checks are in line with the above mentioned Labour Standards for Third Party Providers Policy.

12. **How does your company ensure that workers (both directly employed and subcontracted at your hotels) are free to change jobs and/or leave Qatar at will and without penalty? What steps does the company take when entities in its value chain prevent workers from changing jobs and/or leaving Qatar at will?**

Kempinski adheres to local labour practices, laws and legislation on such matters and does not prevent any of its employees from changing job or leaving Qatar.

For the outsourced workers, it is required that contractors fully adhere to the local legal provisions. Any non-compliance identified is immediately investigated and addressed with the concerned company. Failure to have a timely, effective and legal resolution of the concern will lead to an immediate termination of the agreement.

Health & safety

13. **Please describe your company's health & safety policy and procedures, including what steps the company takes to ensure that they are applied to workers (both directly employed and subcontracted at your hotels).**

Areas covered may include, but are not limited to:

- **health & safety training**
- **injury prevention**
- **maximum working hours per week and overtime**
- **sick leave**
- **non-discrimination**
- **prevention of physical, sexual and verbal abuse**

All employees working in properties operated by Kempinski must receive thorough training on health and safety, injury prevention (relevant to role), working hours and overtime, prevention of abuse. Guidance on these practices is also codified in the Code of Business Conduct and Ethics, Workplace Health and Safety Policies, Recruitment Policies, and Employee handbook. Code of Conduct training is mandatory for all new employees.

Every health and safety incident involving an employee (whether direct employee or outsourced worker) is fully investigated by the security team, and a report is issued and recorded. Corrective measures are implemented to avoid reoccurrence of similar incidents. We also have monthly Health & Safety meetings where members discuss, review and propose actions for all related concerns.

Non-discrimination and prevention of abuse are points extensively covered in our Code of Business Conduct and Ethics. Non-compliance leads to an investigation, and in case of substantiation, disciplinary action in line with the local labour laws up to immediate termination of the working relationship. Discrimination and abuse are simply not tolerated against both direct employee and outsourced workers.

Living conditions

- 14. Please describe your company's standards for workers' living conditions both directly employed and subcontracted at your hotels).**

Please see response below.

- 15. How does your company ensure workers are provided with safe and decent accommodations, including safe transportation, and access to healthcare and financial services? What steps does the company take when entities in its value chain fail to house workers in adequate living conditions?**

Direct employees live in provided accommodation, which include all required facilities. Inspections are regularly carried out by the HR and Hotel Management, to make sure that accommodation remains up to standard. All units are equipped with fire safety equipment (i.e. extinguisher, fire blankets), have security personnel in place, are regularly cleaned to a high standard and are treated for any pests as necessary. Transportation to and from accommodation is provided to cover all the shifts. Transportation to hospitals is arranged in cases of emergency, and leisure transportation (i.e. to malls or shopping centres) is also available.

Suppliers provide accommodation for outsourced workers. Our Labour Standards for Third Party Providers Policy requires that a high standard of accommodation is provided.

Workforce data

- 16. Does your company maintain public workforce data? If yes, please provide a link or attachment with the data.**

If not, please provide information on the number of:

Across the two hotels and residences in Qatar operated by Kempinski, the majority of the people are directly employed by the owning company, respectively the property owner, of the hotel and residence.

- 17. Please specify the typical activities conducted by your:**

a) Directly employed workforce are typically focussed on both operational departments (Front Office, Housekeeping, Recreation, Food & Beverage,

Kitchen etc.) and support departments (Sales & Marketing, Human Resources, Finance, IT etc.)

- b) Outsourced workers typically support operational departments (Front Office, Food & Beverages Service, Housekeeping, Laundry and Kitchen). Service providers are contracted for activities such as Landscaping, Maintenance, etc. and are on the hotel's & residence's premises daily, weekly, monthly, or quarterly as per the operational needs and agreement.

Representation & remedy

- 18. Please indicate if the company has a global policy commitment on freedom of association and collective bargaining for workers in its direct and subcontracted workforce. If yes, please provide links or attachment to the relevant documents.**

The hotels operated by Kempinski operate in line with local employment practices, laws and legislation regarding free speech and association. All Kempinski operated hotels and residences offer employees the opportunity to participate in any employee representation mechanisms foreseen by local law, and where not applicable, encourage the formation of local employee committees as well as implementing diverse mechanism to obtain employee feedback (see below the examples for Qatar). Where there are union representatives, these relationships have typically been very constructive and the proportion of labour disputes is minimal across the world.

- 19. Given legal restrictions on freedom of association and membership of trade unions in Qatar, how does your company ensure workers' voices are represented and heard by the company, e.g. through worker-representative committees? Please describe the mechanism in place.**

In Qatar, we have several mechanisms in place to allow employees to raise their ideas. These include: monthly Welfare Committee meetings with employee representatives from different departments and nationalities; GM meetings with supervisory level employees; GM and HR Townhalls for all employees; and departmental meetings led by the Heads of Department. Also, the GM conducts daily rounds, speaking with employees and encouraging an Open-Door approach. During the Orientation and Townhalls, employees are reminded that a robust grievance procedure is in place, if they do want to raise any concerns.

- 20. In line with the UN Guiding Principles on Business and Human Rights, does your company have an operational level grievance mechanism in place for direct and subcontracted workers to raise concerns, in their own language, and in a way that ensures grievances can be reported safely, without intimidation or retaliation? How are workers made aware of this mechanism? Please provide a description of the company's grievance mechanism.**

Employees are encouraged to raise any grievance with their managers or anonymously via our whistle-blower channel. These options are communicated to all employees during the onboarding process, townhalls and via bulletin boards.

Concerns can also be raised through the annual Employee Engagement Survey managed by an external organisation, which also provides space for open comments.

- 21. How many grievances were raised in 2017 by workers (both directly employed and subcontracted at your hotels)? Please provide a summary of the grievances and the remedial actions that were taken by the company and its subcontractors, and whether follow up actions were taken to check if workers were satisfied with the outcome.**

In Qatar, we had two formal complaints in 2017. In both instances, the complainants were directly engaged, a remedial plan agreed and actioned, and the cases were, for all parties, satisfactorily closed.

Other information

- 22. Is there anything else that you would like to tell us about how your company takes a responsible approach to managing its operations in the Gulf region, including any challenges it faces in doing so?**

As outlined in the above responses, Kempinski strives to provide a safe and enjoyable working environment for all employees, be they directly employed by hotels or residences or outsourced workers. That is why we adhere to all local labour practices, laws and legislation, and require that all our suppliers do the same. We see it as our responsibility to ensure we're doing all we can to monitor and secure compliance amongst these suppliers. We're committed to continuing with our comprehensive internal auditing process, addressing our workers to identify whether they have any concerns, providing anonymous channels for employees to speak up, and taking decisive action where needed.

We would like to reiterate that the result of the recent study on labour relations of migrant workers in the hospitality industry in Qatar and the UAE does not reflect the reality of operational and labour standards within Kempinski Hotels as Kempinski Hotels neither was directly involved nor participated in the study, therefore the results of this questionnaire are not reflected in the summary of research findings which has been published.