

No questions asked:

Profiting from the construction and hotel boom in Qatar



About this report

This report has been commissioned by Fair Finance International. The report identifies which financial institutions are involved in the financing of, and investments in, a selection of construction and hospitality companies active in Qatar, as well as in investments in Qatari sovereign bonds. In addition, for a selection of financial institutions active in Germany and Norway, the report assesses their engagement activities with corporate clients and investees on the topic of labour rights in Qatar.

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About Profundo

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Abbreviations

CoE	Council on Ethics
ILO	International Labour Organization
NAM	Nordea Asset Management
NBIM	Norges Bank Investment Management
UNGPs	United Nations Guiding Principles on Business and Human Rights

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In a few days, an expected 1.2 million spectators and players will be in Qatar to enjoy the much-awaited World Cup 2022, the first to be held in the Middle East. Since the country was awarded the rights to host the event, more than a decade ago, there have been many reports about the situation, treatment and working conditions of the migrant workers who have been constructing the stadiums, hotels, transport infrastructure, and other facilities for the event.

Qatar's migrant labour force counts an estimated 2.1 million workers, largely coming from South and Southeast Asia, and increasingly from East Africa. Approximately a million of them are employed in the construction sector. Others are employed in the hospitality, security, domestic work, or other services sectors. Billions of dollars have been spent on these projects and multimillion profits have been made by the contracted and subcontracted companies. But the migrant workers, whose labour is key to the success of the event, are not benefitting from this.

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Summary

In a few days, an expected 1.2 million spectators and players will be in Qatar to enjoy the much-awaited World Cup 2022. Since the country was nominated to host the event over a decade ago, there have been many reports about the treatment and working conditions of the more than two million migrant workers who have been part of developing the stadiums, hotels, transport infrastructure, and other facilities for the event.

Poor recruitment practices, unpaid or irregularly paid wages, excessive working hours, restricted movements and appalling living conditions are among the most reported abuses over the years, widely documented by international media, human rights organisations, and trade unions.

The construction boom brought on by the World Cup has been made possible by the financial institutions such as banks, pension funds and insurance companies which provided financing to, and investments in, construction and hospitality companies active in Qatar, as well as directly to the State of Qatar. The United Nations Guiding Principles on Business and Human Rights (UNGPs) call on the responsibility

of all businesses, including financial institutions, to respect human rights. In the context of financial institutions, this means that banks and investors' responsibility to respect human rights encompasses not only the human rights of their employees, suppliers, and clients, but also the actual or potential human rights impacts they are connected to through their credits and investments.

The objective of this report is to hold financial institutions accountable for the management of potential and actual human rights and labour rights risks in their Qatar-related financings and investments. In this context, the report identifies which financial institutions are involved in the

financing of, and investments in, a selection of construction and hospitality companies active in Qatar, as well as in investments in Qatari sovereign bonds.

In addition, an in-depth analysis is provided for a selection of financial institutions active in Germany and Norway (two countries in which Fair Finance International has a national coalition), for which financial links have been identified with large construction and hospitality companies active in Qatar. The report assesses the extent to which the selected financial institutions have engaged with construction and hospitality companies in their lending or investment portfolio in order to prevent and mitigate human rights negative impacts on workers in Qatar and enable access to remedy for victims of harm. This assessment is based on a survey sent to the eleven financial institutions, which sought to understand their engagement efforts with the two sectors.

Human rights are being violated in the construction and hospitality sectors, where most victims are migrant workers

Uninvestigated deaths, irregular or unpaid wages, poor living and working conditions, were among the most reported abuses related to the construction companies analysed in this report. The eight companies selected for this report are: Vinci, Larsen & Toubro, China Railway Construction Corporation Limited, Bouygues Construction, Hyundai Engineering & Construction, Webuild, PORR Group and Besix and Six Construct).

These companies and their joint ventures with Qatari companies have worked on, or are still working on, iconic infrastructure and megaprojects like stadiums, airports and railways. Their strong reliance on subcontracting and labour outsourcing companies makes their supply chains long, complex, difficult to control and therefore prone to serious violations of migrant workers' rights. Despite some

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improvements in their policies, none of the selected companies can be reported as respecting human rights in line with the UNGPs.

By the end of 2022, Qatar's hotel market is predicted to increase to a capacity of over 44,000 hotel rooms. In the hospitality industry, migrant workers are employed as security guards, cleaners, cooks, or gardeners. All the major hospitality chains active worldwide, and especially the luxury hotel operators, are present in Qatar and developing new projects. In stark contrast to the glossy image of the luxury hotels, and despite policies referring to international human rights standards, migrant workers in the hospitality sector in Qatar are repeatedly exposed to serious human rights abuses. Migrant workers are frequently employed through sub-contractors and faced with illegal recruitment fees leading to debt bondage, salaries below the minimum wage, non-payment or delayed payments of salaries, as well as a lack of free time. The eight selected and profiled hotel groups in this report are: Marriott International, Hilton Hotels & Resorts, InterContinental Hotels Group, Hyatt Hotels Corporation, Accor Group, Millennium & Copthorne Hotels Limited, Kempinski Group and Minor Hotels. This list includes the largest international hotel groups among the foreign, stock-listed hotel groups active in Qatar.

Not all reports published on the human rights situation of migrant workers in Qatar are disclosing the names of the companies where affected labourers work. Often, this is to protect the anonymity of informants, who have precarious jobs and fear retaliation from their employers. While the abuses appear to be widespread, it is therefore not always possible to connect them to a specific company.

For this reason, the selection of the sixteen construction and hospitality companies has been based on various criteria including their market capitalisation, the number of important construction projects in which they are involved,

the number of beds or hotels per group in Qatar, as well as reported human rights violations.

European financial institutions play a major role in the construction boom and the growing hospitality sector

Financial institutions provided loans and underwritings with a total value of USD 85.7 billion, to the selected construction and hospitality companies since early 2019, along with underwritings of Qatari sovereign bonds. Almost half (47%) of the total identified financing (loans and underwriting services) was provided by European financial institutions. Deutsche Bank alone accounts for 42% of the European financing.

Our research also found that, at the most recent reporting date, investors held USD 178.0 billion worth of investments in the form of share- and bondholdings in the selected companies, in addition to Qatari sovereign bonds. European financial institutions account for almost one quarter of these investments. Among the investors involved, 86 German, 5 Norwegian, and 16 Swedish financial institutions were identified to have invested in the shares and/or bonds of the selected hospitality and construction companies, and/or in sovereign bonds issued by the Qatari government.

Understanding the extent to which financial institutions engage with their clients and investees on the topic of labour abuse in Qatar

Eleven financial institutions active in Germany and Norway were assessed on their engagement with clients and/or investees from the hospitality and construction sectors on the topic of labour abuse in Qatar. The assessment is based on a survey sent to five financial institutions active in Germany (Allianz, Axa, Commerzbank, Deutsche Bank and DZ Bank) and six financial institutions active in Norway (Danske Bank, DNB, Government Pension Fund Global, KLP, Nordea and Storebrand). These eleven institutions have been scored on a scale from 0 to 10.

The survey included questions related to the content and scope of their human rights policies, the number of companies engaged from the hospitality and construction sectors, as well as the content (i.e., engagement goals, milestones achieved) and modalities of the engagement. In addition, the survey also assessed how stakeholders' concerns are integrated during the engagement, and the extent to which a financial institution tries to use its leverage to influence investees and/or clients to enable remediation. For more information about the survey [see Appendix 1](#). All financial institutions were given extensive opportunities to provide information

Table 1
Scores and financing of selected financial institutions' active in Germany (/10)

Financial institution	Score survey	Investments (USD mIn)	Loans/Underwriting (USD mIn)
Deutsche Bank	1.9	1,645	15,774
DZ Bank	1.8	585	28
Allianz	1.6	4,016	-
Commerzbank	1.3	9	1,305
AXA	1.1	203	-
Total		6,459	17,107

about their engagement activities and to comment on the draft research results.

Responses by financial institutions' active in Germany to human rights abuses in Qatar

Overall, the financial institutions active in Germany score rather low on their engagement activities with the companies from the construction and hospitality sectors active in Qatar, with scores ranging from 1.1 (Axa) to 1.9 (Deutsche Bank) out of 10 ([see Table 1](#)).

The five financial institutions have investments outstanding in shares and bonds of construction and hospitality companies active in Qatar and in Qatari sovereign bonds, for a total amount USD 6.5 billion. The three banks, namely Commerzbank, Deutsche Bank, and DZ Bank, also provided USD 17.1 billion in loans and underwriting services to selected construction and hospitality companies active in Qatar.

None of the five financial institutions provided feedback on the survey sent by Fair Finance Germany ([see Appendix 1](#)) about their engagement activities with the selected companies in Qatar. Commerzbank and Union Investment (the investment arm of DZ Bank) sent some brief comments with little to no evidence of engagement with the relevant companies.

Table 2
Scores and financing of selected financial institutions' active in Norway (/10)

Financial institution	Score survey	Investments (USD mIn)
KLP	4.9	50
Nordea	4.5	848
DNB	3.8	56
Government Pension Fund Global	3.2	3,305
Danske Bank	1.9	101
Storebrand	1.8	83
Total		4,442

The other three financial institutions remained unresponsive. Differences in the final score of the financial institutions are explained mainly by the scope and detail of their general ESG and human rights framework that is publicly available.

Responses by financial institutions' active in Norway to human rights abuses in Qatar

Overall, the financial institutions active in Norway score low on their engagement activities with the companies from the construction and hospitality sectors active in Qatar, with scores ranging from 1.8 (Storebrand) to 4.9 (KLP) out of 10 ([see Table 2](#)).

The six financial institutions active in Norway currently have invested almost USD 4.4 billion in shares and bonds of the selected companies. All six financial institutions provided feedback on the survey sent by Fair Finance Norway ([see Appendix 1](#)) about their engagement activities with companies active in the hospitality and construction sectors. The level of detail provided by the financial institutions via the survey varied. None of the financial institutions shared engagement report(s), meeting minutes, or internal documents describing in detail the engagement targets, interactions and milestones achieved as part of their individual engagement trajectories.

The condition of migrant workers and the topic of illegal recruitment fees could be better addressed in financial institutions' policies

While none of the financial institutions have developed sector policies for the hospitality and construction sectors, all assessed investors have adopted human rights policies in which they clarify their expectations in relation to human rights applicable to all industries in which they invest. For all financial institutions but Danske Bank, the policies formulate expectations for companies, their suppliers and subcontractors.

Only two financial institutions (Danske Bank and DNB Asset Management) explicitly mention migrant workers in formulating their expectations for companies regarding equal treatment and working conditions. As a good practice, DNB Group's human rights policy requires companies to ensure fair recruitment practices and refers to the ILO General principles and operational guidelines for fair recruitment and its definition of recruitment fees and related costs.

None of the financial institutions include in their policies a requirement of companies and their suppliers/subcontractors to pay wages directly to workers, regularly, without delay, and without deductions not required by law, even though these have all been recurring issues faced by many migrant workers in Qatar.

Public information on investors' engagement on labour rights in Qatar is missing

Overall, the lack of public information disclosed by the financial institutions about their efforts to tackle labour rights abuses faced by migrant workers in the hospitality and construction industries in Qatar is striking. None of the financial institutions reports publicly about the outcome of its engagement activities related to human rights abuses in Qatar.

But it has to be noted that the Council on Ethics for the Government Pension Fund Global

regularly publishes its recommendations regarding companies' exclusion from the Fund's portfolio. For example, in 2019, G4S, a British security company was excluded from the Fund because of its involvement in labour abuses in Qatar and the United Arab Emirates.

KLP also briefly mentions in its annual report 2021 that it has contacted the major hotel chains in part because the hotel industry in Qatar has experienced tremendous growth and refurbishment towards the World Cup. However, the pension fund does not report publicly on the outcomes of this engagement.

Discrepancies between stakeholders concerns and financial institutions' prioritization process

Four of the six financial institutions in Norway (Danske Bank, DNB, KLP and Nordea) have engaged with at least one of the selected companies from the construction sector. KLP and Nordea have also engaged with a least one of the selected companies from the hospitality sector. Among the selected companies in hospitality and construction in Qatar, Vinci was the most engaged with.

Highest scores in the assessment of financial institutions are achieved by KLP and Nordea. The two financial institutions shared internal information pertaining to companies from both sectors. Regarding the construction sector, they have both engaged with Vinci to discuss the situation faced by migrant workers in Qatar.

As for the hospitality sector, KLP explained that following the publication of a report by the Business and Human Rights Resource Center which unveiled serious human rights abuses on migrant workers in Qatar, it contacted all the major hotel chains mentioned in the report to question them about their labour rights policies and due diligence processes. As for Nordea, the financial institution reports it has engaged with Hilton on its human rights due diligence in high-risk countries.

Storebrand scored the lowest among all financial institutions assessed. The investor reported that although it has engaged on the topic of forced labour with other companies in different geographical area where it has a higher exposure, it has not engaged with any of the selected companies about their activities in Qatar.

Although it is not possible to state that the Government Pension Fund of Norway has formally engaged with the selected companies, the Council on Ethics, which is in charge of evaluating whether or not the Fund's investment in specified companies is inconsistent with its Ethical Guidelines, has conducted in-depth investigations on the recruitment of migrant workers to companies in the Gulf states. Specifically, the investigation focused on the use of illegal recruitment fees, misleading contractual terms and conditions, and restrictions on workers' freedom of movement.

Overall, information shared by the financial institutions related to the topics, goals, timeline of the engagement and milestones achieved by the companies remains very limited which explains why all the scores are below 5 out of 10. More information about the evaluation of financial institutions active in Norway can be found in [chapter 5](#).

None of the financial institutions include in their policies a requirement of companies and their suppliers/subcontractors to pay wages directly to workers, regularly, without delay, and without deductions not required by law, even though these have all been recurring issues faced by many migrant workers in Qatar

Investors fail to enable access to remedy for victims

The OECD has made it clear in its guidelines for the financial sector that it is part of the responsibility of investors to encourage its clients and/or investee companies to provide remedy where they have caused or contributed to human rights abuses. However, this research shows that none of the financial institutions were able to share evidence that they use their influence to enable access to remedy for victims of harm in Qatar as part of their engagement with the selected companies. This raises concerns considering the persisting labour rights abuses (payment of recruitment fees, poor working and living conditions, unpaid wages etc.) reported by stakeholders (Human Rights Watch, Amnesty International, etc.) active in monitoring the conditions of migrant workers in Qatar.

Recommendations

Recommendations made by Fair Finance International to financial institutions

Financial institutions with financing or investments in the construction and hospitality companies active in Qatar, and more generally in the Gulf States, are given the following recommendations to better manage and address the human rights risks linked to their business relationships:

1. Pay special attention to the specific challenges that may be faced by migrant workers in your human rights policies and due diligence processes

When formulating their expectations about human rights and labour rights to the companies they lend to and invest in, financial institutions should require companies to be compliant with international norms and standards such as the International Labour Organisation's (ILO) conventions and the UNGPs. This should also consider equal treatment and working conditions for all employees, including individuals belonging to specific groups or populations that require particular attention such as migrant workers, in line with the UNGPs. The policy should apply to companies themselves and to their suppliers and contractors.

Financial institutions should also recognise that some sectors/geographical areas are more prone to human rights risks and address those risks in sector-specific policies. In particular, when dealing with companies from the hospitality and construction sectors active in high-risk countries from a labour' rights perspective, such as Qatar, financial institutions should ensure as part of their due diligence that companies fully comply with Qatari law and international labour standards. This includes respecting the terms and conditions guaranteed to workers in their contracts, maximum working hours, the payment

of workers on time, overtime pay, provision of decent accommodation, protection of workers' health and safety, forced/bonded labour and fair recruitment practices.

2. Enhance transparency significantly

Transparency increases accountability of both financial institutions and companies in their lending/investment portfolio towards their stakeholders and society. Therefore, it is important that both financial institutions and companies are transparent about the human rights controversies in which they are involved in or linked to, as well as how they respond to such controversies. This research shows that public information related to engagement efforts deployed by financial institutions to improve the conditions of migrant workers in the hospitality and construction sector in Qatar is almost non-existent.

Financial institutions could improve transparency by systematically publishing the details of each engagement activity with companies, including the engagement goals formulated, milestones achieved, next steps for the engagement and the overall timeline of the engagement.

Financial institutions could also contribute to improving transparency by financed/invested companies active in both sectors by requiring the companies to:

- Publicly commit to the *Employer Pays Principle* (commitment to ensure that no worker should pay for a job);
- Publish the name of their contracted business partners and employment statistics such as the number of workers, percentage of men and women workers, average wage paid, average monthly overtime, benefits given, registered union, etc.; and
- Disclose the number and types of labour rights incidents identified in their own operations

and in their supply chain (such as the number of instances of illegal recruitment fees paid by workers), and progress made on remediation, in case of reported human rights breaches.

3. Enhance the integration of stakeholder consultation in the different phases of the engagement process, including the decision to consider engagement as successful

This research shows a gap between the perception of stakeholders having locally investigated labour abuses in Qatar, and the way financial institutions are looking at the issue. Financial institutions, in line with the OECD Guidelines, should improve the integration of stakeholders' views in their decisions on whether to engage with specific companies on human rights abuses or not. There are a variety of ways in which financial institutions can ensure the voices of stakeholders, especially rightsholders, are heard in engagement processes, including organising structural stakeholder consultations with civil society organisations or trade unions demonstrating expertise on the risks associated with the construction and hospitality sectors. This can also be done as part of multistakeholder initiatives involving companies, financial institutions, trade unions and NGOs.

4. Contribute to enable remediation in instances where an enterprise has caused or contributed to an adverse impact

Financial institutions should do better to integrate remediation in a more structural manner in their engagement goals with the hospitality and construction sectors. While in most instances, the responsibility for remediation pertains to the financial institutions' clients or investees, the financial institution should still seek to encourage its clients/investees to provide for, or cooperate in, remediation of the impact. Concretely, this means that financial institutions should formulate engagement goals tailored to the specific context of migrant workers in Qatar which aim to strengthen the human rights due diligence of companies, and more particularly their processes to identify and mitigate labour

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rights abuses in their whole value chain (including suppliers and subcontractors) and provide access to remediation.

Recommendations to the European Union

The research shows European financial institutions have been playing a major role in the construction boom and growing hospitality sector in Qatar, yet labour abuses are still ongoing. Governments need to show strong leadership to contribute to a better integration of human rights issues in the due diligence processes of investors/lenders. The following recommendations are made in this regard by the Fair Finance International network to the European Union.

1. Ensure the recognition and integration of the human rights responsibility of the financial sector in the EU Directive on Corporate Due Diligence, in line with the OECD sectoral Guidelines for the financial sector

One of the weaknesses of the EU proposal for a Directive on Corporate Sustainability Due Diligence lies specifically in the coverage of the financial sector, which under the current proposal is only required to undertake a due diligence prior to investment, rather than a continuous and ongoing responsibility as defined in the OECD Guidelines for the financial sector. Moreover, the definition of 'value chain' needs to be clarified with regards to the financial sector, and should include the full range of capital market activities, including secondary market transactions. Unlike other multinational enterprises, financial institutions are also required not to terminate their relationship with a company where this termination could cause "substantial prejudice" to that company. While financial stability of an investee company should in most cases not be jeopardized, the current proposal leaves ample space for interpretation.

For full recommendations [see Chapter 6 Conclusion and Recommendations](#).

Testimonies from migrant workers

“There was no limit to the work, we had no electricity or airconditioning and were not allowed to leave the compound”

01/ Recruitment debt: Aman Ullah, Bangladesh

Aman Ullah is a Bangladeshi worker. In 2016, Ullah was charged 360,000 taka (\$4,190) for a job in Qatar. He was promised work as a welder on a monthly wage of 2,500 Qatari riyal (\$686), but on arrival, he was taken out to the desert to work on a farm for 800 riyal.

The charging of recruitment fees is illegal in Qatar and – beyond a maximum limit – in Nepal and Bangladesh, but the practice is widespread and deeply entrenched. It is commonplace in all the Gulf countries.

“There was no limit to the work,” he said. “We had no electricity or air-conditioning and were not allowed to leave the compound.” His employer would not let him return home until he begged for permission to visit his sick mother. Back in Bangladesh, with nothing to show for his time in Qatar, his debt had ballooned to 800,000 taka forcing him to take out further loans to pay off the original debt.¹

1) <https://www.theguardian.com/global-development/2022/mar/31/migrant-workers-in-qatar-forced-to-pay-billions-in-recruitment-fees-world-cup>

02/ Recruitment debt: Mairul Khatun, Nepal

Even in death, workers are not released from their recruitment debt. Hoping to earn money for his daughter’s dowry, Mahamad Nadaf Mansur Dhuniya, from Nepal, paid an agent 150,000 NPR for a construction job in Qatar in 2018. He could only afford the fee by taking out a loan with an annual interest rate of 48%. Last year, he was found hanging in his workplace.

Mairul Khatun’s husband, Nadaf Mansur Dhuniya, died in Qatar, but she still owes the money he borrowed to pay the recruitment fees for his job. His wife, Mairul Khatun, is unsure why he killed himself. “I think it may have been the pressure of the loan, his daughter’s marriage, the need to look after his family,” she said, from her home in southern Nepal. She may have lost her husband, but his debt remains. “I have a lot of tension now. Before, we sometimes ate meat and milk but we’ve stopped now. How can we afford these things?” Khatun said. “I can’t sleep at night.”²

2) <https://www.theguardian.com/global-development/2022/mar/31/migrant-workers-in-qatar-forced-to-pay-billions-in-recruitment-fees-world-cup>

“I have a lot of tension now. Before, we sometimes ate meat and milk but we’ve stopped now. How can we afford these things?”

03/ Working in the hospitality sector: Samantha, Philippines

Between December 2017 and December 2019, Samantha, a 32-year-old Filipina, either scrubbed bathrooms or swept the food court in an upscale mall in Doha. Her employer made her work 12-hour shifts, had her and her colleagues’ passports confiscated and banned them from leaving the company-provided accommodations for anything other than work. In 2017, when she had made the decision to leave behind her two toddlers to work in Qatar, she had agreed to work for a monthly salary of 1,800 Qatari riyals (\$494). The contract stated that for each hour of work above 8 hours a day, she would be paid 25 percent more than her basic wage. In reality, Samantha worked for 12 hours a day and was paid 1,300 Qatari riyals (\$357) a month with no compensation for the overtime work she performed. When she asked why her salary was less than promised and complained that the 25-day salary delays caused her family in the Philippines to starve, her employer told her “to focus on her work silently.” He also withheld her first month’s pay, saying it was “a measure of good faith, a security deposit.” A week before her return to the Philippines, she said her employer informed her he would not be paying her what he owed her in end-of-service payments, and would use her first month’s salary to buy her return flight ticket to the Philippines, instead of paying for the ticket himself as promised in her contract.³

3) <https://www.hrw.org/news/2021/12/18/qa-migrant-worker-abuses-qatar-and-fifa-world-cup-2022>

‘Samantha’ worked for 12 hours a day and was paid \$357 a month with no compensation for the overtime work

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04/ Working in the security sector: “Yoofi”, Ghana

‘Yoofi’, a 33-year-old security guard from Ghana, said his employer has been delaying his monthly salary of QR 1,000 (\$275) since he began working in Qatar in June 2019. “We have not been paid in 11 months. Every month they say the salary is delayed and so we borrow money from friends, we take credits in the market for groceries. Even then all we can afford to eat is boiled rice. And because of all the borrowing and credit we have no money to send home to our families”.⁴

4) <https://www.hrw.org/report/2020/08/24/how-can-we-work-without-wages/salary-abuses-facing-migrant-workers-ahead-qatars>

“Every month they say the salary is delayed and so we borrow money from friends, we take credits in the market for groceries”

05/ Working in the hospitality sector An Indian worker employed at the Holiday Villa Hotel and Residence, Doha, Qatar

“For nine months, we were made to work for more than 12 hours a day, without a day off. In order to keep our hours hidden, we were prevented from clocking in and clocking out. I was on the verge of going insane.”⁵

5) <https://www.equidem.org/reports/we-work-like-robots>

06/ Working in the construction sector: Ganga Prasad

“My company has never given me my ID so at any time the police can arrest me and I will be stuck in jail”

Because of this I rarely leave my camp. My life is just the construction site and this dirty room. If I could I would change jobs, but I can't because my sponsor has my passport and won't let me work for another company.”⁶

6) Promising Little, Delivering Less: <https://www.amnesty.org/en/documents/mde22/1570/2015/en/>

07/ Working in the hospitality sector: Eric

Eric, who works at a luxury hotel, said his employer held his passport for around seven months when he joined the company in 2021 before returning it at the end of the year. Retention of identity documents is an indicator of forced labour if workers cannot gain access to them on demand and if they feel leaving their job could risk them losing the documents. Qatar's Sponsorship Law allows passports to be held by the employer but only if the worker requests this in writing, and the employer must then return the passport to the worker on request.⁷

7) They Think that We're Machines <https://www.amnesty.org/en/documents/mde22/1570/2015/en/>

08/ Working in construction: Mohammad Kaochar Khan, Bangladesh

Mohammad Kaochar Khan from Bangladesh died in Qatar on 15 November 2017 at the age of 34. He was married, with a seven-year-old son. His death certificate, issued by the Qatari authorities on 20 November 2017, describes the cause of death as “acute respiratory failure due to natural causes”. It provides no information on the underlying cause of death. Amnesty International met Mohammad's family in Kishoreganj district, north of Bangladesh's capital Dhaka.

His brother said that Mohammad had undergone a medical test before leaving for Qatar in 2014 and that they believed he was in good health at the time of his death. The family had partly funded the 350,000 Bangladeshi taka (approximately US\$4,130) that Mohammad had paid in recruitment fees by selling land and taking out loans. Mohammad was working as a plasterer on a construction site - both indoors and outdoors - at the time of his death. His family said he received his salary on time, although he had not fully repaid his debt before he died.

“The family found out about Mohammad's death through a phone call from his co-workers, who said they found him unresponsive in the morning and that he appeared to have died in his sleep”

The family said that they were never offered an autopsy but had been in regular contact with Bangladeshi officials in Qatar to arrange the repatriation of Mohammad's body. His employers sent the wages he was due, but

not the end-of-service benefits that the family believed he was owed. The Bangladeshi Welfare Board provided the family with 35,000 Bangladeshi taka (approximately US\$413) to cover his burial and transportation costs and three months later financial assistance of 300,000 Bangladeshi taka (approximately US\$3,540), which the family used to pay off the remainder of Mohammad's debt. They said they received no compensation from the Qatari authorities. “All our dreams vanished when my brother passed away,” Mohammad's younger brother Didarul Islam told Amnesty International. “He hoped to improve all of our living standards but we were never able to save any money because most of his wages were used to repay the cost of migration.” Qatar: “In the prime of their lives”: Qatar's failure to investigate, remedy and prevent migrant workers' deaths.⁸

09/ Working in construction: Tul Bahadur Gharti, Nepal

Tul Bahadur Gharti from Nepal died in Qatar during the night of 28 May 2020 at the age of 34. His death certificate, issued by the Qatari authorities on 3 June 2020, describes the cause of death as “acute cardio respiratory failure due to natural causes”.

It provides no information on the underlying cause of death. On the day of his death the temperature in Doha reached 39°C and never fell below 20°C. There were no restrictions on outdoor work at the time. His wife Bipana told Amnesty International that her husband was generally healthy and that they spoke every day before and after his shift.

8) Qatar: “In the prime of their lives”: Qatar's failure to investigate, remedy and prevent migrantworkers' deaths. <https://www.amnesty.org/en/documents/mde22/4614/2021/en/>

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“His job involved cutting wire in the construction sector and he was outdoors for 10 hours a day – 8 hours of his normal shift plus 2 hours of overtime, with an additional 2 hours of travel to and from his accommodation”

“My last phone call with him was on the evening of 28 May 2020. We had a good chat that day and we ended the call by saying we would talk the next morning. I waited all day online that day. I thought he was in a meeting. I was hoping he would call me. Suddenly in the afternoon, the company's camp boss phoned me. He informed me that my husband had died in his sleep at night. I didn't get any information other than what he said. After that, no one contacted me. I had never heard him mention a single illness... it was hard to believe when I heard the news of his sudden death.” She said she was not offered an autopsy. “There was a man from our village in Qatar. I contacted him and asked about it. He said there would be no such post-mortem abroad. I wanted to explore in more detail, but everyone told me not to go after it. We can't do much in our own Nepal; what else can be done abroad?”

After Tul's death, Bipana said that his employers sent QR3,100 (US\$850) in dues. She also received 700,000 Nepalese rupees (US\$5,800) from Nepal's welfare board and 1 million rupees (US\$8,275) from a private insurance scheme. She said that she received no compensation from Qatar or her husband's employer. “I have cried many times in emotion... Being alone is very difficult. I feel like my life has been wasted. There is a big difference between doing this alone and doing it together. Now, I have a mother-in-law, elder and younger brothers-in-law at home. Now I am in parent's home. I don't feel like going back home. I have no children. My husband was set on fire. I feel like I'm burning in oil.”⁸



Introduction

In a few days, an expected 1.2 million spectators and players will be in Qatar to enjoy the much-awaited World Cup 2022. Since the country was nominated to host the event over a decade ago, there have been many reports about the treatment and working conditions of the more than two million migrant workers who have been part of developing the stadiums, hotels, transport infrastructure, and other facilities for the event.

Qatar's migrant labour force counts an estimated 2.1 million workers, largely coming from South and Southeast Asia, and increasingly from East Africa. Approximately a million of them are employed in the construction sector.¹ Others are employed in the hospitality, security, domestic work, or other services sectors. Billions of dollars have been spent on these projects and multimillion profits have been made by the contracted and subcontracted companies. But the migrant workers, whose labour is key to the success of the event, are not benefitting from these profits.

Illegal recruitment practices, bonded labour, unpaid or irregularly paid wages, excessive working hours, life-threatening outdoor working conditions, restricted movements as a result of the so-called kafala system (which legally binds a migrant worker's immigration status to an individual employer or sponsor during the contract period), and appalling living conditions, are among the most reported abuses over the

years, widely documented by international media, human rights organisations, and trade unions. National laws, like the Summer Working Hours directive to protect workers from the heat, do not provide adequate protection to migrant workers, or have been frequently violated by employers. Cases of forced and bonded labour have been found as well.

Many migrant workers' deaths have remained unexplained. While official Qatari statistics reportedly show that over 15,021 non-Qataris – of all ages and occupations – died between 2010 and 2019, reliable information on the causes of these deaths is lacking as the Qatari government has not properly investigated the cases. An investigation would not only allow for an understanding of the causes of death, but also on the responsibilities related to these deaths.² Compensation mechanisms, intended for victims of abuse and their families, are reportedly not known by workers, slowly implemented and not inclusive.³

In 2017, following these reports of abuse and exploitation, Qatar entered an agreement with the International Labour Organisation (ILO) and committed itself to a three-year reform process. This also concerned the abusive 'kafala system', which legally binds a migrant worker's immigration status to an individual employer or sponsor during the contract period. Since the agreement made with the ILO, some improvements can be noted, including a minimum wage for all workers, new legislation to better protect workers against heat stress, and the establishment of Labour Dispute Resolution Committees to improve access to justice. The Workers' Support and Insurance Fund should protect workers from the impact of overdue or unpaid wages (in case of forced closing of the business or bankruptcy). Workers are also no longer required to obtain their employers' permission to change jobs or leave the country.⁴ Due to the Welfare Standards, developed by the Supreme Committee, the Qatari body overseeing all construction and infrastructure for the event, workers' lives have somewhat improved, though these standards so far only apply to workers in the construction sector.

While these reforms were welcomed by human rights organisations, all depend on the implementation and enforcement of the new regulations. And so far, the evidence shows that Qatar is failing in this regard.⁵ Employers still frequently violate workers' right to fully and timely paid wages. According to Human Rights Watch, wage abuses further worsened during the pandemic. Some abusive elements of the Kafala system remain, as workers still depend on their employers to facilitate their entry, residence, and employment in Qatar. Passport confiscations and high recruitment fees remain largely unpunished and workers are not allowed to join trade unions.⁶

A recent report by Amnesty International (2022) about the situation of migrant workers in the security sector in Qatar revealed similar forms of abuse, including lack of rest days,

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arbitrary or disproportionate financial penalties, underpayment of overtime work, potentially dangerous working conditions, substandard living conditions and discrimination, among others.⁷

This report for Fair Finance International identifies which financial institutions are involved in the financing of, and investments in, a selection of construction and hospitality companies active in Qatar, as well as in investments in Qatari sovereign bonds. Subsequently, it analyses if and how a selection of financial institutions from Germany and Norway have engaged with their clients or investees active in those sectors to identify, prevent and mitigate the human rights abuses related to their activities in Qatar.

Chapter 1 provides an overview of the international construction companies contracted and involved in the Qatari building boom, while *Chapter 2* gives an overview of the main hospitality companies active in Qatar. The biggest companies in both sectors are further analysed for links to human rights violations and abuse. *Chapter 3* analyses which financial institutions are financing or investing in the construction and hospitality companies identified in *Chapters 1* and *2* and in Qatari sovereign bonds. Subsequently, Fair Finance International investigated how financial institutions with a strong commercial presence in Germany and Norway have dealt with the human rights violations taking place in the construction and hospitality sectors in Qatar. The assessment was based on a survey sent to the financial institutions and the findings are presented per country in *Chapter 4* and *Chapter 5*. Based on these findings, *Chapter 6* includes recommendations to financial institutions, and to the European Union. .

A *summary* of the findings of this report can be found in the first pages of this report.

Migrant flows to Qatar 2.1 mln. workers

Human rights are being violated in the construction and hospitality sectors and the primary victims are migrant workers



Hospitality

Migrant workers are employed as security guards, cleaners, cooks, or gardeners. They are frequently employed through sub-contractors and faced with recruitment fees leading to debt bondage, salaries below the minimum wage, and a lack of free time.



Construction

Onsite deaths, irregular or non-paid wages, poor living and working conditions, were among the most reported abuse. Migrant workers work in iconic infrastructure and megaprojects like stadiums, airports and railways.



Construction companies

This chapter presents an overview of the construction companies contracted for the numerous building projects in the run-up to the World Cup. It selects eight companies for inclusion in the further analysis included in [chapters 3, 4 and 5](#).

1.1 The Qatari construction sector

Qatar is undergoing an unprecedented boom in infrastructure for the 2022 World Cup, and as part of its ambitious infrastructure development plan, the National Vision 2030. Apart from the stadiums built, the country is modernising its infrastructure, upgrading its airports, roads, and building an extensive metropolitan network. Complete new cities are emerging. The country is said to have spent so far as much as USD 300 billion on infrastructure projects to prepare for the 2022 World Cup.⁸

More than 40% of the world's top 250 international contractors are said to be actively participating in construction projects in Qatar, or pursuing opportunities there. Foreign companies must work in partnership with a local company owning 51% of the business. These local subsidiaries commonly source workers through labour supply firms.

Table 3 provides an overview of the international construction companies involved in the building of the World Cup-related infrastructure. The list nor the mentioned projects and human rights violations are exhaustive.



Table 3

Overview of construction companies in Qatar

Construction company	Country	Market cap (USD mln)	Projects contracted	Human rights issues
Vinci Construction Grands Projects (VCGP) / QDVC	France	61,600	New Orbitol Highway, Lusail light-rail transit (LRT) system, southern red line Doha metro ⁹ , a.o.	Two lawsuits against them (forced labour, a.o.). Responded to BHRRC surveys (2016+2018)
Larsen & Toubro Limited (L&T), incl Malaysia based subs. TAMCO	India	32,945	Al Rayyan Stadium (or: Ahmed Bin Ali Stadium), Doha metro Gold Line, Doha South Sewage Treatment Works, Al Wakrah Bypass ¹⁰ , Qatar Power Transmission project, a.o.	Low wages, re Al Rayyan stadium. Responded to 2018 BHRRC survey. Weak disclosure.
China Railway Construction Corporation Limited (CRCC)	China	15,208	Lusail stadium. Subs idiary China Harbour Engineering Company contracted for Doha New Port and Doha Expressway	No response to BHRRC surveys
Bouygues	France	13,560	Qatar Petroleum Complex, sewage tunnels (IDRIS project). Barwa Financial District (but in 2009)	Issues with Midmac (JV). Poor response to BHRRC surveys
Hyundai Engineering & Construction	South-Korea	4,423	Msheireb Downtown Doha, office building in Lusail Financial District, widening Al-Bustan Street, Hamad Medical City project, Lusail Expressway, Doha New port project	Various abuse re to subcontractor PCSI.
Webuild (before: Salini Impregilo Group)	Italy	1,825	Al Bayt Stadium, lead contractor (also called Al Khor), Red Line North Underground (metro), Abu Hamour Tunnel, local roads	Unpaid wages subcontractor Al Bayt stadium. Responded to BHRRC surveys (2016+2018)
PORR	Austria	516	Al Janoub Stadium (formerly Al Wakrah Stadium), Green Line of Doha metro, Musameer pumping station	Deaths @ Al Janoub stadium. Poor response to BHRRC surveys
Besix Group / Six Construct	Belgium	Private	Lead contractor for various projects ¹¹ , including Khalifa International Stadium, Al Janoub stadium, Doha Expressway, Qatar National Convention Centre	Deaths @ Khalifa and Al Janoub stadiums. Responded to BHRRC surveys (2016+2018)

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Construction company	Country	Market cap (USD mln)	Projects contracted	Human rights issues
Voltas	India	5,550	Commercial Boulevard	
Obayashi Corporation	Japan	5,331	Msheireb Downtown Doha	
Hochtief	Germany	4,894	Sewage network Doha	Poor response to BHRRC surveys
SNC-Lavalin	Canada	4,248		Responded to 2016 BHCCR survey.
Daewoo E&C	South-Korea	2,344	E-Ring expressway	No response to BHRRC surveys
Balfour Beatty	United Kingdom	2,154		
Sacyr Ingeniería e Infraestructuras	Spain	1,591	Various urbanisation and sewage system projects	
Consolidated Contractors Company (CCC)	United Kingdom	Private	Lusail sports club, Pearl GTL, sports hall @Khalifah Sports City, Ras Laffan port expansion, Hamad International Airport's (HIA) ¹² Al Bustan Street South, expressway, Msheireb & Education City Stations, Msheireb Downtown Doha, Early site works for LNG megatrans Doha Local Roads Program, Sidra Medical Research Centre, a.o.	Reported fatalities in 2013. No response to BHRRC surveys
OHL	Spain	637	Lead contractor Sidra Medical and Research Centre, Doha metro project	Various abuses by PCSI (subcontractor). Poor response to BHRRC surveys
Tekfen Construction	Turkey	550	Al Thumama Stadium, East Industrial Road (expressway), Al Khor expressway	Deaths, excessive working hours @stadium. Responded to 2018 BHRRC survey only
AKTOR	Greece	487 (parent company)	Doha Metro Gold Line, Internal Security Force Camp	Responded to BHRRC surveys (2016+2018)

Continuation Table 3

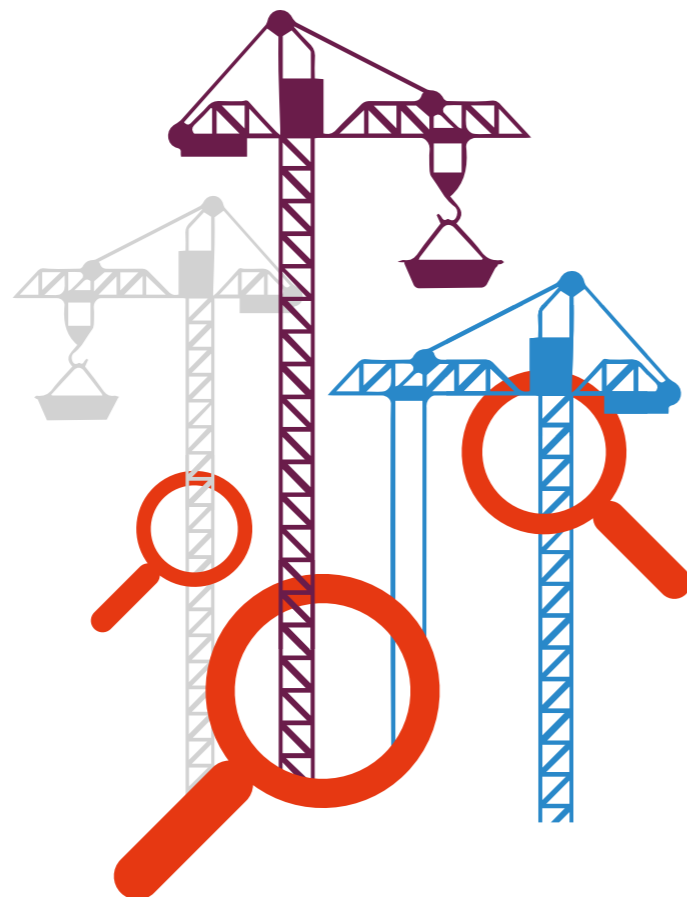
Overview of construction companies in Qatar

Construction company	Country	Market cap (USD mln)	Projects contracted	Human rights issues
Interserve	United Kingdom	242 (but delisted)	Qatar Airways 4* Hotel, Askghai – 3 new schools, Gas to Liquids project, Katara energy Centre, Ras Laffan, Doha Ambulance Centre, a.o.	Yes. Responded to BHRRC surveys (2016+2018)
Muhibbah engineering Middle East	Malaysia	90	Infrastructure Um Alhoul Economic Zone	Responded to 2018 BHRRC survey
Meinhardt Group	Singapore		New Doha Airport ¹³ , Hamad International Airport, malls, metro and hospital projects, a.o.	Irregular payments
JPAC	United States		Education City Stadium	
Brookfield Multiplex	United Kingdom		Msheireb Downtown Doha	
Arabtec Construction	United Arab Emirates		Msheireb Downtown Doha	
PTSC	Vietnam		Construction drilling platform, Al Shaheen	
Jan de Nul group	Belgium		Dredging/construction work Doha Port redevelopment	
TAV Tepe Akfen Investment Construction and Taisei Corporation (MTT)	Turkey		Hamad International Airport (HIA)	Responded to 2016 BHRRC survey only
Yapi Merkezi Insaat	Turkey		Doha Metro Gold line	Responded to 2016 BHRRC survey only
Beumer Doha W.L.L (Beumer Group)	Germany		Hamad International Airport's	
Man Enterprise	Lebanon		Construction of 12 storey Alar Hotel	
TriConstruct Corporation	Lebanon		Infrastructure development projects	
AICI	United States		Shield Program 5	
Al-Ghanim Industries	Kuwait		Roads, pavements, cycle lanes, parking spaces, sewage, drainage networks	

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Construction company	Country	Market cap (USD mln)	Projects contracted	Human rights issues
Al Naboodah Construction Group	United Arab Emirates			Responded to BHRRC surveys 2016+2018
AF Construction (formerly Al Futtaim Carillion)	United Arab Emirates			Partially responded to BHRRC surveys 2016+2018
Laing O'Rourke	United Kingdom			Responded to BHRRC surveys 2016+2018
DEME	Belgium		Old Doha Port Redevelopment, Gewan Island, Musaimeer pumping station	

Sources: Gulf Construction Tracker; ITUC (2015), "Frontlines Report 2015. Qatar: Profit and Loss. Counting the cost of modern-day slavery in Qatar: What price is freedom?"; Business and Human Rights Resource Center (filter: Qatar), online: <https://www.business-humanrights.org/en/latest-news/?qsearch=qatar%20&language=en>; Business and Human Rights Resource Center (2018), "On Shaky Ground: Migrant Workers' Rights in Qatar & UAE Construction"; company websites.



1.2 Selected construction companies

The first eight companies in the above-mentioned table are selected for further analysis. This selection includes the six largest foreign construction companies active in Qatar, based on their market capitalisation, number of important construction projects as well as reported human rights violations. Two additional companies were selected, regardless of market capitalisation, but with clear evidence of human rights violations.

The focus of this chapter lies on foreign, stock-listed construction companies. Not included in the selection are the Qatari companies, which play an important role in this sector as well. The selected construction companies are briefly profiled, complemented with third-party documentation of the links with labour rights abuses.

Not all articles that have been published on the human rights situation are disclosing the names of the companies where affected labourers work for fear of retaliation. While the abuses appear

to be widespread, it is therefore not always possible to connect them to a specific company. Reference is made to the 2018 publication by the Business and Human Rights Resource Centre (BHRRC), which surveyed foreign and Qatari construction companies in 2016 and in 2018 on their approach to safeguarding migrant workers' rights in Qatar. Despite some exceptions, the majority operate with high risks to human rights and continued disregard for workers' welfare, concludes the report. In both years, more than 70% of surveyed companies did not respond and over 60% did not have a public commitment to human rights.¹⁴

1.2.1 Vinci Construction Grands Projects (VCGP)

Qatari Diar Vinci Construction (QDVC) was established in 2007, as a subsidiary of the French-based Vinci Construction Grands Projects (VCGP), one of the largest construction companies in the world by revenue. QDVC is owned by VCGP (49%) and Qatari Diar Real Estate Investment Company (51%) and designs and builds large infrastructure and civil

engineering projects. VCGP has a market cap of USD mIn 61,600.

QDVC is involved in several major construction projects, including the southern Red Line of the Doha Metro, the Lusail City light rail transit (LRT) system, the New Orbital Highway 2, the Sheraton's landscaped park and underground parking lots and the underground Lusail Car Parks. QDVC employs several thousand workers principally from India, Bangladesh, and Nepal and operates a labour camp in Al Khor. VCGP has joint ventures with the Qatari Philippin Bin Omran Trading and Contracting (BOTC), Al-Darwish Engineering company, among other companies.¹⁵

A BHRRC report noted that 82% of the company's workforce was employed through subcontractors and labour supply companies. 'This reliance on subcontracting and labour outsourcing contributes to serious violations of migrant worker's rights, due to long, complex supply chains that are difficult to monitor and to hold accountable to human rights policies and standards.'¹⁶

In the 2013 Amnesty report *The dark side of migration*, workers revealed excessive and irregularly paid working hours, up to 12 hours a day, for the Sheraton Park project. Amnesty raised the case with QDVC. But as these men were working for an unidentified subcontractor and the documented exploitation was not occurring on site but in the supply chain, it appeared to be difficult to follow up the case.¹⁷

In 2015, French NGO Sherpa filed a complaint with prosecutors to open an investigation as to whether VCGP and QDVC used forced labour on their construction sites in Qatar. A preliminary investigation was launched by the Nanterre public prosecutor, but the case was closed in January 2018. A second lawsuit was filed by Sherpa, the Committee against modern slavery (CCEM) and six former VCGP workers from India and Nepal in 2018, followed by a new

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investigation into VCGP's alleged involvement in forced labour in Qatar. The allegations included forced labour, low wages, and excessive working hours, based on testimonies gathered in India.¹⁸ During the process, Vinci hit back at Sherpa and individual Sherpa employees with defamation lawsuits including demands of large amounts from the NGO and a so-called SLAPP suit. SLAPP stands for strategic lawsuit against public participation, and are often expensive and burdensome for the targeted CSOs. This lawsuit was dismissed by the court in 2016.¹⁹

In 2017 VCGP, QDVC and Building and Wood Workers' International (BWI) signed an agreement on workers' rights, part of which two audits were conducted of the operations, sites, and workers' accommodation in Qatar. The second audit mentioned no major issues and highlighted improved safety records and the continuous assessment of manpower providers', among other things. It was recommended though to monitor and track psychosocial risks, to enhance the roles and responsibilities of worker representatives in addressing collective grievances and to continue due diligence with subcontractors.²⁰

1.2.2 Larsen & Toubro (L&T)

Larsen & Toubro (L&T) is an Indian multinational engaged in engineering, construction, manufacturing, and service provision. It operates in over 30 countries worldwide and has several international offices, with a market capitalisation of USD 32,945 million and over USD 21 billion in revenue. Larsen & Toubro's Malaysian subsidiary Tamco Switchgear, part of L&T Electrical & Automation, offers electrical distribution and control solutions in the medium and low voltage range to industries and utilities in South-East Asia, the Middle East, Africa, and Australia.

Over the past decennia L&T has been contracted for many different projects. These include the construction of the 40,000 seater Al Rayyan Stadium (or Ahmed Bin Ali Stadium),²¹ in a joint

venture with the Qatari contractor, Al Balagh Trading & Contracting. In 2014, L&T received a USD 740 million contract to design and build the Gold Line of the Doha Metro project in a joint-venture with Aktor, Yapi Merkezi Insaat and STFA Group of Turkey, and Qatar's Al Jaber Engineering. The JV was awarded a total amount of USD 3.3 billion for this project.²² L&T was also contracted for several sewage works in Qatar and the design and construction of Al Wakrah Bypass Road.²³

Tamco has won several contracts in Qatar including a USD 85 million contract to supply 11 kv vacuum circuit breakers to Kahramaa, Qatar's sole distributor of electricity and water supply. Tamco supplied switchgear panels to several prestigious projects and national assets in Qatar, including the Lusail Utility Tunnels, the Lekhwiya Sports Stadium, the Khalifa Stadium, the Khalifa Sports City ASEAN Games Village, the Doha West Sewage Water Treatment Plant, among others.²⁴

BHRRC noted that 75% of the company's workforce is contracted through either subcontractors or labour suppliers, increasing the risk of human rights violations.²⁵

In 2018, The Guardian revealed that workers of the Al Rayyan stadium earned as little as GBP 5 per day (GBP 650 a month), which is GBP 100 less than the advisory minimum wage instructed by the Qatari supreme committee for this stadium. The case was investigated and rectified, according to a spokesman of the committee.²⁶

L&T has a human rights policy, but belongs to the companies with the weakest disclosure on their operational procedures to safeguard workers' rights.²⁷ According to BHRRC, the company 'started the journey' to improve wages, freedom of movement and living conditions, but lagged in the setup of a grievance mechanism and workers' representation.²⁸

1.2.3 China Railway Construction Corporation Limited (CRCC)

The China Railway Construction Corporation Limited (CRCC) is one of China's two biggest rail construction contractors by revenue. It has a market cap of USD 15,208 million.

In Qatar the company has been involved in a variety of construction projects, including the Lusail stadium. Its subsidiary, the China Harbour Engineering Company, was contracted for the Doha New Port and the Doha Expressway. A joint-venture of CRCC and the Qatari contractor HBK Contracting was the main contractor to build the 80,000 seater Lusail Stadium in Lusail city north of Doha.²⁹

In 2018, The Guardian revealed that workers of the Al Rayyan stadium earned as little as GBP 5 per day (GBP 650 a month), which is GBP 100 less than the advisory minimum wage instructed by the Qatari supreme committee for this stadium

The Lusail stadium has been linked to two cases of labour rights abuse. Workers accused their employer Meinhardt Bim Studio of failing to pay them for three months and withholding end of service benefits. In December 2021, the Nepali Times reported that a worker who had helped on the construction of the stadium had paid USD\$1,000 in illegal recruitment fees to secure the job.³⁰

1.2.4 Bouygues (Bouygues Bâtiment International (BBI))

Bouygues is a French multinational industrial group, specialised in construction, real estate development, media, and telecommunications. It has a market cap of USD 13,560 million and an annual revenue of EUR 37.6 billion (2021).

Bouygues Construction operates in various building sectors, including housing, offices, industry, shopping centres, recreation centres, hotel trade and community facilities like hospitals and schools.³¹ Its subsidiary in Qatar, Bouygues Bâtiment International (BBI), created Bouygues Construction Qatar, a joint venture with Sheikh Abdullah Bin Khalifa Al Thani, Prime Minister of Qatar between 1996 and 2007 and member of the country's ruling family.

BBI in a joint venture with Midmac and Al-Jaber (BMJ-JV) was the main contractor building the Qatar Petroleum District, a vast real estate complex comprising nine office blocks, a five-star hotel complex, a shopping and a conference centre, a mosque, car parks and external facilities. During the peak period, around the end of 2011, around 7,000 employees were involved in the project.³²

Midmac received negative attention for its health and safety record in Qatar after an accident at Lusail City halted construction and injured 18 workers.³³ The company was also one of the joint venture partners with Six Construct to build the Khalifa stadium, responsible for problems with payment and accommodation (*see section 1.2.8 on Besix and Six Construct*). In 2012, BBI implemented requirements for migrant worker accommodation, including on-site security, bedrooms and bathrooms, kitchens, and maintenance of worker accommodations, to be applied by all business partners.³⁴

1.2.5 Hyundai Engineering & Construction

Hyundai Engineering & Construction is a South Korean general construction firm, providing civil engineering, architectural, industrial, and electrical engineering services. It has a market cap of USD 4,423 million and an annual revenue of USD 14.2 billion (2020).

In Qatar the company has been involved in various construction projects, including the Msheireb Downtown Doha, office building in

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Lusail Financial District, the widening of the Al-Bustan Street, Hamad Medical City project, Lusail Expressway and the Doha New port project, among other projects.³⁵

In 2013 Amnesty published a report revealing several workers' abuses by subcontractor PCSI Specialties for the Hamad Medical City project. The report stated that: "the workers' accommodation, provided by PCSI, was grossly inadequate; many PCSI employees had not been provided with residence permits by the company and therefore were at risk of being arrested and faced difficulties accessing healthcare; and a number of workers who had resigned in the summer of 2012 had been prevented from leaving the country by PCSI."³⁶

When the company was confronted with the findings, it commissioned an investigation. It said to have moved the workers from the said accommodation, and that all workers employed had valid residence permits. It also promised to increase inspection and supervision on the project.³⁷

In 2021, Hyundai was awarded a new contract to design and build one medical building near the Hamad Medical City, scheduled to be finished in June 2022.³⁸

1.2.6 Webuild (before: Salini Impregilo Group)

Webuild is one of Italy's leading construction companies, specialised in building large complex infrastructure for the mobility, hydropower, water, and green building sectors. The company, previously called Salini Impregilo Group, has a market capitalisation of USD 1,825 million.

In Qatar Webuild was leading a consortium contracted to build the Al Bayt Stadium (or Al Khor), the Red Line North Underground (metro), the Abu Hamour Tunnel, and local roads. Around 88% of the company's workforce was employed through subcontractors and labour supply companies.³⁹

In its modern slavery statement (2020), Webuild says to have implemented a due diligence process in line with the UN Guiding principles for business and human rights, which includes the mapping of the potential impact of the group on human rights.⁴⁰

Webuild responded to the two BHRRC surveys. According to the BHRRC, Webuild belonged to the companies with the 'strongest policies in place for the protection of migrant workers' rights'. It scores relatively well in grievance mechanisms, health and safety and freedom of movement. The company only 'started the journey' when it comes to wages. On 'living conditions' the company is 'on the path'.⁴¹

The company has an agreement with the global construction trade union Building & Wood Workers' International (BWI) to uphold the fundamental labour rights of construction workers (as do Besix and VCGP). BWI has visited Salini Impregilo's worker accommodation in Qatar.

The company reportedly also failed to renew their residence permits, putting workers at risk of being arrested and deported, and denying them access to health care

Still, the company is not free of allegations of abuse. The construction of the Al Bayt stadium has been linked to six cases of reported worker abuse. In June 2019, following an undercover investigation by German broadcaster WDR, FIFA confirmed that 23 workers of a stadium subcontractor, TAWASOL, had not been paid their wages.⁴²

In a 2020 Amnesty International report revealed that around 100 migrant workers employed by subcontractor Qatar Meta Coats (QMC) worked

for up to seven months on the Al Bayt stadium without pay. The company reportedly also failed to renew their residence permits, putting workers at risk of being arrested and deported, and denying them access to health care. Some workers said the company prevented them from finding a new job refusing to grant them the No Objection Certificate (NOC) required in Qatar to change employer. And workers also said they had to pay excessive recruitment fees to recruitment agents in their home countries. In response to the allegations, also recognised by the FIFA, QMC said the non-payment of salaries was due to financial problems.⁴³

In March 2022, a new report by Human Rights Watch revealed that another subcontractor for the Al Bayt stadium, the Bin Omran Trading and Contracting (BOTC), did not pay a number of its workers for at least five months. They accumulated debts to meet daily needs.⁴⁴

1.2.7 PORR

The PORR Group is one of the largest Austrian construction companies, with an annual revenue of EUR 4.6 billion (2020) and 20,000 employees worldwide. The company has a market cap of USD 526 million. PORR is specialised in tunnelling, railway construction and civil engineering. Qatar is one of its few markets outside the European continent, where PORR has a branch office.

The company has been involved in large infrastructure projects, including the construction of the Green Line of the Doha metro and the Al Janoub stadium (previously called Al Wakrah Stadium), as well as the Musameer pumping station. For the Al Janoub stadium, 484 mostly migrant workers were employed by the joint venture of PORR, Six Construct and Midmac. BHRRC noted that 48% of the company's workforce is subcontracted through labour suppliers.⁴⁵

In response to a survey by the BHRRC, PORR sent a generic statement about its approach,

but failed to respond to the questions. Their statement affirmed that they are following all local government guidance to protect their employees in Qatar and other countries.⁴⁶

1.2.8 Besix and Six Construct

Besix is the largest construction group of Belgium, specialised in the construction of building, infrastructure, and roads. In Qatar, Besix operates under its Qatari subsidiary Six Construct, and two other subsidiaries United Readymix and Cofely Besix Mannai Facility Management. Its market cap is unknown because the company is private. Annual revenues are EUR 2.76 billion (2020).

The company was the lead contractor on the Doha Expressway and the refurbishment of the Khalifa Stadium. It designed and built the Al Janoub stadium (in a joint venture with PORR and Midmac). The Six Construct-Midmac joint venture also completed the new north node and passenger terminal of the Hamad International airport, including a transfer zone, embarkation and arrival areas, and a 100-room hotel. Other projects were, among others, the Qatar National Convention Center, The Doha Exhibition and Convention Centre and the Gabbra terminal.⁴⁷ It's unknown exactly how many workers Besix employed and employs at its Qatari sites. A BHRRC report noted that 40% of the company's workforce was employed through either subcontractors and labour supply companies.⁴⁸

In 2016 Amnesty revealed migrant workers refurbishing the Khalifa International Stadium in Doha have suffered systematic abuses, including forced labour, lower salaries than

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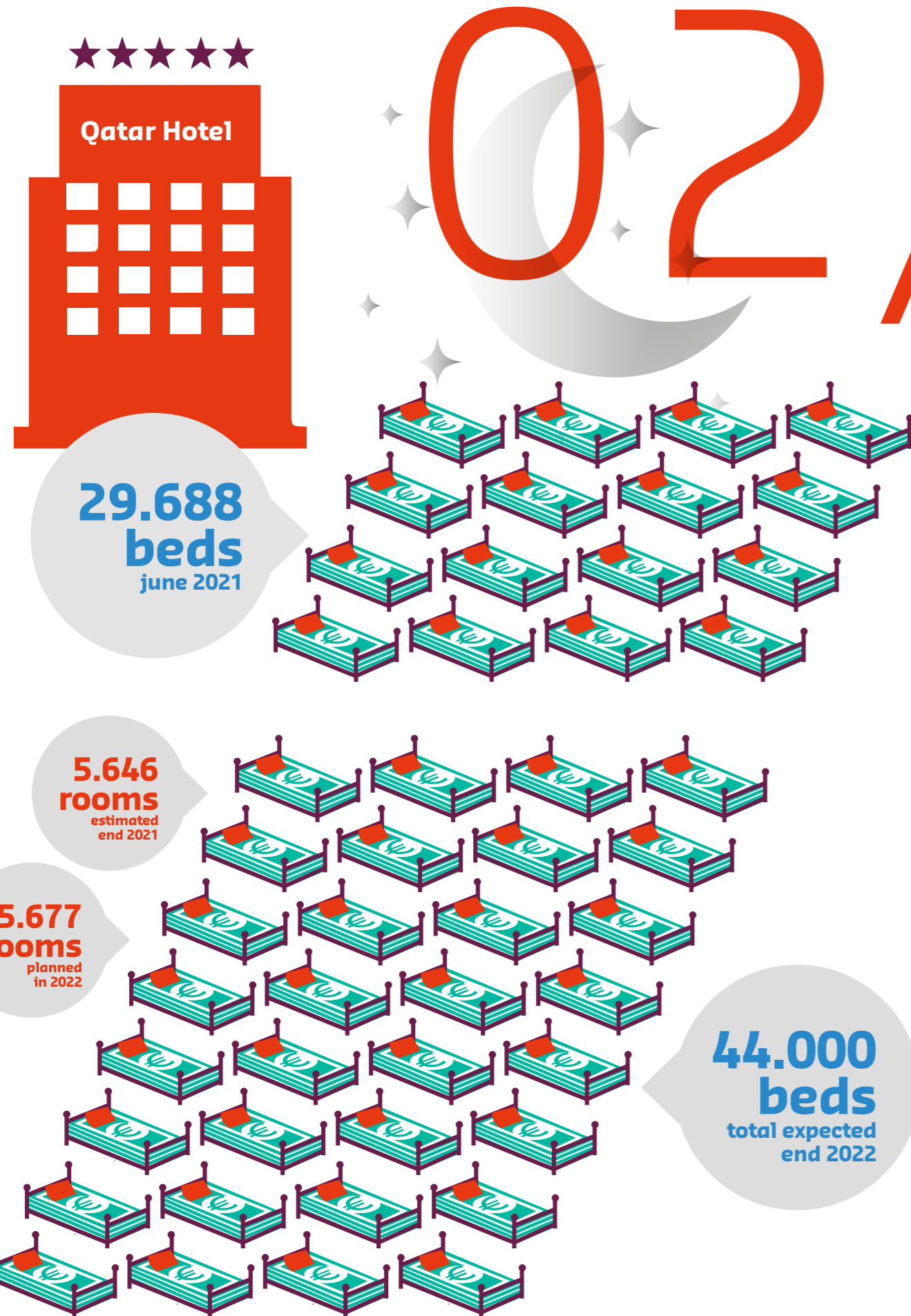
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promised, irregular and delayed payments, unclear terms of employment, confiscated passports and overcrowded rooms.⁴⁹ In 2017, a British construction worker died after a fall at the Khalifa stadium, due to failing equipment.⁵⁰

On the 14th of August 2018, a 23-year-old Nepalese construction migrant worker was killed while working on the project site of Al Janoub Stadium. Whereas the authorities said they have launched an investigation into the accident, the workers' family has long waited for an answer about the circumstances around this death. In the same year, a few other offsite deaths of migrant workers were reported, including the deaths of two Nepalis in their labour camp. The families reportedly have not received any compensation from their employers.⁵¹

Besix had previously received negative media attention because of a strike at its site in the United Arab Emirates in 2006, the largest strike in the country's history. This involved 8,500 workers and led to \$ 4 million in losses and 50 workers arrested and deported.⁵²





Hospitality companies

Contrary to the glossy image of the luxury hotels, and despite policies referring to international human rights standards, migrant workers in the hospitality sector in Qatar have repeatedly been found to be exposed to serious human rights abuses. This chapter presents an overview of FIFA-accredited hotels and selects eight hotel groups for inclusion in the further analysis.

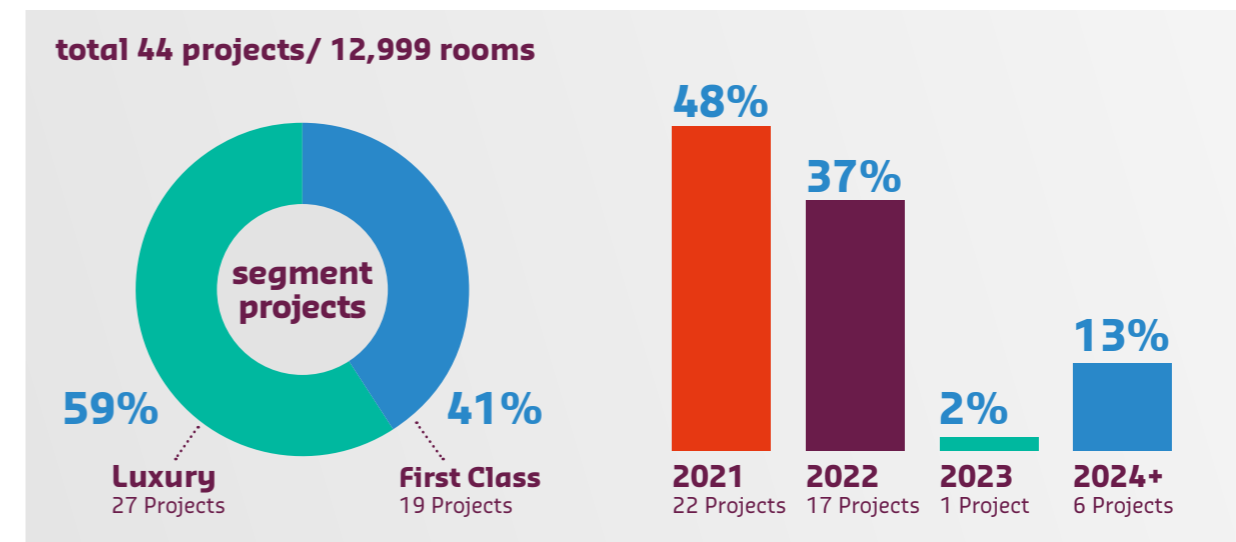
2.1 The Qatari hospitality sector

Qatar had a total of 29,688 hotel beds at the end of June 2021. The hospitality sector saw a rapid growth in recent months, with the expected influx of guests for the FIFA2022 as the key driver of expansion.⁵³ For the second half of 2021, 22 projects with 5,646 rooms were expected to be delivered, with another 17 projects and 5,677 rooms in the pipeline for 2022. The projects are all in the first class and luxury segments (Figure 1).⁵⁴ By the end

of 2022, Qatar's hotel market is predicted to increase to over 44,000 hotel rooms.⁵⁵ All the major hospitality chains active worldwide, and especially the luxury hotel operators, are present in the country and involved in new projects.

In preparation for the World Cup 2022, the FIFA Hospitality Services have selected a list of 58 hotels that are presented on the official FIFA2022 website (Table 4). These include hotels of many of the leading international hotel groups.

Figure 1
Hotel project pipeline Qatar



Source: Hahn, J. (2021, July 21), "Country overview: 13,000 new hotel rooms planned in Qatar", TopHotelNews, online: <https://tophotel.news/country-overview-13000-new-hotel-rooms-planned-in-qatar-infographic/>, viewed in February 2022.

Table 4
Hotels in Qatar selected by FIFA Hospitality Services

Hotel name	Hotel group	Country
Aleph Doha Residences Curio Collection by Hilton	Hilton Hotels & Resorts	United States
Al Liwan Suites	Al Liwan Suites Group of Hotels	Jordan
AlRayyan Hotel Doha, Curio - A Collection by Hilton	Hilton Hotels & Resorts	United States
Alwadi Hotel Doha MGallery	Accor Group	France
Best Western Plus Doha	Best Western Hotels & Resorts	United States
Centara West Bay Hotel and Residences Doha	Centara Hotels & Resorts	Thailand
Centro Capital	Rotana Hotels	United Arab Emirates
City Centre Rotana Doha	Rotana Hotels	United Arab Emirates
Crowne Plaza Doha The Business Park	InterContinental Hotels Group (IHG)	United Kingdom
Crowne Plaza Doha West Bay	InterContinental Hotels Group (IHG)	United Kingdom
Cruise Ship Hotel - MSC Poesia	Mediterranean Shipping company	Switzerland
Cruise Ship Hotel - MSC World Europa	Mediterranean Shipping company	Switzerland
DoubleTree by Hilton Doha City Centre (Under Construction)	Hilton Hotels & Resorts	United States
DoubleTree by Hilton Doha Old Town	Hilton Hotels & Resorts	United States
DoubleTree by Hilton Doha Downtown	Hilton Hotels & Resorts	United States
Dusit Doha Hotel	Dusit International	Thailand
dusitD2 Salwa	Dusit International	Thailand
Ezdan Hotel & Suites	Ezdan Holding Group	Qatar
Ezdan Palace	Ezdan Holding Group	Qatar
Golden Tulip Doha	Jin Jiang International Co Ltd	China
Grand Hyatt Doha	Hyatt Hotels Corp.	United States
Hilton Doha	Hilton Hotels & Resorts	United States
Hilton Doha The Pearl Residences	Hilton Hotels & Resorts	United States
Holiday Inn Doha - The Business Park	InterContinental Hotels Group (IHG)	United Kingdom
Holiday Villa Hotel & Residence City Centre Doha	Holiday Villa Hotels	Malaysia
InterContinental Doha	InterContinental Hotels Group (IHG)	United Kingdom
Intercontinental Doha - The City	InterContinental Hotels Group (IHG)	United Kingdom
JW Marriott Marquis City Center	Marriott International	United States

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Hotel name	Hotel group	Country
K108 Hotel		Qatar
Kempinski Residences & Suites	Kempinski Hotels	Switzerland
La Cigale Hotel	Accor Group	France
Le Meridien City Center Doha (Under Construction)	Al Faisal Holding	Qatar
Le Royal Meridien Doha	Al Faisal Holding	Qatar
Marriott Executive Apartments City Center Doha	Marriott International	United States
Marriott Marquis City Center Doha Hotel	Marriott International	United States
Marsa Malaz Kempinski, The Pearl - Doha	Kempinski Hotels	Switzerland
Millennium Plaza Doha	Hong Leong Group	Malaysia
Mövenpick Hotel Doha	Accor Group	France
Movenpick Hotel West Bay Doha	Accor Group	France
Park Hyatt Doha	Hyatt Hotels Corporation	United States
Plaza Inn Doha	International Hospitality	Qatar
Pullman Doha West Bay	Accor Group	France
Radisson Blu Hotel Doha	Radisson Hotels	United States
Retaj Al Rayyan Hotel	Retaj Hotels & Hospitality	Qatar
Sharq Village and Spa	Marriott International	United States
Saray Musheireb Hotel & Suites		
Souq Waqif Boutique Hotel	Minor Hotel Group	Thailand
Steigenberger Hotel Apartment (Under Construction)	Huazhu Group	China
Steigenberger Hotel Doha	Huazhu Group	China
The Plaza Doha by Anantara (Under Construction)	Minor Hotels	Thailand
The Ritz-Carlton Sharq Village, Doha	Marriott International	United States
The St. Regis Doha	Marriott International	United States
TIME Rako Hotel	Time Hotels & Resorts	United Arab Emirates
voco Doha West Bay Suites	InterContinental Hotels Group (IHG)	United Kingdom
Waldorf Astoria - Lusail (Under Construction)	Hilton Hotels & Resorts	United States
Westin Doha Hotel & Spa	Marriott International	United States
Wyndham Grand Doha West Bay Beach (Under Construction)	Wyndham Hotels & Resorts	United States
Wyndham West Bay	Wyndham Hotels & Resorts	United States

Source: FIFA World Cup Qatar 2022 (n.d.), "Hotel catalogue", online: <https://hospitality.fifa.com/2022/en/e-commerce/hotel-catalogue/>, viewed in August 2022; company websites.

2.2 Selected hotel groups

In this section, eight hotel groups are selected for inclusion in the further analysis. The selection includes the largest foreign hotel groups active in Qatar. As there is a lack of freely accessible data on the number of beds per company in Qatar, it was chosen to use the number of hotels per group as a proxy for the importance of the companies in the hospitality sector in Qatar.

The focus of this study lies on foreign, stock-listed hotel groups. Not included in the selection is therefore Katara Hospitality, the government-owned company (via Qatar Holding) that is a global hotel owner, developer, and manager. Of its eight hotels in Qatar several are operated by international groups like InterContinental Hotel Group (IHG) or Ritz-Carlton (Marriott International). Moreover, Katara operates three hotels in Qatar under its subsidiary Murwab Hotel Group.⁵⁶

In the following sections, the selected hotel groups are briefly profiled. The profiles are complemented with third-party documentation of links with labour rights abuses in recent years. Migrant workers, working as security guards, cleaners, cooks, or gardeners, are frequently employed through sub-contractors and faced with illegal recruitment fees leading to debt bondage, salaries below the minimum wage, and a lack of free time. Many articles that have been published on the human rights situation in the hospitality sector in Qatar during the last years are not disclosing the names of the hotels where affected labourers work for fear of retaliation.⁵⁷ While the abuses appear to be widespread, it is therefore often not possible to connect them to a specific hotel chain.

As a more generic indication of the human rights approach of leading international hotel chains with a presence in Qatar, reference is made to the July 2021 publication by the Business

and Human Rights Resource Centre (BHRRC), Checked Out, in which it investigated the approach of 19 hotel groups to safeguarding migrant workers' rights in Qatar (*Figure 2*). Especially recruitment processes and a lack of appropriate due diligence remain areas of high risk. Eight out of 18 workers interviewed stated that they had paid illegal recruitment fees. Meanwhile, only one group, Hilton, was found to conduct active due diligence when selecting recruitment agencies, while two groups, Radisson and Kempinski, had a policy fully compliant with the Employer Pays Principle.⁵⁸

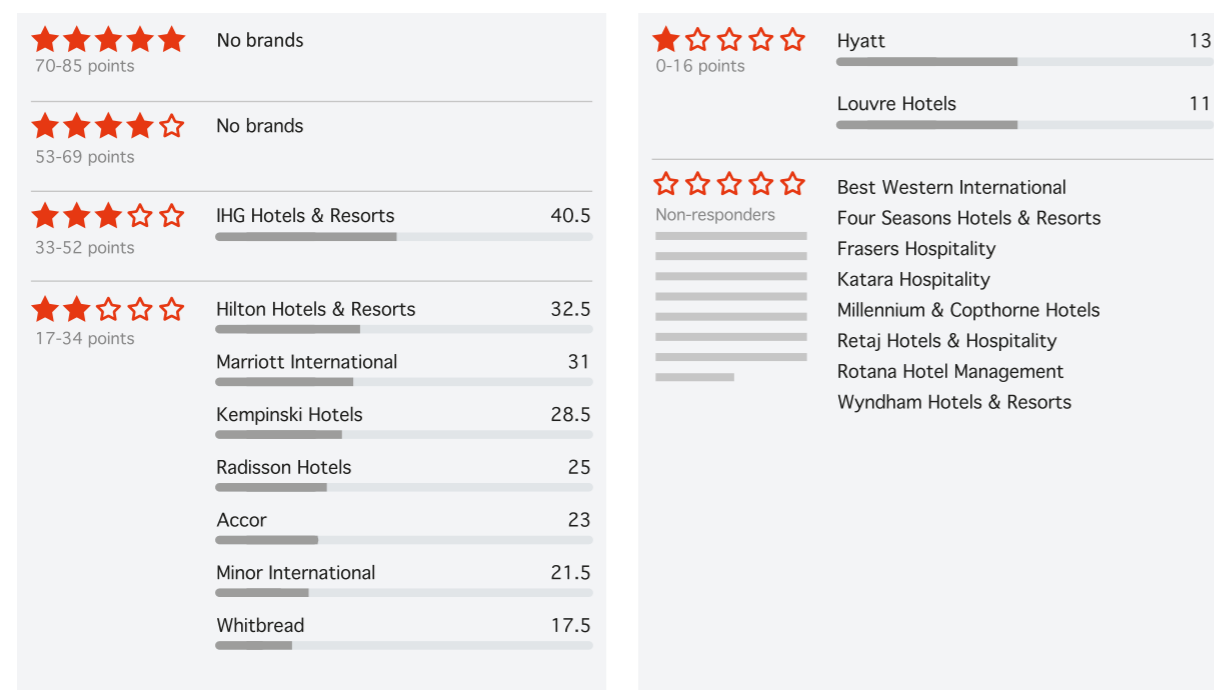
The hotels were scored on the following criteria which equalled a maximum of 85 points:

- Transparency of business relationships (disclosure of contractors)
- Policy commitments and due diligence approach (including risk assessment and monitoring of labour suppliers)

- Fair recruitment
- Payment
- Freedom of movement (freedom to change job)
- Health & safety and living conditions
- Physical & sexual abuse, exploitation and harassment
- Representation and remedy
- Response to COVID-19 (redundancies and protection against the virus)

In selecting hospitality groups for inclusion in the further analysis, a selection of criteria was applied. The scoring of the selected groups is presented in *Table 5*. The following selections then provide brief profiles of the hotels and their links with Qatar.

Figure 2
BHRRC 2021 rating of hotel companies on tackling migrant workers abuse in Qatar



Source: Archer, I. and D. MacMullan (2021, July), Checked Out - Migrant Worker Abuse in Qatar's World Cup Luxury Hotels, Business and Human Rights Resource Centre, London, UK: Business and Human Rights Resource Centre, p. 5.

Table 5
Scoring of selected hospitality groups against selection criteria

Hospitality Group	Country	Market cap (EUR bln)	# of hotels in Qatar	# of FIFA hotels	BHRRC assessment (max. 85 points)	Labour rights violations since 2018
Marriott International	United States	47.0	17	7	31.0	Y
Hilton Hotels & Resorts	United States	35.2	7	8 (2*)	32.5	Y
InterContinental Hotels Group	United Kingdom	10.7	8	6	40.5	Y
Hyatt Hotels Corporation	United States	8.9	4	2	13.0	N
Accor Group	France	7.3	7	5	23.0	Y
CDL - Millennium & Copthorne Hotels	Singapore	4.3	4	-	No response	Y
Kempinski Group	Germany	Private	2	2	28.5	Y
Minor Hotels	Thailand	Subsidiary	5	2 (1*)	21.5	Y

*still under construction as of August 2022.

2.2.1 Marriott International

Marriott International is headquartered in the U.S. It has a market cap of USD 53.2 billion (EUR 47.0 billion).⁵⁹ With revenues of USD 13.9 billion (EUR 12.3 billion) in fiscal year 2021 (after USD 10.6 billion in 2020 and USD 20.0 billion in 2019), it is among the largest hospitality groups globally.⁶⁰ Next to Marriott hotels, it operates and franchises accommodations under more than twenty brands including Sheraton, Renaissance Hotels, Ritz Carlton, St. Regis, W, and Westin.⁶¹ In Qatar, the group has 17 hotels,⁶² of which seven are included in the FIFA list.

In the policy analysis by BHRRC, Marriott achieved the third highest rating. However, this still only equalled 31 out of a maximum possible 84 points.⁶³ Concerns include the fact that Marriott's policy apparently does not necessarily apply to franchised hotels. The chain scored below average on issues related to fair recruiting (1.5 out of 8 points) and freedom of movement (1 out of 8 points).⁶⁴

In June 2021, Marriott has been found to make use of a Nepali recruitment agency, Vision and Value Overseas Pvt., which charged illegal recruitment costs to workers migrating to the UAE. In reaction to the allegations, Marriott confirmed that it had a regional agreement with Vision and Value but referred to its "no fees" recruitment policy.⁶⁵ It stated that it "[...] expects suppliers to not charge recruitment fees as part of the application process or use fraudulent recruitment practices" and that the regional agreement would be cancelled if workers "[...] were charged recruitment fees above and beyond the fees required for government paperwork, visa applications and other legal requirement."⁶⁶ This definition of "recruitment fees" is narrower than the ILO guidance which explicitly includes such administrative costs,⁶⁷ and therefore leaves workers at risk of bearing administrative charges.⁶⁸

Marriott in its W Doha hotel made use of security company GSS Certis, which has been linked to three allegations of human rights abuses in 2020 and 2021. The accusations referred to poor and cramped accommodation for 2,000 workers (August 2020), poor quarantine conditions (March 2021), and the detention of migrant rights activist Malcolm Bidali who reported about the grievances (May 2021). Bidali was forcibly disappeared by the Qatari authorities in May 2021 and put in solitary confinement for a month. Before being allowed to leave the country he was ordered to pay a fine. It is not known whether his employer took any initiative to help its employee.⁶⁹ In response to the allegations from 2020, Marriott stated that the security guards from GSS Certis were housed in the hotel's own accommodation.⁷⁰ No statement on the other grievances could be found.

2.2.2 Hilton Hotels & Resorts

U.S.-based Hilton operates under more than a dozen brands, including among others Hilton Hotels & Resorts, Waldorf Astoria Hotels & Resorts, and DoubleTree. Hilton has a market cap of USD 39.9 billion (EUR 35.2 billion).⁷¹ The group reported total revenues of USD 4.3 billion (EUR 3.8 billion) in 2020 (down from USD 9.4 in 2019).⁷² In Qatar, it operates seven hotels⁷³. Eight hotels, including two under construction, are on the FIFA hotel list.

In the policy analysis by BHRRC, Hilton achieved the second highest rating. However, it still scored only 32.5 out of the maximum possible 84 points.⁷⁴ Hilton scored below average on transparency of business relationships (2 out of 8 points), and health & safety and living conditions (0.5 out of 7 points).⁷⁵

In April 2021, security guards at European Guardian & Security Services Co. (EGSSCO), one of the largest security companies operating in Qatar, went on strike in protest of their new contracts with the company. The protesters

alleged that the revised contracts violated the new minimum wage obligation required by the labour law reform. Investigations by the Qatari authorities concluded that all workers' wages under the new contract complied with the minimum wage threshold. However, a contract clause requiring workers to work for EGSSCO for at least five years and barring them from changing jobs during this period was found to violate Qatar labour law's non-compete clause which abolished a legal requirement for migrant workers to obtain a permit from their employers to switch jobs. In response to the findings, Hilton confirmed that the Hilton Doha and the DoubleTree Doha Old Town previously hired security guards from EGSSCO but had stopped using security guards from EGSSCO in April 2021 due to closures caused by the Covid-19 pandemic, and formally terminated all contractual relationships with EGSSCO due to the uncovered issues.⁷⁶

Bidali was forcibly disappeared by the Qatari authorities in May 2021 and put in solitary confinement for a month. Before being allowed to leave the country he was ordered to pay a fine

Hilton also did business with the Nepali recruitment agency, Vision and Value Overseas Pvt. (*see section 2.2.1*). In reaction to the allegations, Hilton confirmed to BHRRC that after conducting due diligence on Vision & Value in 2019, it signed three contracts with the agency. Two of the contracts were not used and were formally terminated after the reports. Thirty team members were hired based on the third contract, but they reportedly stated no facts indicative of modern slavery risks during the onboarding process.⁷⁷ The company's policy used a narrower definition of "recruitment

costs" in comparison to the ILO guidance, leaving workers at risk of bearing inappropriate fees.⁷⁸

According to BHRRC in a recent 2022 report, Hilton disclosed uncovering instances of workers in their operations paying illegal recruitment fees. It did however not disclose complete data on the amount workers had paid or been reimbursed.⁷⁹

2.2.3 InterContinental Hotels Group (IHG)

IHG is headquartered in the UK. It has a market cap of USD 12.1 billion (EUR 10.7 billion).⁸⁰ The group reported revenues of USD 2.4 billion in 2020 (EUR 2.1 billion) (down from USD 4.6 billion in 2019).⁸¹ It is the world's largest hotel company based on 836,000 rooms globally, with more than 80% of hotels franchise-owned.⁸² Its 12 brands include among others InterContinental, Regent, Crowne Plaza, and Holiday Inn.⁸³ In Qatar, IHG operates eight hotels,⁸⁴ of which six are included in the FIFA hotel list.

In the policy analysis by BHRRC, IHG achieved the highest rating. However, it still scored less than half of the maximum possible points (40.5 out of 84).⁸⁵ The company scored below average on health & safety (1 out of 7 points) and payment (1.5 out of 8 points), where it admitted that it had only limited "visibility" of subcontracted workers through the discredited Wage Protection System (WPS)⁸⁶ installed by the Qatari government in 2015 and that only "Some hotels hold informal interviews with workers to assess if regular payments are being made."⁸⁷

IHG made use of security company GSS Certis, which has been linked to three allegations of human rights abuses in 2020 and 2021 (*see section 2.2.1*). In response to the 2020 allegations, IHG informed BHRRC that, "[...] in response to Covid-19 and as part of the hotel's containment measures, some GSS Certis security personnel are currently being housed in IHG staff accommodation, rather than the

accommodation provided by GSS Certis. With regard to other GSS Certis workers, we are actively following up with the InterContinental Doha, our teams and partners on the ground, to investigate further the specifics of the concerns raised in the article.” At the time, IHG’s investigations with GSS Certis were ongoing.⁸⁸

IHG also did business with the Nepali recruitment agency, Vision and Value Overseas Pvt. (see section 2.2.1). In reaction to the allegations, IHG stated that it had started an internal investigation already before. It confirmed that one of the UAE-based IHG managed hotels had a contractual agreement with Vision & Value that contained restrictions regarding the collection of recruitment fees. IHG promised additional due diligence and engagement with the agency as well as with any workers recruited through this agency who may still be working at the property.⁸⁹

In November 2020, human rights group Equidem published a report, *The Cost of Contagion: The consequences of COVID-19 for migrant workers in the Gulf*, investigating the impact of the COVID-19 pandemic on workers in Qatar, Saudi Arabia, and the UAE. In interviews, more than 200 workers described a range of labour abuses by companies including unpaid and delayed wages, inadequate and poor living conditions, health and safety violations, physical and mental abuse, inadequate or a lack of medical care, and pressure on workers to accept revised contract conditions. Migrant workers at InterContinental Doha and Crown Plaza Business Park Hotel reported about unpaid leave on short notice or much reduced duties for extended periods of time in 2020, leaving them struggling to support their families.⁹⁰ In a reaction to the report, IHG pointed to the significant drops in business due to COVID-19 but stressing to remain nonetheless “[...] committed to respecting human rights and responsible business practices throughout our operations.” It stressed that redundancies were implemented in line with Qatari labour law,

and that accommodation, food and medical assistance were provided as well as help with finding new employment.⁹¹

According to BHRRC in a recent 2022 report, IHG disclosed uncovering instances of workers in their operations paying illegal recruitment fees. It did however not disclose complete data on the amount workers had paid or been reimbursed.⁹²

2.2.4 Hyatt Hotels Corporation

Hyatt is a U.S.-based hospitality company with almost 500 hotels globally under more than 20 brands. Hyatt has a market cap of USD 10.1 billion (EUR 8.9 billion).⁹³ Total revenues reached USD 3.0 billion (EUR 2.6 billion) in 2021, after USD 2.1 billion in 2020 and USD 5.0 billion in 2019.⁹⁴ The company operates hotels under a range of almost twenty brands, including Park Hyatt, Grand Hyatt, Miraval, and Thompson Hotels.⁹⁵ It currently offers four hotels in Doha (Qatar),⁹⁶ of which two are on the FIFA list.

Among the ten groups that responded to the BHRRC survey in 2021, Hyatt had the one but lowest score, with 13 out of a maximum of 85 points. Hyatt received zero points on corporate transparency and fair recruitment, and scored low on provisions in relation to payment (0.5 points), physical and sexual abuse, exploitation and harassment (0.5 out of 10 points), and policy commitments and due diligence approach in relation to labour rights risks (2.5 out of 12 possible points).⁹⁷ In its Supplier Code of Conduct, Hyatt states that the company “prefers” to do business with suppliers who adhere to their basic principles and ideals.⁹⁸

A recent BHRRC (2022) report notes that transparency among the hospitality sector has increased, with more brands disclosing names of one or more business partners, uncovering illegal recruitment fee payments, and disclosing having conducted worker interviews. Out of the eight selected hotels, seven were approached including Hyatt. Hyatt was the only non-responder to the survey.⁹⁹

2.2.5 Accor Group

French Accor Group operates hotels under more than 50 brands, opening one new hotel every day.¹⁰⁰ Among those are more than 800 hotels in its 26 upscale and luxury brands globally, including among others Mövenpick, Mercure, Sofitel, and Pullman. It offers a total of almost 210,000 rooms.¹⁰¹ Accor has a market cap of EUR 7.3 billion.¹⁰² For 2021, the group reported total revenues of EUR 2.2 billion, up from EUR 1.6 billion in 2020. The Qatar Investment Authority (QIA) holds 11.3% of the share capital, representing 17.3% of voting rights.¹⁰³ Accor currently operates seven hotels in Doha,¹⁰⁴ of which five are on the FIFA hotel list. Among new locations, Accor’s Raffles and Fairmont hotels are set to open locations at Katara Hospitality’s landmark towers in Doha in 2022.¹⁰⁵ In October 2021, Accor signed an agreement with the Supreme Committee for Delivery & Legacy (SC) for the management of Qatar’s real estate portfolio through the end of 2022. As part of the deal, Accor will provide the workforce to operate what is referred to as the largest serviced real estate operation in the world. This includes, for example, front office (check-in/check-out), operational supplies and equipment as well as housekeeping services.¹⁰⁶

In the policy analysis by BHRRC, Accor rated sixth, with a score of 23 out of the maximum possible 84 points.¹⁰⁷ It scored lower than average on several topics, including policy commitments and due diligence (3 out of 12 points) and fair recruitment (1 out of 8 points). Accor scored 0 points on health & safety and living conditions, as it had no monitoring instruments for heat stress in subcontracted workforce nor for their living conditions.¹⁰⁸ An investigation by *The Guardian* from April 2020 reported about migrant workers in two Accor hotels in the UAE, Pullman Sharjah and Marjan Island Resort & Spa, who no longer received a salary, were indebted due to illegal recruitment fees, and were unable to return home after the outbreak of the Corona pandemic. Accor responded that it was still

providing food and accommodation to migrant workers, in line with UAE law and that no redundancies had been made. The company provided no answers on salary levels and working conditions.¹⁰⁹

The company provided no answers on salary levels and working conditions

2.2.6 CDL – Millennium & Copthorne Hotels

Millennium & Copthorne Hotels Limited (M&C) has 152 hotels with 44,000 rooms worldwide. It is part of City Developments Limited (CDL), a real estate company headquartered in Singapore.¹¹⁰ It has a market cap of SG\$ 6.6 billion (EUR 4.3 billion).¹¹¹ Brands include among others Millennium, Copthorne and Kingsgate.¹¹²

CDL reported revenues of SG\$ 2.1 billion in 2020 (EUR 1.4 billion) (down from SG\$3.4 billion in 2019), of which hotel operations accounted for SG\$ 640 million (EUR 418 billion) (SG\$1.7 billion in 2019).¹¹³ The group operates four Millennium hotels in Qatar.¹¹⁴ None of them is on the list of FIFA-accredited hotels.

M&C was categorized as a non-responder in the BHRRC’s survey due to the lack of publicly available information on human and labour rights.¹¹⁵ It did respond to the organisation though on claims that it was linked to the Nepali agency Vision and Value Overseas Pvt. (see section 2.2.1), confirming that it had a one-year agreement in 2016. Interviews with staff hired via the agency and still working with M&C indeed confirmed that four out of seven had paid illegal recruitment fees.¹¹⁶ The company’s policy used a narrower definition of recruitment costs for third party recruitment agreements in comparison to the ILO guidance,¹¹⁷ leaving workers at risk of bearing inappropriate fees.¹¹⁸

The company's policy used a narrower definition of recruitment costs for third party recruitment agreements in comparison to the ILO guidance, leaving workers at risk of bearing inappropriate fees

2.2.7 Kempinski Group

Kempinski is a privately-owned hotel group headquartered in Munich (Germany). In 2020, Kempinski reported revenues of EUR 103 million, down from EUR 202 million in 2019. Its portfolio currently holds a total of 79 five-star hotels operating under various names including Kempinski hotels, Vier Jahreszeiten in Munich, or Hotel Adlon in Berlin.¹¹⁹ One hotel is owned and three are leased (all four in Europe), while 75 hotels are under management contracts in Europe, the Middle East, Africa, Southeast Asia, China, and America. Its two hotels in Qatar are both on the list of FIFA accredited hotels.¹²⁰

In 2018, the Guardian reported about multiple breaches of Qatari labour law at the luxury Marsa Malaz Kempinski. Migrant workers employed via sub-contractors were among others faced with wages below the minimum level, long shifts in intense heat, a lack of days off, and indebtedness due to illegal recruitment fees.¹²¹ In reaction to the FC Liverpool refusing to stay at the hotel in 2019 due to the findings, Kempinski denied all allegations stating that they related to subcontracting vendors which it had not directly commissioned. Following the publication, Kempinski launched an inquiry into the working conditions of subcontracted staff and cut relationship with the non-compliant subcontracting companies.¹²²

In the 2021 policy analysis by BHRRC, Kempinski ranked fourth among ten respondents, with a score of 28.5 out of the maximum possible 84 points.¹²³ Policy

shortcomings included a lack of transparency (0 points out of maximum 6 points) and freedom of movement (1 out of 8 points). Kempinski had a contract with GSS Certis (*see section 2.2.3*) for the provision of security services at its Marsa Malaz Kempinski Hotel but terminated it in March 2019 as part of its efforts to ensure compliance with local laws, and its own strengthened Third Party Labour Policy.¹²⁴

In 2020, the building site of a Kempinski hotel in Dubai was linked to a case where the wages of hundreds of staff and workers at Sobha Engineering and Contracting (SECL) went unpaid or heavily delayed.¹²⁵ Kempinski denied any responsibility, stating that as a hotel management organisation, it would only assume management of the site upon completion of the construction and therefore had no contractual relationship with the engineering company.¹²⁶

According to BHRRC in a recent 2022 report, Kempinski disclosed uncovering instances of workers in their operations paying illegal recruitment fees. It did however not disclose complete data on the amount workers had paid or been reimbursed.¹²⁷

2.2.8 Minor Hotels

Minor Hotels is part of Minor International, which is headquartered in Thailand. In 2020, hotel and related services accounted for revenues of TBH 32.8 billion (EUR 1.1 billion) (down from TBH 91.4 billion in 2019), around 56% of the group's total revenues. Minor manages a total of 532 hotels with more than 75,000 rooms under 20 different brands, including Anantara, Avani, NH Hotels, St. Regis, and Radisson Blu.¹²⁸ In Qatar, Minor has currently five hotels,¹²⁹ of which two are on the FIFA-list (one of them is under construction).

In the 2021, policy analysis by BHRRC, Minor ranked seventh among ten respondents, with a score of 21.5 out of the maximum possible 84 points. Among its weak points are its human

rights policy commitments and due diligence approach (3.5 out of maximum 12 points), where Minor states that it “[...] encourag[es] our stakeholders in the value chain, including all the franchisees and suppliers, to uphold and adopt the principles in this policy.” Moreover, the company scores low on fair recruitment (1 out of 8 points) and freedom of movement (1.5 out of 8 points), and does not take responsibility for the decent payment of casual staff and contractors (0.5 out of 8 points). It also lacked a publicly available policy on physical and sexual abuse, exploitation, and harassment.¹³⁰

It also lacked a publicly available policy on physical and sexual abuse, exploitation, and harassment

In response to BHRRC, Minor confirmed in September 2021 that several of its properties had contracts with security services provider CSS Certis (*see section 2.2.1*), however, these had since been cancelled.¹³¹

According to a BHRRC 2022 report, 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 Employer Pays Principle (EPP), an international standard defining recruitment fees and expectations to safeguard workers in company operations and supply chains. BHRRC however notes that "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."¹³²

03 /

Financing of construction and hospitality companies active in Qatar

This chapter analyses which financial institutions are financing or investing in the construction and hospitality companies identified in chapters 1 and 2. Loans and underwritings with a total value of USD 85.7 billion were provided to the main construction and hospitality companies since early 2019, along with underwritings of Qatari sovereign bonds. At the most recent reporting date, investors held USD 181.6 billion worth of investments in the selected hospitality and construction companies, along with Qatari sovereign bonds.

3.1 Researching the financing of selected companies

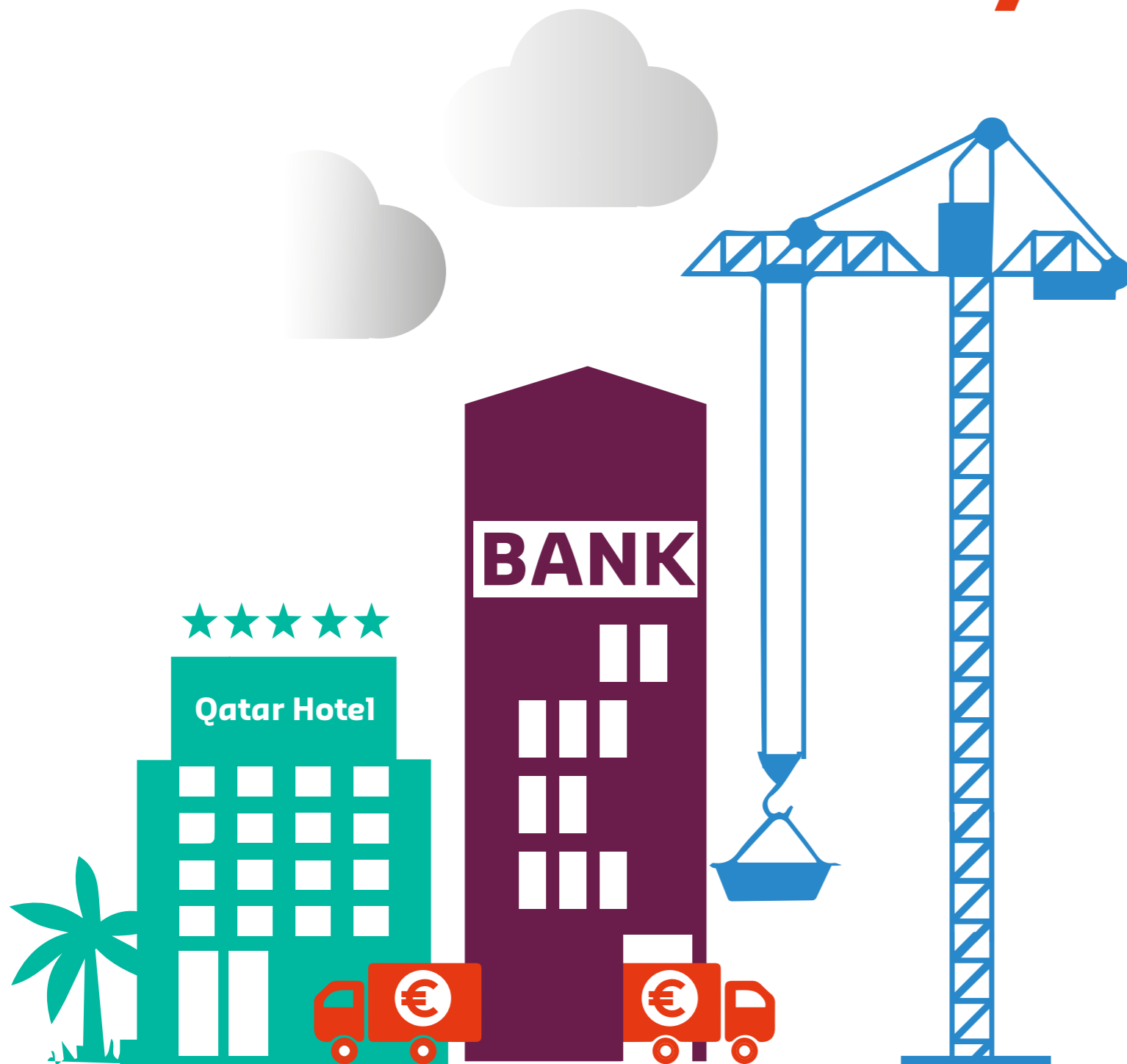
Recent financial relationships between financial institutions and the 16 selected companies (*see chapters 1 and 2*) were researched. This research focused on the provision of loans, underwriting services and other credits, as well as investments in the shares and bonds issued by these companies. The research was limited to recent forms of financial involvement by using the following criteria:

- Loans and other credits granted between 2019 and April 2022; and
- Investments in shares and bonds as of the most recent portfolio date.

This research step resulted in an overview of all financial institutions that have recent

financial relationships with companies from the selected list. Key details (type of finance, date, original value, value of current position) on each financial link are provided in the overview.

Information sources used for banking groups and insurance companies include the Bloomberg, Thomson EIKON (part of Refinitiv), IJGlobal and databases; annual reports and stock exchange filings of companies; and media sources. Financial relationships with pension funds are researched separately, using portfolio disclosures where possible. It should be noted that not all pension funds disclose the value of their exposure to specific companies, only the fact that they hold these positions. These relationships are nevertheless included in this study.



3.2 Loans and underwritings for hospitality and construction companies

Between 2019 and April 2022, 7 out of 8 of the construction companies described in *chapter 1* received USD 35.8 billion in loans and underwritings. Only for Besix Group, no financing was identified.

In the same time period, a total of USD 27.9 billion worth of financing, in the form of loans and underwriting services, was provided to 7

out of 8 hospitality companies who are active in Qatar and were described in more detail in *chapter 2*. For the private company Kempinski Group, no loans or issuances were identified. Finally, the underwriting services provided to the Qatari government totalled USD 22 billion for their bond issuances in 2019 and 2020.

Table 7 shows the most important financial institutions that were responsible for the financing amounts identified in *Table 6* (loans and underwritings combined).

Table 6
Loans and underwritings for construction and hospitality companies active in Qatar and underwritings of Qatari sovereign bonds (USD mln)

Hospitality companies	2019	2020	2021	2022	Total
Accor	1,816	605	790		3,212
City Developments	1,196	634	424		2,254
Hilton	1,462	2,900	1,500		5,862
Hyatt		1,650	2,791		4,441
InterContinental		1,105			1,105
Marriott	1,700	3,975	2,100		7,775
Minor Hotels	1,026	627	1,428	209	3,290
Hospitality Total	7,199	11,498	9,033	209	27,939
Construction companies					
Bouygues		1,098	1,299		2,397
China Railway Construction Corp	4,115	3,792	6,113	944	14,964
Hyundai Engineering & Construction	268	598	265		1,131
Larsen & Toubro	2,867	2,688	1,951	76	7,582
PORR	388	165	141		694
Vinci	4,194	1,636	891		6,720
Webuild	663	943	243	446	2,296
Construction Total	12,495	10,919	10,903	1,466	35,783
Qatari Government	12,000	10,000			22,000
Grand Total	31,695	32,417	19,936	1,675	85,722

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

No questions asked:
Profiting from the construction
and hotel boom in Qatar

Table 7
Top-30 financiers of construction and hospitality companies active in Qatar (USD mln)

Financial institution	Country of origin	Construction sector	Hospitality sector	Qatari Government	Total
Deutsche Bank	Germany	159	3,525	12,090	15,774
Crédit Agricole	France	986	918	1,847	3,751
Barclays	United Kingdom	889	807	1,714	3,410
Bank of America	United States	438	2,557		2,996
CITIC	China	2,921			2,921
Standard Chartered	United Kingdom	276	368	2,205	2,850
JPMorgan Chase	United States		2,115	714	2,829
HSBC	United Kingdom	1,766	911		2,677
CSC Financial	China	2,255			2,255
DBS	Singapore	300	1,770		2,070
Goldman Sachs	United States	231	1,642		1,873
QNB Group	Qatar			1,714	1,714
State Bank of India	India	1,629			1,629
BNP Paribas	France	1,162	444		1,607
Citigroup	United States	537	985		1,521
Société Générale	France	1,162	317		1,479
Commerzbank	Germany	1,066	410		1,475
Wells Fargo	United States		1,455		1,455
CICC	China	1,438			1,438
Groupe BPCE	France	1,198	230		1,427
ICBC	China	1,229	177		1,406
Credit Suisse	Switzerland	46		1,000	1,046
Mitsubishi UFJ Financial	Japan	273	694		968
Axis Bank	India	960			960
Industrial Securities	China	915			915
BBVA	Spain	704	136		840
Bank of China	China	811			811
NatWest	United Kingdom	494	295		790
Huatai United Securities	China	761			761

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

Out of the total identified financing (loans and underwriting services), 47% (USD 40.9 billion) was provided by European financial institutions (see Table 8). Germany extended by far the largest financing at USD 17.2 billion, mainly driven by the underwriting services by Deutsche Bank for the Qatari sovereign bond issuances. It is worth mentioning that Qatar holds a 6.1% stake in Deutsche Bank through its former prime minister Sheikh Hamad bin Jassim al-Thani.

Table 8
Loans and underwriting services by European country of origin of the financiers (USD mln)

Country of origin	Construction sector	Hospitality sector	Qatari Government	Total
Germany	1,138	3,935	12,090	17,163
United Kingdom	3,254	2,382	3,920	9,556
France	4,196	1,974	1,847	8,017
Switzerland	176		1,714	1,891
Spain	946	898		1,843
Italy	1,225	317		1,542
Netherlands	718	76		794
Austria	84			84
Grand Total	11,736	9,582	19,571	40,890

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

3.3 Investments in hospitality and construction companies active in Qatar

As shown in Table 9, investments in the form of share- and bondholdings with a total value of USD 111.1 billion were identified for 7 out of 8 hospitality companies selected in chapter 2, as of the most recent filing dates. Investments in 7 out of the 8 construction companies selected in chapter 1 had a value of USD 51.9 billion as of the most recent filing dates. Additionally, USD 15.1 billion in bondholdings were identified for Qatari sovereign bonds.

No questions asked:
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and hotel boom in Qatar

Table 9
Share- and bondholdings in selected companies and Qatari sovereign bonds (USD mln)

Hospitality companies	Bondholdings	Shareholdings	Total
Accor	331	3,777	4,109
City Developments	25	937	962
Hilton	3,670	44,849	48,519
Hyatt	2,352	5,035	7,387
InterContinental	1,083	8,804	9,887
Marriott	4,382	34,886	39,267
Minor Hotels	173	761	934
Hospitality companies total	12,015	99,050	111,065
Construction companies			
Bouygues	239	3,303	3,542
China Railway Construction Corp	2	1,591	1,593
Hyundai Engineering & Construction	56	1,086	1,143
Larsen & Toubro	943	16,861	17,805
PORR	86	57	143
VCGP	1,001	25,966	26,967
Webuild	9	694	702
Construction companies total	2,336	49,559	51,895
Qatari sovereign bonds	15,067	0	15,067
Grand total	29,418	148,608	178,027

Sources: Refinitiv (2022, April), pension fund disclosures

Top-30 investors in construction and hospitality companies active in Qatar and in Qatari sovereign bonds (USD mln)

Financial institution	Country of origin	Construction sector	Hospitality sector	Qatari Government	Total
BlackRock	United States	5,550	8,140	1,694	15,384
Vanguard	United States	2,509	9,271	403	12,183
Capital Group	United States	921	6,145	795	7,861
T. Rowe Price	United States	8	5,297	154	5,459
Fidelity Investments	United States	779	3,826	605	5,210
State Street	United States	434	4,206	15	4,655
Life Insurance Corporation of India	India	4,305			4,305
Allianz	Germany	230	2,191	1,595	4,016
Qatar Investment Authority	Qatar	2,401	957		3,358
Government Pension Fund Global	Norway	1,892	1,414		3,305
JPMorgan Chase	United States	899	2,013	171	3,083
Groupe BPCE	France	444	2,492	50	2,986
Eagle Capital Management	United States		2,675		2,675
Sun Life Financial	Canada	45	1,972	236	2,253
Geode Capital Holdings	United States	475	1,678		2,153
Principal Financial Group	United States	158	1,745	117	2,020
Pershing Square Capital Management	United States		1,965		1,965
Crédit Agricole	France	1,037	733	144	1,914
Prudential Financial (US)	United States	59	1,219	453	1,731
Franklin Resources	United States	431	675	615	1,721
Deutsche Bank	Germany	1,199	374	72	1,645
Melvin Capital Management	United States		1,577		1,577
TIAA	United States	413	958	139	1,509
Government Pension Investment Fund (GPIF)	Japan	539	768	172	1,479
Wellington Management	United States	145	830	462	1,437
Bank of America	United States		1,409		1,410
UBS	Switzerland	502	693	199	1,394
Invesco	United States	270	905	108	1,283
ICICI Bank	India	1,250			1,250

Sources: Refinitiv (2022, April), Pension fund disclosures.

**No questions asked:
Profiting from the construction
and hotel boom in Qatar**

Table 10 shows the main investors in shares and bonds issued by the main construction and hospitality companies active in Qatar, as well as in Qatari sovereign bonds.

Investments from European FIs totalled USD 38.1 billion, 21% of total identified share- and bondholdings. Investments were identified for FIs from 21 European different countries.

Table 11

Share- and bondholdings by European country of origin of the investors (USD mln)

Country of origin	Construction sector	Hospitality sector	Qatari Government	Total
France	3,898	3,901	284	8,083
United Kingdom	1,329	5,308	618	7,255
Germany	2,442	2,676	1,714	6,832
Switzerland	919	2,200	463	3,582
Norway	1,967	1,529	0	3,496
Netherlands	1,053	1,396	1,045	3,494
Italy	1,137	219	73	1,429
Finland	583	313	65	961
Denmark	167	511	174	852
Sweden	306	401	45	752
Luxembourg	217	200	10	427
Belgium	169	201	3	372
Spain	221	128	1	350
Austria	61	60	25	146
Ireland	7	14		22
Liechtenstein	12	10		21
Portugal	10	4		14
Poland	8	6		14
Bulgaria	3	2		4
Greece	0.4			0.4
Malta	0.2			0.2
Grand Total	14,502	19,078	4,519	38,099

Sources: Refinitiv (2022, April), pension fund disclosures.

3.4 Financing and investments by financiers from selected countries

This section lays out the financing and investments by German, Norwegian and Swedish financial institutions in detail. From these countries, 86 German, 5 Norwegian and 16 Swedish financial institutions were identified to have provided financing (loans and underwriting) and have invested in the shares and/or bonds of the selected hospitality and construction companies, and/or in sovereign bonds issued by the Qatari government.

Table 12
Loans and underwriting services provided by German financiers (USD mln)

Financial institution	Construction sector	Hospitality sector	Qatari Government	Total
Deutsche Bank	159	3,525	12,090	15,774
Commerzbank	896	410		1,305
Berenberg Bank	28			28
DZ Bank	28			28
BayernLB	28			28
Grand Total	1,138	3,935	12,090	17,163

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

3.4.1 German financial institutions

German banks and investors provided USD 17.2 billion financing along with USD 6.8 billion in investments for a total of USD 24 billion to selected hospitality and construction companies, and/or in sovereign bonds issued by the Qatari government. [Table 12](#) and [Table 13](#) list all identified German financial institutions in detail.

No questions asked:
Profiting from the construction and hotel boom in Qatar

Table 13
Investments of German financial institutions (USD mln)

Financial institution	Construction sector	Hospitality sector	Qatari Government	Total
Allianz	230	2,191	1,595	4,016
Deutsche Bank	1,199	374	72	1,645
DZ Bank	556	13	17	585
Deka Group	206	43	4	252
Munich Re	22	5	17	45
Siemens Financial Services	26	3		29
HDI	19	4		23
Landesbank Baden-Württemberg (LBBW)	20	3		23
Landesbank Hessen-Thüringen	13	2	4	18
Aramea Asset Management	18			18
DJE Kapital	12	5		17
Signal Iduna Group	9	6	2	16
B. Metzler seeL. Sohn & Co	7	7		14
Deutsche Apotheker- und Ärztebank	10			10
M.M. Warburg & Co.	8	1		9
Commerzbank	8	1		9
MLP	1	8		9
Wüstenrot & Württembergische	6	0	1	7
Discover Capital	5			5
Bankhaus Lampe	5			5
Lingohr & Partner Asset Management	4			4
Robert Beer Investment	4			4
Monega	4	1		4
HanseMerkur	4			4
Hamburger Sparkasse	3	1		4
Fiduka	3			3
Berenberg Bank		3	0	3
Degussa Bank	3			3
National-Bank	3			3
BayernLB	0		3	3
SALytic Invest	3			3

Continuation Table 13

Investments of German financial institutions (USD mln)

Financial institution	Construction sector	Hospitality sector	Qatari Government	Total
Die Sparkasse Bremen	2			2
Silvius Dornier	2			2
Gothaer		2		2
Vereinigte Hannoversche Versicherung	2			2
Evangelische Bank	1	1		2
Tresides Asset Management	2			2
nordIX	2			2
Andreas Meißner Vermögensmanagement	2			2
Huber, Reuss & Kollegen	2			2
PEH Wertpapier	1			1
Antecedo Asset Management		1		1
Sparkasse Hannover	1			1
Stadtsparkasse Düsseldorf	1			1
Collegium Vermögensverwaltungs	1			1
Focus Asset Management	1			1
GAP Vermögensverwaltung	1			1
Norddeutsche Landesbank	1			1
Sentix Asset Management	1			1
LIGA Bank	0	1		1
smart-invest	1			1
Fidicum	1			1
Zantke & Cie Asset Management	1	0		1
Von der Heydt	1			1
KANON	1			1
HUK-COBURG	0	0		1
Heidenheimer Volksbank	1			1
HAC VermögensManagement	0			0
ProVidens Vermögensmanagement		0		0
August von Finck Group	0			0

No questions asked:
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and hotel boom in Qatar

Financial institution	Construction sector	Hospitality sector	Qatari Government	Total
Erste Finanz und Vermögensberater		0		0
JRS Finanzmandate	0	0		0
Hansen & Heinrich	0			0
ACATIS Investment		0		0
Fürstlich Castell'sche Bank	0			0
Wallrich Wolf Asset Management	0			0
Steyler Bank	0			0
Antea Vermögensverwaltung	0			0
Heemann Vermögensverwaltung	0			0
Plutos Vermögensverwaltung AG		0		0
Source For Alpha	0			0
SVA Vermögensverwaltung Stuttgart	0			0
Lehner Investments	0			0
Lang & Hink Finanzpartner	0			0
Baader Bank	0			0
ICM InvestmentBank	0			0
DVAM Vermögensverwaltung	0			0
Alte Leipziger - Hallesche Group		0		0
GS&P Group	0			0
Lange Assets & Consulting	0			0
Trend-Kairos-Capital	0			0
Greiff Capital Management	0			0
InCapital (Germany)	0			0
HQ Trust	0			0
Gridl Asset Management	0			0
Veritas Investment		0		0
Grand Total	2,442	2,676	1,714	6,832

Sources: Refinitiv (2022, April). The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Table 14

Investments of Norwegian financial institutions (USD mln)

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Financial institution	Construction sector	Hospitality sector	Qatari Government	Total
Government Pension Fund Global	1,892	1,414	0	3,305
Storebrand	43	40	0	83
DNB	14	41	0	56
Kommunal Landspensjonskasse Gjensidig Forsikringselskap (KLP)*	19	31	n.d.	50
Fondsforvaltning	0	2	0	2
Grand Total	1,967	1,529	0	3,496

* KLP has holdings in Qatari sovereign bonds for an undisclosed amount. Sources: Refinitiv (2022, April), pension fund disclosures.

Table 15

Investments of Swedish financial institutions (USD mln)

Financial institution	Construction sector	Hospitality sector	Qatari Government	Total
Sjunde AP-fonden (AP-7)	24	134	0	158
Swedbank	102	46	0	148
Andra AP-Fonden (AP-2)	31	28	45	105
Svenska Handelsbanken	47	28	0	74
Första AP-Fonden (AP-1)	24	42	0	66
Skandinaviska Enskilda Banken	22	24	0	46
Fjärde AP-Fonden (AP-4)	13	26	0	39
Tredje AP-Fonden (AP-3)	5	30	0	35
AMF Pensionsförsäkring	0	34	0	34
Öhman	23	3	0	27
Skandia	3	6	0	9
Altor Equity Partners	7	0	0	7
CB Asset Management	3	0	0	3
Nordic Equities Kapitalförvaltning	0	1	0	1
IKC Group	0	0	0	0
Cicero Fonder	0	0	0	0
Grand Total	306	401	45	752

Sources: Refinitiv (2022, April), pension fund disclosures. The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

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No questions asked:
Profiting from the construction and hotel boom in Qatar

3.4.2 Norwegian financial institutions

While no loans or underwriting services were identified for Norwegian financial institutions, a total of USD 6.5 billion investments, dominated by the Global Government Pension Fund, were identified.

3.4.3 Swedish financial institutions

Similar to Norway, no loans and underwritings, only investments were identified from Swedish financial institutions for a total of USD 752 million.

3.4.4 Relevant financial institutions headquartered in other countries

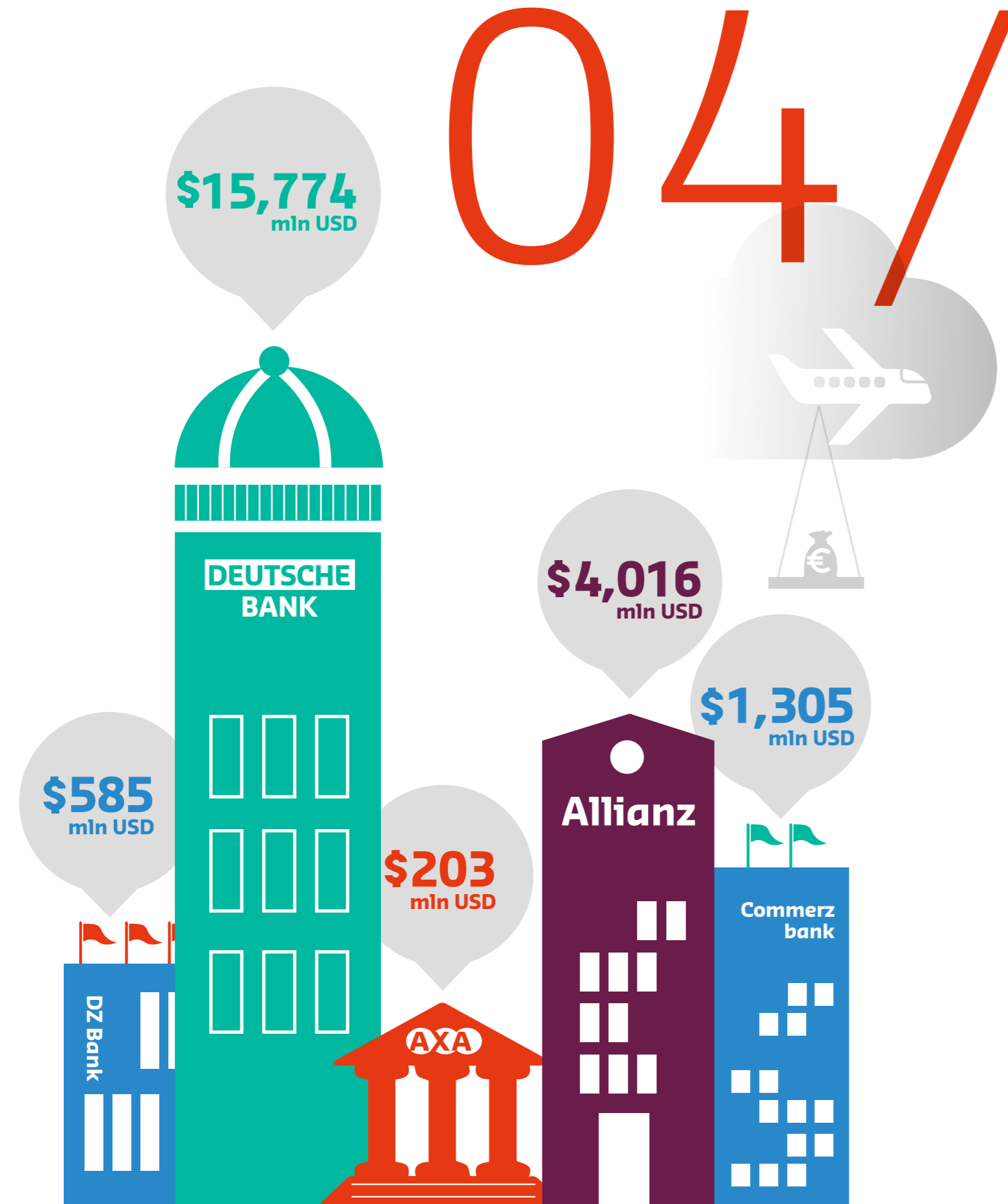
While no loan or underwriting services were identified for Nordea, AXA, Danske Bank and Zurich Insurance, [Table 16](#) lists the identified investments by each financial institution.

Table 16

Investments of relevant financial institutions headquartered in other countries (USD mln)

Financial institution	Country	Construction sector	Hospitality sector	Qatari Government	Total
Nordea	Finland	549	241	65	855
AXA	France	125	72	7	203
Danske Bank	Denmark	19	25	56	101
Zurich Insurance	Switzerland	0	7	-	7
Grand Total		706	372	128	1,205

Sources: Refinitiv (2022, April), pension fund disclosures. The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.



The responses of financial institutions active in Germany

This chapter presents the results of a survey we sent to five financial institutions with strong commercial presence in Germany to assess their engagement activities with the selected companies from the construction (see section 1.2) and hospitality (see section 2.2) sectors. Main findings are presented in section 4.1, then for each financial institution (section 4.2 to section 4.6), an overview is provided that includes a company profile, an overview of the financial relationships with the selected companies (in the form of shares and/or bondholdings), and the scores it has received in this case study, including justifications. For detailed explanations about the methodology used to assess the selected financial institutions see Appendix 1.

4.1 Main findings

The findings of the financial research and survey assessments are consolidated in Table 17.

Three banks, namely Commerzbank, Deutsche Bank, and DZ Bank provided USD 17.1 billion in loans and underwriting services to selected

construction and hospitality companies active in Qatar. The five financial institutions have investments outstanding in shares and bonds of construction and hospitality companies active in Qatar and in Qatari sovereign bonds, for a total amount USD 6.5 billion. The three banks,

Table 17

Scores and financing of selected financial institutions' active in Germany (/10)

Financial institution	Score survey	Investments (USD mln)	Loans/Underwriting (USD mln)
Deutsche Bank	1.9	1,645	15,774
DZ Bank	1.8	585	28
Allianz	1.6	4,016	-
Commerzbank	1.3	9	1,305
AXA	1.1	203	-
Total		6,459	17,107

namely Commerzbank, Deutsche Bank, and DZ Bank, also provided USD 17.1 billion in loans and underwriting services to selected construction and hospitality companies active in Qatar. None of the five financial institutions provided feedback on the survey sent by Fair Finance Germany (*see Appendix 1*) about their engagement activities with the selected companies. Consequently, the assessment was mainly based on information publicly disclosed by the financial institutions (such as sustainability policies, sustainability reports, webpages etc.). Commerzbank and Union Investment (DZ Bank) sent some brief comments with little to no evidence of engagement with the selected companies in Qatar, while the other three financial institutions remained unresponsive. Overall, on a scale from 0 to 10, the five selected financial institutions active in Germany scored from 1.1 (Axa) to 1.9 (Deutsche Bank).

The five financial institutions that were assessed performed very poorly with scores below 2 out of 10. Differences in the final score of the financial institutions are explained mainly by the scope of their general ESG and human rights framework; some of them apply to all industries, including credit, investment, and the wider value chain of financed companies while others have a limited scope.

None of the five financial institutions has developed specific sector policies for the hospitality sector or for the construction sector. Allianz was the only financial institution with a sector policy of screening for labour rights issues for infrastructure-related transactions.

Only three financial institutions, Allianz, Deutsche Bank, and DZ Bank, have an ESG framework and due diligence policies that consider the wider value chain of companies (companies' suppliers and subcontractors). Still, all the financial institutions have an ESG framework and have adopted human and labour rights policies in which they clarify their expectations about human rights and labour rights applicable to all or at least most of the industries in which they invest.

Union Investment (DZ Bank) commented that they have engaged with the companies Vinci and Accor. However, the financial institution did not provide additional information or evidence of these engagements. For example, it was not possible to confirm whether these engagements were related to the issues in Qatar or issues somewhere else in the world. Commerzbank commented on its general human rights approach but declared that the bank does not comment on specific company names.

4.2 Allianz

4.2.1 Profile

Allianz is a German multinational financial services company headquartered in Munich, Germany. Its core businesses are insurance and asset management. With 155,000 employees worldwide, the Allianz Group serves 126 million retail and corporate clients in more than 70 countries. In the fiscal year 2021, the group achieved total revenues of EUR 149 billion and an operating profit of EUR 13.4 billion. Allianz is one of the world's largest asset managers, with third-party assets of EUR 1,966 billion under management at the end of 2021.¹³³

4.2.2 Financial relationships with selected companies

As per the latest filings, Allianz held shares with a total value of USD 304 million in twelve of the selected companies and bonds, including Qatari Sovereign bonds, with a total value of USD 3,712 million (*see Table 18*). Between January 2019 and April 2022, no loans and underwriting services for corporate and Qatar-related activities were identified for the selected companies.

4.2.3 Assessment and score overview

Allianz achieved a score of 1.6 out of 10. Within the scope of this research, Allianz has investments in twelve of the selected companies from the hospitality and construction sectors. Allianz did not provide feedback on the survey sent by Fair Finance about their engagement activities with the selected companies. From

research conducted on publicly available information (web page, reports, etc.), Allianz has a general human rights policy applicable to all business sectors, including a list of sensitive countries. However, no mention of Qatar or the selected companies was found.

Allianz has a sectoral policy for the infrastructure sector, which includes construction, but no sectoral policy for hospitality. Following an assessment of company, sector and country-specific ESG risk databases, infrastructure-related transactions are screened on criteria like workforce risk, which includes disregard for labour rights, collective bargaining and unionisation rights, and sub-standard working conditions of (sub-)contractors. Allianz GI declares it expects all its clients to respect human rights, including the wider value chain (companies' suppliers and subcontractors).

Table 18
Overview of Allianz financing in the selected companies and Qatari Government (USD mln)

Allianz	Bondholding	Shareholding	Grand Total
Qatari Government	1,595		1,595
Hilton	1,023	40	1,063
Hyatt	504	9	513
Marriott	407	23	430
Vinci	16	202	218
InterContinental	158	0*	158
City Developments		12	12
Minor Hotels	2	9	11
Bouygues	6	3	9
Accor	1	2	3
Webuild		3	3
Hyundai Engineering & Construction		0*	0*
Total	3,712	304	4,016

* The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

4.3 Axa

4.3.1 Profile

Axa is a French multinational company providing insurance and investment management. Axa is headquartered in Paris, France. With 149,000 employees, Axa serves 95 million clients in 50 countries. The asset management business involves investing and managing assets for the Group's insurance companies and their clients, as well as for third parties, both retail and institutional clients. In 2021, Axa's total assets under management reached EUR 1,051 billion.¹³⁴

4.3.2 Financial relationships with selected companies

As per the latest filings, Axa held shares with a total value of USD 128 million in nine of the selected companies and bonds, including Qatari Sovereign bonds, with a total value of USD 75 million (*Table 19*). Between January 2019 and April 2022, no loans and underwriting services

for corporate and Qatar related activities were identified for the selected companies.

4.3.3 Assessment and score overview

Axa achieved a score of 1.1 out of 10. Within the scope of this research, Axa has investments in ten of the selected companies from the hospitality and construction sectors. Axa did not provide feedback on the survey sent by Fair Finance about their engagement activities with the selected companies. From research conducted on publicly available information (web page, reports, etc.), Axa does not have specific sectoral policies on human rights in the hospitality and construction sector. However, the bank has a general human rights policy applicable to all business sectors without mention to the wider supply chains (companies' suppliers and subcontractors). This research did not find any references to human rights issues in the selected companies in Qatar among the publicly disclosed information of Axa.

Table 19

Overview of Axa financing in the selected companies and Qatari Government (USD mln)

Axa	Bondholding	Shareholding	Grand Total
Vinci	18	94	112
Hilton	27	1	28
InterContinental	6	15	21
Bouygues	6	8	13
Accor	1	10	10
Minor Hotels	9	0*	9
Qatari Government	7		7
Hyatt	2	0*	2
Marriott	1	0*	1
City Developments		0*	0*
Total	75	128	203

* The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

4.4 Commerzbank

4.4.1 Profile

Commerzbank is the leading bank for German Small Business and serves around 28,000 corporate client groups and around 11 million private and small-business customers in Germany. The Bank's two Business Segments are Private and Small-Business Customers and Corporate Clients. Commerzbank transacts approximately 30 per cent of Germany's foreign trade and is present internationally in almost 40 countries in the corporate clients' business. In 2021, Commerzbank generated gross revenues of some EUR 8.5 billion with around 46,500 employees.¹³⁵

4.4.2 Financial relationships with selected companies

As per the latest filings, Commerzbank provided financing to six of the selected companies from Qatar. Commerzbank held shares with a total value of USD 9 million in four of the selected

companies. Between January 2019 and April 2022, Commerzbank provided loans for a total value of USD 896 million and underwriting services for USD 410 million to five of the selected companies (*see Table 20*).

4.4.3 Assessment and score overview

Commerzbank achieved a score of 1.3 out of 10. Within the scope of this research, Commerzbank has financial relations with six of the selected companies from the hospitality and construction sectors.

Commerzbank did not provide feedback on the survey sent by Fair Finance about their engagement activities with the selected companies. Commerzbank commented on its general human rights approach but declared that the bank does not provide comments on specific company names.

Based on research conducted on publicly available information (web page, reports, etc.),

Table 20

Overview of Commerzbank financing in the selected companies and Qatari Government (USD mln)

Commerzbank	Shareholding	Loans	Underwriting
Vinci	7	525	
Bouygues	1	370	
InterContinental			244
Accor			151
Marriott	0*		14
Hilton	0*		
Total	9	896	410

* The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

Commerzbank does not have specific sectoral policies on human rights in the hospitality and construction sector. However, the bank has a general human rights policy applicable to all business sectors without mention to the wider supply chains (companies' suppliers and subcontractors). This research did not find any references to human rights issues in the selected companies in Qatar among the publicly disclosed information of Commerzbank.

4.5 Deutsche Bank

4.5.1 Profile

Deutsche Bank is one of the most important German banks. The group is divided in four main pillars, namely a Corporate Bank newly created in 2019, a leading Private Bank, a focused investment bank, and asset management (DWS). Deutsche Bank provides financial services to companies, governments, institutional investors, small and medium-sized businesses, and private individuals. Deutsche Bank has established bases in Europe and all major emerging markets, including the Asia Pacific region, Central and Eastern Europe, and Latin America.¹³⁶

4.5.2 Financial relationships with selected companies

As per the latest filings, Deutsche Bank provided financing to fifteen of the selected companies from Qatar. Deutsche Bank held shares with a total value of USD 1,493 million in fourteen of the selected companies, and bonds with a total value of USD 153 million, including the Qatari Government. Between January 2019 and April 2022, Deutsche Bank provided loans for a total

value of USD 2,058 million to five companies, and underwriting services for USD 13,716 million to five of the selected companies as well as the Qatari Government (see Table 21).

4.5.3 Assessment and score overview

Deutsche Bank achieved a score of 1.9 out of 10. Within the scope of this research, Deutsche Bank has financial relations with fifteen of the selected companies from the hospitality and construction sectors.

Deutsche Bank did not provide feedback on the survey sent by Fair Finance about their engagement activities with the selected companies. From research conducted on publicly available information (web page, reports, etc.), Deutsche Bank does not have specific sectoral policies of human rights in the hospitality and construction sector. However, Deutsche Bank has a general human rights policies applicable to all business sectors and it considers the wider supply chain (companies' suppliers and subcontractors). This research did not find any references to human rights issues in the selected companies in Qatar among the publicly disclosed information of Deutsche Bank.



Table 21
Overview of Deutsche Bank financing in the selected companies and Qatari Government (USD mln)

Deutsche Bank	Bondholding	Shareholding	Loans	Underwriting
Qatari Government	72			12,090
Marriott	3	189	975	624
Vinci	19	1,094		90
Hilton	37	102	462	425
Hyatt	2	0*	519	412
Minor Hotels		0*	33	75
Larsen & Toubro		36	69	
Bouygues	7	29		
InterContinental	5	12		
Accor	5	11		
City Developments		8		
Hyundai Engineering & Construction		5		
PORR	4	0*		
China Railway Construction Corp		4		
Webuild		1		
Total	153	1,493	2,058	13,716

* The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

4.6 DZ Bank

4.6.1 Profile

DZ Bank is the central institution of the Volksbanken Raiffeisenbanken Cooperative Financial Network and the central bank for all of the approximately 800 cooperative banks in Germany, in which it holds a majority interest. In addition, it serves companies and institutions as a commercial bank. The companies in the DZ BANK Group include Bausparkasse Schwäbisch Hall, DZ HYP, DZ PRIVATBANK, R+V Versicherung, TeamBank, Union Investment Group, VR Smart Finanz and various other specialist institutions. The DZ BANK Group supports the cooperative banks in retail banking, corporate banking, capital markets and transaction banking.¹³⁷

4.6.2 Financial relationships with selected companies

As per the latest filings, DZ Bank had financial links with seven of the selected companies active in Qatar and the Qatari Government. DZ Bank held shares with a total value of USD 563 million

From research conducted on publicly available information (web page, reports, etc.), DZ does not have specific sectoral policies on human rights in the hospitality and construction sector

in four of the selected companies, and bonds with a total value of USD 22 million including the Qatari government. Between January 2019 and April 2022, DZ Bank provided underwriting services for USD 28 million to one of the selected companies (*see Table 22*).

4.6.2 Assessment and score overview

DZ Bank achieved a score of 1.8 out of 10. Within the scope of this research, DZ Bank has financial relations with seven of the selected companies active in Qatar and the Qatari Government.

DZ Bank did not provide feedback on the survey sent by Fair Finance about their engagement activities with the selected companies. However, Union Investment (DZ Bank) commented that they have engaged with the companies Vinci and Accor on controversies related to labour rights and workforce. However, the financial institution did not provide additional information or evidence of these engagements. For example, it was not possible to confirm whether these engagements were related to the specific issues in Qatar or issues somewhere else in the world. From research conducted on publicly available information (web page, reports, etc.), DZ does not have specific sectoral policies on human rights in the hospitality and construction sector. However, DZ has a general human rights policies applicable to all business sectors, and it considers the wider supply chain (companies' suppliers and subcontractors). This research did not find any references to human rights issues in the selected companies in Qatar among the publicly disclosed information of DZ Bank.

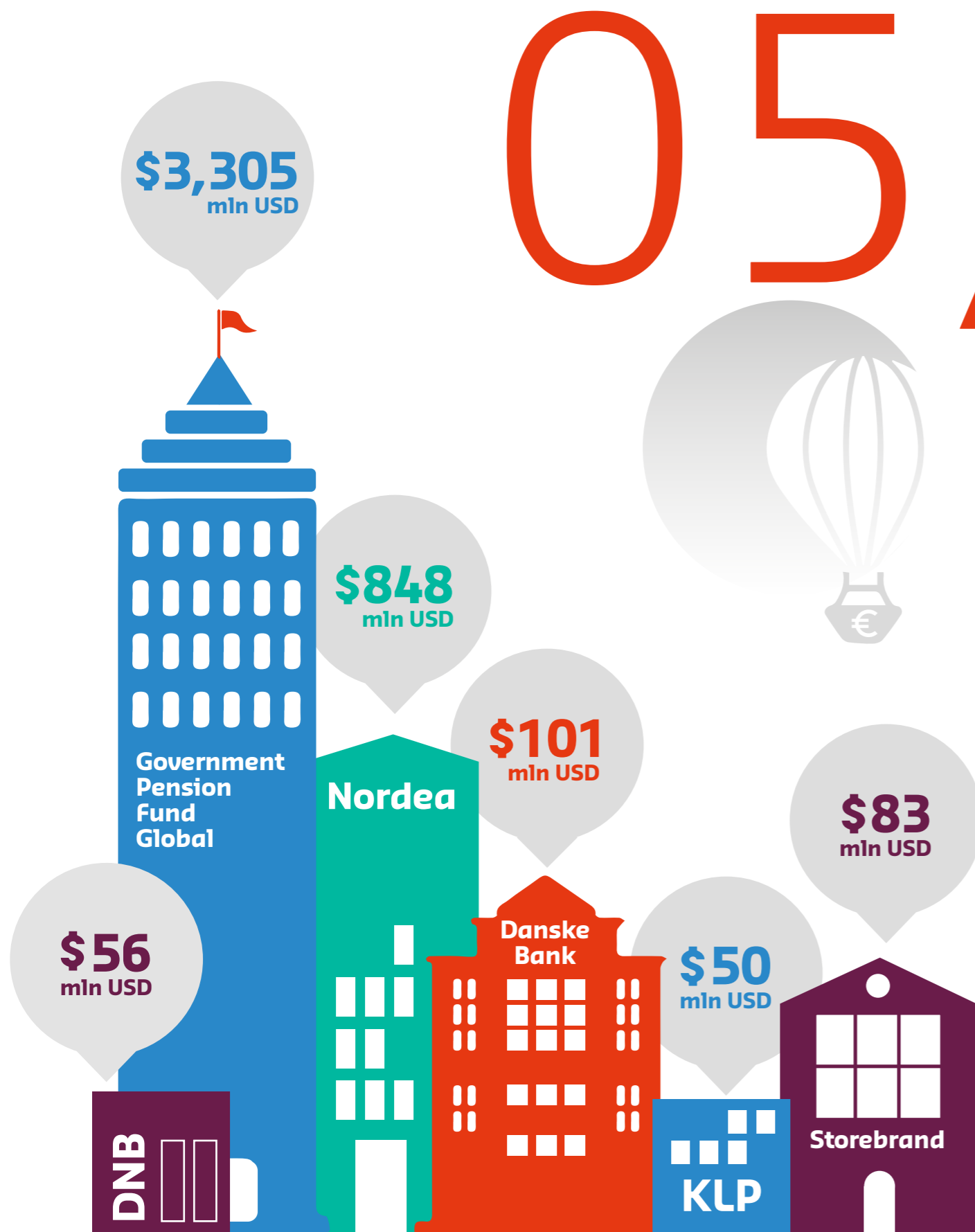
Table 22

Overview of DZ Bank financing in the selected companies (USD mln)

DZ Bank	Bondholding	Shareholding	Underwriting
Vinci		495	
Bouygues	0*	40	
PORR			28
Larsen & Toubro		21	
Qatari Government	17		
Accor	2	8	
Marriott	1		
Hilton	1		
Total	22	563	28

* The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022



The responses of financial institutions active in Norway

This chapter presents the results of a survey sent to six financial institutions with strong commercial presence in Norway to assess their engagement activities with the selected companies from the construction (see section 1.2) and hospitality (see section 2.2) sectors. Main findings are presented in section 5.1, then, for each financial institution (section 5.2 to section 5.7), an overview is provided that includes a company profile, an overview of the financial relationships (financing and investments) with the selected companies, and the scores it has received in this case study, including justifications. For detailed explanations about the methodology used to assess the selected financial institutions see Appendix 1.

5.1 Main findings

The findings of the financial research and survey assessments are consolidated in Table 23. The six financial institutions active in Norway currently have invested almost USD 4.4 billion in shares and bonds of the selected companies. The financial research shows that none of the

financial institutions have been involved in providing loans or underwriting services for corporate and Qatar related activities for the selected companies. All the six financial institutions provided feedback on the survey sent by Fair Finance Norway (see Appendix 1) about their

Table 23
Scores and financing of selected financial institutions active in Norway (/10)

Financial institution	Score survey	Investments (USD mIn)
KLP	4.9	50
Nordea	4.5	848
DNB	3.8	56
Government Pension Fund Global	3.2	3,305
Danske Bank	1.9	101
Storebrand	1.8	83
Total		4,442

engagement activities with the selected companies. The level of detail provided by the financial institutions varies. KLP, Nordea and DNB provided more details about the modalities and content of the dialogues with companies under the scope of this research, although none of the financial institutions shared engagement reports, or internal documents describing the engagement targets, interactions and milestones achieved as part of their individual engagement trajectories.

Overall, on a scale from 0 to 10, the six selected financial institutions active in Norway scored from 1.8 (Storebrand) to 4.9 (KLP).

While none of the financial institutions have developed sector-specific policies for the hospitality and construction sectors, all assessed investors have adopted human rights policies in which they clarify their expectations in relation to human rights and labour rights applicable to all industries in which they invest. For all financial institutions but Danske Bank, the policies address expectations for companies, their suppliers and subcontractors. Overall, all the policies of the six financial institutions refer to recognised international standards such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the UNGPs and the ILO core conventions. In addition, most of the policies explicitly address relevant topics for this study including health and safety of workers, workers' right to form a representative workers' organization, prohibition of forced labour and child labour and grievance mechanisms for workers.

Only two financial institutions (Danske Bank and DNB Asset Management) explicitly mention migrant workers in formulating their expectations for companies regarding equal treatment and working conditions. As a good practice, DNB Group's human rights policy requires companies to ensure fair recruitment practices and refers to the ILO General principles and operational guidelines for fair recruitment

and definition of recruitment fees and related costs¹³⁸. None of the financial institutions includes in its policy a requirement for companies and their suppliers/subcontractors to pay wages directly to workers, regularly, without delay, and without deductions not required by law, even though these are all recurring issues faced by many migrant workers in Qatar.¹³⁹

Four of the six financial institutions (Danske Bank, DNB, KLP and Nordea) have engaged with at least one of the selected companies from the construction sector. Two financial institutions (KLP and Nordea) have engaged with a least one of the selected companies from the hospitality sector. Among the selected companies, Vinci was the most engaged with.

Although it is not possible to state that the Government Pension Fund Global has formally engaged with the selected companies, the Council on Ethics, which is in charge of evaluating whether or not the Fund's investment in specified companies is inconsistent with its Ethical Guidelines, has conducted in-depth investigations on the recruitment of migrant workers to companies in the Gulf states. Specifically, the investigations focused on the use of recruitment fees, misleading contractual terms and conditions, and restrictions on workers' freedom of movement. These investigations started with a focus on the construction sector in Qatar, before expanding to the service sectors in Qatar and United Arab Emirates. In its feedback to the survey, the Council of Ethics reported it also investigated the hospitality industry in Qatar in 2018 but did not find any evidence of forced labour.

Consequently, the sector was not prioritized for engagement (*for more details see section 5.4*). Overall, information shared by the financial institutions related to the topics, goals, timeline of the engagement and milestones achieved by the companies remains very limited. This explains why all the scores are below 5 out of 10. Storebrand scores the lowest, because the

As a good practice, DNB Group's human rights policy requires companies to ensure fair recruitment practices and refers to the ILO General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs

investor reported that although it has engaged on the topic of forced labour with other companies in different geographical areas where it has a higher exposure, it did not engage with any of the selected companies about their activities in Qatar. Storebrand explains this decision mainly by the fact that its ESG data provider did not qualify the severity of human rights controversies associated with the selected companies as high enough to trigger any engagement or exclusion process.

The highest scores are achieved by KLP and Nordea. The two financial institutions shared internal information pertaining to companies from both sectors. Regarding the construction sector, they both engaged with Vinci to discuss the situation faced by migrant workers in Qatar. As for the hospitality sector, KLP explained that following the publication of a report by the Business and Human Rights Resource Centre which unveiled serious human rights abuses on migrant workers in Qatar, it contacted all the major hotel chains mentioned in the report to question them about their labour rights policies and due diligence processes. As for Nordea, the financial institution reports it has engaged with Hilton on its human rights due diligence in high-risk countries.

Overall, the lack of public information disclosed by the financial institution about their efforts to tackle labour rights abuses faced by migrant

No questions asked: Profiting from the construction and hotel boom in Qatar

workers in the hospitality and construction industries in Qatar is striking. None of the financial institutions reports publicly about the outcome of its engagement activities related to human rights abuses in Qatar, but it has to be noted that the Council on Ethics for the Government Pension Fund Global regularly publishes its recommendations regarding companies' exclusion from the Fund's portfolio. For example, in 2019, G4S, a British security company was excluded from the Fund because the Council's investigations show that workers paid illegal recruitment fees to work for the company in Qatar and the United Arab Emirates, and that workers took out loans in their home country to be able to pay the fees.¹⁴⁰ KLP also briefly mentions in its annual report 2021 that it contacted the major hotel chains in part because the hotel industry in Qatar has experienced tremendous growth and refurbishment towards the World Cup, however the pension fund does not report publicly on the outcomes of this engagement.¹⁴¹

No financial Institutions were able to share evidence that they have tried to use their influence to enable access to remedy for victims of harm in Qatar as part of their engagement with the selected companies.

The following sections provide more details for each financial institution assessed.

5.2 Danske Bank

5.2.1 Profile

Danske Bank is a Nordic banking group, servicing private and corporate customers with banking, lending, savings, investment, and insurance services. The bank employs 21,663 people and has commercial presence in 8 countries including Norway. It serves 3.3 million private and business customers and more than 2,000 large business customers and institutional customers.¹⁴²

5.2.2 Financial relationships with selected companies

As per the latest filings, Danske Bank held shares with a total value of USD 45 million in 12 of the selected companies and Qatari Sovereign bonds with a total value of USD 56 million (*see Table 24*). Between 2019 and April 2022, no

loans and underwriting services for corporate and Qatar related activities have been identified for the selected companies.

5.2.3 Assessment and score overview

Danske Bank achieved a score of 1.9 out of 10. Within the scope of this research, Danske Bank had investments in twelve of the selected companies from the hospitality and construction sectors.

The financial institution has adopted a human rights position statement and modern slavery position statement applicable to all its lending and investment activities. In these position statements, the financial institution expects companies to follow internationally recognised standards such as the OECD Guidelines for Multinational Enterprises, the UN Guiding

Table 24

Overview of Danske Bank's share- and bondholdings in the selected companies and Qatari Government (USD mln)

Danske Bank	Bondholding	Shareholding	Grand Total
Qatari Government	56		56
Vinci		15	15
Marriott		13	13
Hilton		9	9
Bouygues		3	3
Accor		1	1
City Developments		1	1
InterContinental		1	1
Hyundai Engineering & Construction		0*	0*
Hyatt		0*	0*
Webuild		0*	0*
China Railway Construction Corp		0*	0*
PORR		0*	0*
Total	56	45	101

* The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

Principles on Business and Human Rights, and the ILO Declaration of Fundamental Principles of Rights at Work. In addition, most of the relevant topics assessed in the survey are addressed in these policies including a clear expectation from clients and investees to "ensure equal treatment and working conditions for all employees, including women and migrant workers". However, the policies do not refer explicitly to the suppliers or subcontractors of Danske Bank's clients/investees.

The financial institution has adopted a human rights position statement and modern slavery position statement applicable to all its lending and investment activities

Danske Bank has established processes for screening and identifying companies that are involved in significant sustainability-related controversies or that lack appropriate governance of sustainability-related risks. This process specifically includes screening for potential violations of ILO conventions and breaches related to human rights and forced labour. Controversy screening is based on data from multiple specialised ESG vendors, NGOs, media, asset owners, and its own sustainability

analysts. Where companies are identified as being involved in activity that does not meet the expectations included in its position statements, Danske Bank explains that it may choose to exclude the company.

Among the selected companies, Danske Bank reported it engaged with one company from the construction sector, namely Vinci SA on labour rights. The financial institution reported it had a one-to-one meeting with the company to discuss human rights and community relations. However, no further information related to the goals, timeline or milestones achieved as part of this engagement has been shared by the financial institution. Danske Bank does not report publicly about the effectiveness of its engagement activities related to human rights abuses in Qatar.

Danske Bank does not share evidence that it has integrated stakeholders' concerns about human rights abuses occurring in Qatar in its due diligence on the selected companies in which it invests in (*see Table 24*). Finally, Danske Bank reports that, as regards human rights abuses in Qatar, it has not tried to use its leverage to influence investees and/or clients to enable remediation of victims.

5.3 DNB

5.3.1 Profile

DNB is Norway's largest financial services group and one of the largest in the Nordic region in terms of market capitalisation. It offers a full range of financial services, including loans, savings, advisory services, insurance and pension products for retail and corporate customers. It is partially owned by the Norwegian Government. DNB Group is the Norwegian's largest asset management company with 566,856 mutual fund customers in Norway and 409 institutional clients in Norway and Sweden.¹⁴³ With USD 82 billion (NOK 865 billion) of assets under management as of the last quarter 2021, DNB Asset Management is the main subsidiary of the group involved in asset management.¹⁴⁴

5.3.2 Financial relationships with selected companies

As per latest filings, DNB held shares with a total value of USD 53 million and bonds with a total value of USD 3 million in ten of the selected companies for this research (*see Table 25*). No loans and underwriting services for corporate and Qatar related activities have been identified for the selected companies. Consequently, the survey has been sent to DNB Asset Management (DNB AM), and reflects the views of DNB AM only.

5.3.3 Assessment and score overview

DNB achieved a score of 3.8 out of 10. Within the scope of this research, DNB had investments in ten of the selected companies from the hospitality and construction sectors. DNB has developed policies and expectation documents that address human and labour rights and are applicable to all sectors. These include the DNB Standard for Responsible Investments and the expectations document on human rights, which also covers labour rights. DNB's engagement with companies and the exercise of DNB's ownership rights are based on the OECD Guidelines for Multinational Enterprises and on the UN Global Compact and

should be consistent with UNGPs. DNB expects companies to "understand their responsibility and risks regarding the social consequences of their business operations, including their supply chain and contracts with subcontractors by carrying out due diligence and be compliant with international norms and standards."¹⁴⁵

Most of the relevant topics assessed in the survey are covered in DNB's human rights policy including an explicit expectation that "companies should ensure equal treatment and working conditions for migrant workers". In addition, DNB is the only financial institution out of the six financial institutions assessed which requires companies to ensure fair recruitment practices and refers to the ILO General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs.

DNB's investment universe, funds and portfolios investments are regularly screened on social, environmental, and ethical criteria based on internationally recognised guidelines and principles (such as UN Global Compact, recommendations from government, or the OECD Principles for Multinational Enterprise). The responsible investment team provides input and recommendations to guide the investment decision. In addition, DNB provided examples of controversy screening for two companies (one from the hospitality sector, one from the construction sector).

DNB reports that it has engaged with various companies assessed in this report on labour rights and human rights, including Accor (human rights), Vinci (labour rights), Marriott (labour rights) and Hyundai (labour rights) together with other investors through its external engagement consultant. However, engagement related to the operations of these companies in Qatar was only conducted with the construction groups Vinci and Hyundai Engineering & Construction Co. Consequently, no score was given for the hospitality sector. In

addition, DNB explained that based on data from two external ESG providers, no controversies seem to pertain to Accor in Qatar. Apparently the ESG providers were not aware of the problems related to Accor mentioned in [chapter 2.2.5](#).

DNB provided engagement details for two construction companies (Vinci and Hyundai Engineering & Construction Co., Ltd) including information about the topics, features of the engagement, timeline and milestones achieved. The engagement with Vinci was carried out between 2015 and 2017, and was initiated due to a Qatari joint venture known to have committed several labour rights violations in Qatar, of which Vinci held 49 percent. The engagement consisted of online interactions, conference calls and one in-person meeting. The engagement goal was to guide and support victims of economic crimes after the Qatari joint venture 49 percent owned by Vinci was accused of committing several

labour rights violations in Qatar. However, it is not clear if as a result of this engagement, victims and or their families were compensated.

Regarding Hyundai, the engagement took place in 2013 following concerns about the treatment of migrant workers employed by a subcontractor at their construction sites in Qatar. DNB reported that in March 2013, the company assumed responsibility for the activities of its subcontractors and began taking steps to guarantee that its subcontractors complied with applicable laws, international standards, and the company's fundamental principles. DNB explained that the case was closed after various interactions once the company's sustainability report detailed its pledge to firmly ban forced labour and its attempts to build a human rights protection framework to avoid discrimination on its locations. Hyundai also strengthened its subcontractor monitoring systems to be able to better mitigate risks and manage

Table 25
Overview of DNB's share- and bondholdings in the selected companies and Qatari Government (USD mln)

DNB	Bondholding	Shareholding	Grand Total
Accor		21	21
Vinci		12	12
Marriott		8	8
Hilton		7	7
Hyatt	3		3
Bouygues		2	2
InterContinental		2	2
City Developments		0*	0*
Minor Hotels		0*	0*
Hyundai Engineering & Construction		0*	0*
Total	3	53	56

* The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

future violations. DNB also claimed that since Amnesty's report was released in November 2013, no other news that would connect Hyundai or any of its subcontractors with human rights abuses were identified in Qatar. DNB does not report publicly about the effectiveness of its engagement activities related to human rights abuses in Qatar.

DNB's feedback to the survey shows that it has integrated stakeholders' concerns during the due diligence on the selected companies in the identification and assessment of adverse human rights impacts (screening). Indeed, both the decisions to engage with Vinci and Hyundai were initiated following concerns raised by NGOs, respectively Sherpa and Amnesty International denouncing human rights violations occurring in Qatar. DNB mentions that other sources of information were used to get various perspectives on the two cases. However, it does not seem that stakeholders were involved in the engagement process to define engagement goals with the companies.

No evidence was found that DNB has tried (alone or collectively with other financial institutions) to use its leverage to influence investees to ensure access to remedy to the victims.

5.4 Government Pension Fund Global (Oil Fund)

5.4.1 Profile

The Government Pension Fund Global, commonly known as the "Oil Fund" was set up to shield the economy from ups and downs in oil revenue. It also serves as a financial reserve and as a long-term savings plan so that both current and future generations get to benefit from Norwegian oil wealth. The fund is one of the world's largest funds, owning almost 1.5 percent of all shares in the world's listed companies, meaning it has holdings in more than 9,000 companies worldwide.¹⁴⁶ Norges Bank Investment Management (NBIM) is responsible for managing the Government Pension Fund Global and was contacted to answer the survey.

5.4.2 Financial relationships with selected companies

As per the latest filings, the Government Pension Fund Global held shares with a total value of USD 3,230 million and/or bonds with a total value of USD 75 million in thirteen of the selected companies for this research. Among those companies, the Oil Fund's largest financial exposure is on Vinci, with more than USD 1,222 million invested, mainly in equities.

No loans and underwriting services for corporate and Qatar-related activities have been identified for the selected companies.

5.4.3 Assessment and score overview

The Government Pension Fund Global achieved a score of 3.2 out of 10. Within the scope of this research, the Fund had investments in thirteen of the selected companies from the hospitality and construction sectors (*see Table 26*).

NBIM is responsible for managing the Government Pension Fund Global and has adopted several policies guiding its approach to responsible investment, including expectations documents on sustainability topics where it outlines its expectations of investee companies. NBIM's human rights expectations document¹⁴⁷ spells out its expectations of companies related to respect for human rights and labour rights, including in their supply chains and other business. Among other requirements, NBIM expects companies to have policies and systems that cover the rights included in the International Bill of Rights and the ILO core conventions, as a minimum. This includes a clear expectation that companies should assess and manage the risk of poor working conditions, including forced/bonded labour, in their own operations and value chain.

While NBIM does not publish sector-specific expectations, its expectations document point to the need for all companies, particularly those in high-risk sectors, to adopt strategies and policies appropriate to their sector and operational context and to disclose information

at an appropriate level of detail with regard to their activities in high-risk sectors, operational environments, and geographical areas. In addition, the human rights policy covers most of the relevant topics assessed in the survey. NBIM also recently published a policy on Human Capital¹⁴⁸ which requires companies to "have a proactive and structured approach to promoting diversity, equity and inclusion across their workforce and, where relevant, their supply chain" [...], to "have a zero-tolerance policy against all forms of discrimination, violence and harassment and implement appropriate training programmes and reporting mechanisms as well as clear policies against retaliation" and to "ensure that workers are paid fair wages or compensation, sufficient to sustain a decent standard of living".

While the topics of illegal recruitment fees, contract deception, and restrictions on movement are not addressed specifically in

the policies of NBIM, they are part of the topics monitored by the Council on Ethics (CoE). This is done as part of its implementation of the the Fund's ethical guidelines as evidenced in its public recommendations on the observation or exclusion of companies in accordance with the Fund's Ethical Guidelines¹⁴⁹.

Indeed, the independent CoE is charged with making recommendations to NBIM in accordance with criteria set out in the Guidelines for observation and exclusion of companies from the Fund. The criteria for observation and exclusion include situations where there is an unacceptable risk that a company contributes to or is responsible for serious or systematic human rights violations. The CoE structures its investigations around specific themes, sectors and/or geographic regions.

In this regard, the CoE has highlighted in its annual reports (since 2016) a sustained focus on the theme of migrant workers and forced

Table 26
Overview of Government Pension Fund Global's share- and bondholdings in the selected companies (USD mln)

Government Pension Fund Global	Bondholding	Shareholding	Grand Total
Vinci	28	1,195	1,222
Marriott	48	460	508
Hilton		430	430
Larsen & Toubro		370	370
InterContinental		257	257
Bouygues		239	239
Accor		122	122
City Developments		46	46
Hyundai Engineering & Construction		42	42
Minor Hotels		31	31
Hyatt		22	22
Webuild		12	12
PORR		5	5
Total	75	3,231	3,305

Sources: Pension fund disclosure (February 2022)

labour in the Gulf States, including Qatar. The CoE reported that, in its investigations, it attached particular importance to the use of illegal recruitment fees, misleading employment contract terms and salaries, as well as restrictions on the workers' freedom of movement.¹⁵⁰ The investigations focused mainly on the workers' situation in companies in the construction industry and service sector in Qatar and the UAE. In its Annual Report 2017, CoE reported that "since the project's commencement in the autumn of 2016, nine companies from the construction industry and service sector have been investigated", however the companies' names are not published.¹⁵¹

The investigations focused mainly on the workers' situation in companies in the construction industry and service sector in Qatar and the UAE

NBIM reported that in 2018, the Council on Ethics commissioned a first scoping into companies in the hotel industry in Qatar. The aim of the scoping was to find out whether this industry in Qatar represents a particular risk for serious human rights violations and indicate the companies in the Fund that might be involved in such serious or systematic human rights violations. Among the hotels included in the investigation were Hilton, InterContinental, Accor, Hyatt and Marriott. Twenty workers were interviewed. NBIM explained that the study did not find indications of forced labour, and the Council therefore decided not to prioritize this sector further at that time. In its response to the survey for this report, NBIM reported that topics including decent working and living conditions, health and safety, representation, access to grievance mechanisms and human rights due diligence have been discussed with investee companies in relation to their operations in

Qatar. However, NBIM stated that they could not provide details on the engagement with specific companies or documentation related to their research. Specific information at company level is publicly disclosed only when the CoE recommends an exclusion from the Fund.

While it is not part of the scope of this research which focused on the construction and hospitality sector, it is interesting to note that in 2019, the CoE recommended that G4S, a British security services company, be excluded from the Government Pension Fund Global (GPF) because of an unacceptable risk of the company contributing to systematic human rights violations. More precisely, the investigation showed that workers had to pay illegal recruitment fees, and to take out loans in their home country to be able to pay the fees, and that the G4S was not paying agreed wages, nor overtime.¹⁵²

NBIM also explained that as part of its work on migrant workers in the Gulf, the CoE has met with a number of international human rights organisations, including Amnesty International. In addition, it has commissioned various reports from human rights consultancies, and regularly engages with other experts in the field.

The lack of transparency about the content of engagement (goals, timeline, milestones achieved) with investee companies selected for this research negatively impacted the score of the Government Pension Fund Global. While it is clear that the Government Pension Fund Global integrated stakeholders' concerns in its screening process, it was not possible, based on the information shared by NBIM, to conclude that it has been integrating stakeholders concerns to formulate engagement goals, and monitor the relevant investees' progress.

No evidence was found that the Government Pension Fund Global has tried (alone or collectively with other FIs) to use its leverage to influence investees to ensure access to remedy to the victims.

5.5 KLP

5.5.1 Profile

KLP is primarily a pension fund, providing pensions for the Norwegian local government and health care sector, but also providing banking, lending, savings, investment and insurance services. KLP had total assets of more than USD 85 billion (NOK 900 billion) at the beginning of 2021.¹⁵³

5.5.2 Financial relationships with selected companies

As per the latest filings, KLP holds shares with a total value of USD 49 million and/or bonds with a total value of USD 1 million in eleven of the selected companies for this research (see Table 27). Among those companies, KLP's largest financial exposure is on Vinci, with USD 15 million invested, mainly in equities. Of note, KLP has holdings in Qatari sovereign bonds for an undisclosed amount.

No loans and underwriting services for corporate and Qatar-related activities have been identified for the selected companies.

5.5.3 Assessment and score overview

KLP achieved a score of 4.9 out of 10, the highest score among the six Norwegian financial institutions assessed. Within the scope of this research, KLP had investments in eleven of the selected companies from the hospitality and construction sectors.

KLP has not developed a specific sector policy for the construction and hospitality sectors but has defined its expectations in a general policy¹⁵⁴ applicable to all investees. This policy includes expectations addressed to companies about human rights and labour rights issues, such as a requirement for companies to abide by the International Bill of Human Rights, the UN Convention on the Rights of the Child and the ILO's Core Conventions, the requirement

Table 27

Overview of KLP's share- and bondholdings in the selected companies (USD mln)

KLP	Bondholding	Shareholding	Grand Total
Vinci	1	14	15
Marriott		12	12
Hilton		12	12
InterContinental		4	4
Bouygues		3	3
Accor		2	2
Hyatt		1	1
Hyundai Engineering & Construction		1	1
City Developments		1	1
Webuild		0*	0*
PORR		0*	0*
Qatari Government	n.d.		
Total	1	49	50

*The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), pension fund disclosures.

to ensure decent working conditions, and the companies' responsibility for ensuring human rights are respected not only in their own organisations, but throughout their entire supply chain. While the topics of recruitment process, illegal recruitment fees, and wages are not explicitly addressed in its policy, KLP reports in its feedback that they have been following up on both construction and hospitality sectors through dialogue with companies.

With the support of external research providers, KLP investigates on an ongoing basis if companies, their subsidiaries and/or joint ventures have been involved in human rights controversies (track-record). KLP seeks to apply a consistent and principled approach to all of its exclusion decisions. To ensure that it handles similar cases consistently, KLP always takes into account previous divestment decisions, as well as recommendations on exclusion from the Council on Ethics for the Government Pension Fund Global (*see section 5.4*). KLP makes exclusion decisions based on whether there is an unacceptable risk for ongoing or future violations, not on past violations alone. As regards the topic of labour rights in Qatar, KLP reports it has been focusing on the rights

KLP makes exclusion decisions based on whether there is an unacceptable risk for ongoing or future violations, not on past violations alone

of migrant workers in the Middle East for many years, due to the risks associated with violations of labour rights. The pension fund reports it engaged with several companies about various forms of forced labour that can be found in their operations and their value chains. Of note, in November 2019, KLP excluded G4S, the British security services companies for its

violation of labour rights in Qatar, following the recommendations of the Council of Ethics.

In 2021, KLP reports it has contacted the major hotel chains in part because the hotel industry in Qatar has experienced tremendous growth and refurbishment towards the World Cup.¹⁵⁵ KLP explains that among other sources, it used the findings of the Checked out report¹⁵⁶ published by Business & Human Rights Resources Centre (BHRRC), to see where the big risks are. KLP contacted all companies mentioned in the report (a total of 18 companies which cover all the hospitality companies in *Table 27*) and requested more information about the hotel chains' practices and guidelines. Companies were asked various questions related to their due diligence processes, workers' freedom of movement, systems in place to ensure recruitment fees and related costs are not borne by the workers, policies to protect migrant workers, transparency about the hotel chains supply chain, transparency about their grievance mechanism. This also included the topic of the safety of female workers (whether directly employed, or employed by a subcontractor or service provider).

Only five companies responded to KLP's inquiry sharing information about their policies, including two of the selected companies for this research: Accor and Marriot. KLP explains that it will continue to follow up the relevant companies in Qatar, focusing on the rights of migrant workers in the Gulf states in general. However, it is not clear if time-bound engagement targets have been defined with each company. When questioned about the milestones achieved by the companies engaged, KLP refers to the main findings of the report published in July 2022 by the Business & Human Rights Resource Center¹⁵⁷, such as the fact that some hospitality groups have started to publish the names of their recruitment agency or labour supplier, and increased direct engagement with workers to uncover fee payment. However, the extent to which KLP played a role in the achievement

Only five companies responded to KLP's inquiry sharing information about their policies, including two of the selected companies for this research

of such improvements is not clear and was not explained by KLP when we raised the question.

As regards the construction sector, KLP reports it met with Vinci in 2016 and 2019, to discuss migrant workers in Qatar. KLP indicated that in 2016, the dialogue with Vinci was through a joint effort with Amnesty International, PGGM Netherlands, Folksam Sweden, and GES Denmark. Topics discussed with the company included: recruitment practices, transparency of the payroll systems, monitoring of suppliers and subcontractors, identification and acknowledgement of human rights incidents, and workers access their passport. As with the hospitality companies, it is not clear if time-bound engagement targets have been defined with Vinci. In addition, when questioned about the milestones achieved by Vinci, KLP only indicated that it is 'following up to see what progress has been made'.

KLP explains it works systematically and actively with different stakeholders through the different stages of the due diligence process. For instance, as part of its engagement with the hospitality industry, KLP has worked closely with NGOs and other stakeholders to identify the human rights impacts, engagement goals.

KLP has not shared evidence that it tried (alone or collectively with other stakeholders) to use its leverage to influence investees to enable remediation. However, the financial institution indicated that it will use the recommendations¹⁵⁸ from the Business & Human Rights Resources Centre report on the hospitality sector in its future dialogue with the companies either

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as part of their own engagement or part of a multistakeholder engagement. Among the recommendations included in this report, BHRCC advocates for a commitment from hotel brands to provide remediation by ensuring that:

- "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."¹⁵⁹

5.6 Nordea

5.6.1 Profile

Nordea is the Nordic region's largest bank and one of the ten largest financial institutions in Europe. The financial institution divides its operations into four main business areas: Personal Banking, Commercial and Business Banking, Wholesale Banking and Asset & Wealth Management. The bank is headquartered in Helsinki, Finland. As of December 2021, Nordea had USD 407.6 billion of assets under management.¹⁶⁰

5.6.2 Financial relationships with selected companies

As per latest filings, Nordea holds shares with a total value of USD 782 million in seven of the selected companies and bonds with a total value of USD 65 million in the State of Qatar (*see Table 28*). Among those companies, Nordea's largest financial exposure is on Vinci and Hilton, with respectively USD 520 million and USD 233 million invested, mainly in equities. No loans and underwriting services for corporate and Qatar related activities have been identified for the selected companies, consequently the survey reflects the responses of Nordea Asset Management (NAM) only.

5.6.3 Assessment and score overview

Nordea achieved a score of 4.5 out of 10, the second-best score among the six financial institutions assessed. Within the scope of this research, Nordea had investments in seven of the selected companies from the hospitality and construction sectors.

Nordea has not developed a specific sector policy for the construction and hospitality sectors but has adopted a Responsible Investment policy¹⁶¹ covering all sectors in which it invests. The financial institution expects companies to comply with internationally recognised human rights principles and to prevent and manage their impact on human rights. Human rights-related issues include various topics covered by this research including human rights abuses, modern

slavery, fair living wage, occupational safety and health, freedom of association and collective bargaining. However, the policy does not tackle explicitly the conditions of migrant workers and does not mention the topic of illegal recruitment fees or related costs to be borne by workers or jobseekers neither expects companies and their suppliers to pay wages directly to workers, regularly, without delay and without deductions not required by law. Nordea's expectations defined in its Responsible Investment policy apply both to the investee companies themselves and to their supply chains.

All of Nordea's holdings are screened by an external service provider for human rights violations on a continuous basis. Nordea reports it has engaged with two of the selected companies, Vinci and Hilton, which are also the two companies (under the scope of this research) in which Nordea has the largest exposure.

As regard Vinci, Nordea reports in the survey that it has engaged with the company since 2017. The financial institution explains the engagement has been carried out through voting, mail correspondence and conference calls. However, no evidence of human rights-related resolution regarding Vinci has been found in Nordea public database of voting history.¹⁶²

The main topic of engagement has been connected to the complaints filed by the French NGO Sherpa (in 2015 and 2018), for the offenses of forced labour, reduction in servitude, and concealment against Vinci Construction Grands Projets (VCGP) and its Qatar joint-venture (QDVC), committed against migrants employed on their World 2022 construction sites in Qatar.¹⁶³ Nordea explained in the survey that the general goals of the engagement are:

- To ensure that the company expands the lessons learned from the ILO pilot programme to other countries;
- To ensure that the current defamation case against the NGO is not considered a SLAPP lawsuit;

- To strengthen the company's global labour rights policy.

However, no further details are provided about the specific requests made to the company. Since the start of the engagement, Nordea reports it has seen the company strengthening its labour rights policy. However, the financial institution acknowledged there is still room for improvement regarding the company's policies and practices on illegal recruitment fees, working hours, workers representation, grievance mechanisms.

As regard the engagement with Hilton, Nordea indicated that the main goal of the engagement was to strengthen the company's human rights due diligence in high-risk countries and global labour rights policy. Nordea indicated that the engagement was conducted through voting and mail correspondence, although it is not clear from Nordea public database of voting history if and when human rights issues have been discussed with the company. In term of milestones achieved, Nordea indicated that Hilton has contributed to and implemented a

new guidance tool supporting fair recruitment and employment in the Qatari hospitality sector developed by the ILO.

Nordea does not report publicly about the effectiveness of its engagement activities related to human rights abuses in Qatar.

To the question "how Nordea Integrates stakeholders' concerns during the due diligence on the selected companies?", the financial institution reported that it uses relevant reports from stakeholder when preparing, conducting its engagements or setting its engagement goals. In relation to the labour rights situation in Qatar, Nordea explained it has been tracking reports from organizations like Amnesty International, Human Rights Watch and the International Trade Union Confederation. Reports from the ILO have been used as well to monitor progress made at legislative level.

No evidence was found that NAM has tried (alone or collectively with other FIs) to use its leverage to influence investees to ensure access to remedy to the victims.

Table 28
Overview of Nordea's share- and bondholdings in the selected companies (USD mln)

Nordea	Bondholding	Shareholding	Grand Total
Vinci	3	517	520
Hilton		233	233
Qatari Government	65		65
Bouygues		25	25
Marriott	0	5	5
InterContinental		2	2
Accor		0*	0*
City Developments		0*	0*
Total	68	782	848

* The table reports rounded values, which explains why for some companies the value indicated is zero, which corresponds to investments lower than USD 0.5 million.

Sources: Refinitiv (2022, April), Bloomberg (2022, April), includes identified financing deals dated between Jan 2019 and April 2022

5.7 Storebrand

5.7.1 Profile

The Storebrand Group is a leading player in the Nordic market for long-term savings and insurance. Storebrand offers pension, savings, insurance and banking products to private individuals, businesses and public enterprises. It manages almost USD 95 billion (NOK 1000 billion), making Storebrand Norway's largest asset manager.¹⁶⁴ Storebrand is headquartered in Lysaker, Norway.

5.7.2 Financial relationships with selected companies

As per latest filings, Storebrand holds shares with a total value of USD 79 million and/or bonds with a total value of USD 4 million in eight of the selected companies (see Table 29). Among those companies, Storebrand's largest financial exposure is on Vinci and Hilton, with respectively USD 34 million and USD 21 million invested, mainly in equities.

5.7.3 Assessment and score overview

Storebrand achieved a score of 1.8 out of 10, the lowest score among the six financial institutions assessed.

Like the other financial institutions evaluated, Storebrand has not developed specific sector policies for the construction and hospitality sectors, however expectations to all industries

in relation to human rights are outlined in two main documents: the *Analysis criterion on human rights*¹⁶⁵ and the *Storebrand Asset Management Human Rights Due Diligence*¹⁶⁶. About companies' suppliers, contractors and subcontractors the policy states that: "in addition to controlling their own business conduct and the impact of their products, corporations often have some degree of influence over their suppliers, contractors, subcontractors, and other business partners. Corporations should use this opportunity to insist that these stakeholders also meet human rights standards and, if possible, include these requirements in their contracts with suppliers and sub-contractors. The prevailing trend of moving supply chains and outsourcing business units to developing economies further increases the importance of imposing such requirements on suppliers".

Storebrand's human rights policy covers most of the topics at stake in this research including (but not limited to) health and safety, freedom of association, right to organize and collective bargaining, prohibition of forced labour and worst form of child labour and decent working conditions. However, the policy could improve further by addressing explicitly the conditions of migrant workers, and requiring a zero-tolerance to recruitment fees or related costs to be borne by workers or jobseekers.

Storebrand reports that, with the support of ESG data providers, it assesses companies, their subsidiaries and business partners for involvement in violations of human rights. Storebrand's internal process for review and consideration of companies for exclusion and engagement depends on information from its data information providers related to the date of the controversies (the controversy should not be outdated) and its severity.

In its feedback to the survey, Storebrand explains that although it has engaged extensively on the topic of forced labour with other companies in different geographical areas where it has a larger financial exposure, it did not engage with any of the selected companies about their activities in Qatar. Storebrand recognized that the construction and hospitality sectors in Qatar are both facing some forced labour and poor labour working conditions issues but explains its decision to not prioritize the selected companies for engagement by two main reasons. The first one is that according to Storebrand "of all the companies identified by this research only one

appears to have any links to the FIFA World Cup 2022"¹⁶⁷. The second reason is that its ESG data providers did not qualify the severity of human rights controversies associated with the selected companies as high enough to trigger any engagement or exclusion process.

For the hospitality sector Storebrand explains that "given the lack of information linking hospitality companies to poor labour conditions and this being captured by information providers it is challenging for us as an asset manager to pursue and prioritise amongst our 4000 + investments and regular screening that identifies potentially more serious and more closely linked violations to companies that we are invested in".¹⁶⁸

The fact that Storebrand did not engage with any of the construction and hospitality companies under the scope of this study explained why it achieved the lower score among financial institutions assessed in this chapter.

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Table 29
Overview of Storebrand's share- and bondholdings in the selected companies (USD mln)

Storebrand	Bondholding	Shareholding	Grand Total
Vinci	4	30	34
Hilton		21	21
Marriott		11	11
Bouygues		8	8
Accor		4	4
City Developments		3	3
InterContinental		1	1
Hyundai Engineering & Construction		1	1
Total	4	79	83

Sources: Refinitiv (2022, April), pension fund disclosures.

Recommendations

Based on the findings of this research project, recommendations are made by Fair Finance International to the eleven financial institutions assessed, and more generally to financial institutions financing and/or investing in companies from the construction and hospitality sectors which are active in Qatar, and to the European Union.



6.1 Recommendations to financial institutions

Financial institutions with financing or investments in construction and hospitality companies active in Qatar, and more generally in the Gulf States, are given the following recommendations to better manage and address the human rights risks linked to their business relationships.

1. Pay special attention to the specific challenges that may be faced by migrant workers in your human rights policies and due diligence processes

When formulating their expectations about human rights and labour rights to the companies they lend to and invest in, financial institutions should require companies to be compliant with international norms and standard such as the ILO conventions and the UNGPs. This should also consider equal treatment and working conditions for all employees, including individuals belonging to specific groups or populations that require particular attention such as migrant workers, in line with the UNGPs. The policy should apply to companies themselves and to their suppliers and contractors.

Financial institutions should also recognise that some sectors/geographical areas are more prone to human rights risks and address

those risks in sector-specific policies. In particular, when dealing with companies from the hospitality and construction sectors active in high-risk countries from a labour' rights perspective, such as Qatar, financial institutions should ensure as part of their due diligence, that companies fully comply with Qatari law and international labour standards. This includes respecting the terms and conditions guaranteed to workers in their contracts, maximum working hours, the payment of workers on time, overtime pay, provision of decent accommodation, protection of workers' health and safety, forced/ bonded labour and fair recruitment practices.

2. Enhance transparency significantly

Transparency increases accountability of both financial institutions and companies in their lending/investment portfolio towards their stakeholders and society. Therefore, it is important that both financial institutions and companies are transparent about the human rights controversies in which they are involved in or linked to, as well as how they respond to such controversies. This research shows that public information related to engagement efforts deployed by financial institutions to improve the conditions of migrant workers in the hospitality and construction sector in Qatar is almost non-existent. Financial institutions could improve transparency by systematically publishing the details of each engagement activity with the

companies, including the engagement goals formulated, milestones achieved, next steps for the engagement and the overall timeline of the engagement.

Transparency about prioritisation of possible engagement cases is also important. This research reveals that most of the financial institutions evaluated have not prioritized the topic of the rights of migrant workers in Qatar, despite labour abuses and exploitation cases being repetitively documented by NGOs/CSOs. This raises questions on their process to prioritise companies/sector for engagement. If a financial institution decides to take no action based on a prioritisation, it should indicate how it prioritised, what other controversies outweighed this one, and what it will do with the non-prioritised case.

One argument cited by some financial institutions for not prioritising the selected companies, is the lack of information linking hospitality/construction companies active in Qatar to human rights abuses. While there are certainly some challenges to identifying human rights abuses in those sectors, due to the fact they often occur in the supply chain/via subcontractors, ignoring the abuses is certainly not a solution, neither a good interpretation of the UNGPs and OECD Guidelines.

One first step in the good direction would be that financial institutions contribute to improving transparency by financed/invested companies active in both sectors by requiring the companies to:

- Publicly commit to the Employer Pays Principle (commitment to ensure that no worker should pay for a job);
- Publish the name of their contracted business partners and employment statistics such as the number of workers, percentage of men and women workers, average wage paid, average monthly overtime, benefits given, registered union, etc.; and

- Disclose the number and types of labour rights incidents identified in their own operations and in their supply chain (such as the number of instances of illegal recruitment fees paid by workers), and progress made on remediation, in case of reported human rights breaches.

3. Enhance the integration of stakeholder consultation in the different phases of the engagement process, including the decision to consider engagement as successful
This research shows a gap between the perception of stakeholders having locally investigated labour abuses in Qatar, and the way financial institutions are looking at the issue. Many financial institutions rely on ESG data providers for their controversy screening. As the outcome of controversy screening is usually the main variable that will trigger the decision to start engaging or not on a specific controversy, it is essential that financial institution be more proactive in raising questions to their research providers when they notice strong stakeholders' concerns or wide media coverage on issues overlooked/insufficiently flagged in. Financial institutions, in line with the OECD Guidelines, should improve the integration of stakeholders' views in their decisions on whether to engage with specific companies on human rights abuses or not. There are a variety of ways in which financial institutions can ensure the voices of stakeholders, especially rightsholders, are heard in engagement processes, including organising structural stakeholder consultations with civil society organisations or trade unions demonstrating expertise on the risks associated

Transparency increases accountability of both financial institutions and companies in their lending/investment portfolio towards their stakeholders and society

with the construction of hospitality industries. This can also be done as part of multistakeholder initiatives involving companies, financial institutions, trade unions and NGOs. Financial institutions should also consider stakeholders' opinions in monitoring the progress achieved by companies in dealing with the case, and in adjusting engagement goals with companies or in taking the decision to close the engagement because issues are solved. For instance, for the hospitality sector, financial institutions could encourage financed companies/investees to implement the recommendations outlined in the July 22 report of the Business and Human Rights Center, "Wake-up call, exploitative recruitment risk to migrant workers in Qatar's world cup hotels" and monitor their effective implementation.

4. Contribute to enable remediation in instances where an enterprise has caused or contributed to an adverse impact

While most of the financial institutions analysed in this report refer to the UN Guiding Principles and the OECD guidelines in their policies, when looking at the specific case of migrant workers in Qatar, no financial institution demonstrated that it tried to use its influence to enable access to remedy for victims of harm as part of the engagement with the selected companies. Financial institutions should do better to integrate remediation in a more structural manner in their engagement goals with the hospitality and construction sectors. While in most instance, the responsibility for remediation pertains to the financial institutions' clients or investees, the financial institution should still seek to encourage its clients/investees to provide for, or cooperate in, remediation of the impact. Concretely, this means that financial institutions should formulate engagement goals featured to the specific context of migrant workers in Qatar which aim to strengthen the human rights due diligence of companies, and more particularly their processes to identify and mitigate labour rights abuses (including the payment of illegal recruitment fees) in

This lack of information mainly comes from the fact that companies' efforts to monitor what is going on in their supply chain or through their subcontractors are insufficient and that financial institutions are not actively encouraging them to change their current practices

their whole value chain (including suppliers and subcontractors). There seems to be a consensus among financial institutions on the fact that human rights abuses impacting migrant workers are ongoing in Qatar but a lack of data on where/ in which companies value chain these abuses are occurring. This lack of information mainly comes from the fact that companies' efforts to monitor what is going on in their supply chain or through their subcontractors are insufficient and that financial institutions are not actively encouraging them to change their current practices.

6.2 Recommendations to the European Union

The research shows European financial institutions have been playing a major role in the construction boom and growing hospitality sector in Qatar, yet labour abuses are still ongoing. Governments need to show strong leadership to contribute to a better integration of human rights issues in the due diligence processes of investors/lenders. The following recommendations are made in this regard by the Fair Finance International network to the European Union.

1. Ensure the recognition and integration of the human rights responsibility of the financial sector in the EU Directive on Corporate Due Diligence, in line with the OECD sectoral Guidelines for the financial sector.

In February 2022, the European Commission released the much-anticipated proposal for the Directive on Corporate Sustainability Due Diligence (CSDD) following several delays. The proposal was expected to represent a landmark step forward in creating corporate accountability for adverse human rights and environmental impacts along supply chains and provide new avenues for justice. However, many civil society organisations, and non-profit organisations with strong expertise on business and human rights have responded critically to the proposed text of the directive as it presents a certain number of weaknesses.¹⁶⁹

One of these weaknesses lies specifically in the coverage of the financial sector, which under the current proposal is only required to undertake a due diligence prior to investment, rather than a continuous and ongoing responsibility as defined in the OECD Guidelines for the financial sector. Moreover, the definition of ‘value chain’ needs to be clarified with regards to the financial sector and should include the full range of capital market activities, including secondary market transactions (where investors purchase securities or assets from other investors, rather than from issuing companies themselves). Unlike other multinational enterprises, financial institutions are also required not to terminate their relationship with a company where this termination could cause “substantial prejudice” to that company. While financial stability of

an investee company should in most cases not be jeopardized, the current proposal leaves ample space for interpretation. Moreover, if a company’s financial stability is at risk by having to comply with environmental and human rights standards, the ESG-risks of that business model should have been addressed at a much earlier stage. Finally, the financial sector has not been included as a high impact sector, despite the Commission’s claim that high impact sectors were selected based on OECD sectoral guidance. This decision from the European Commission can legitimately be questioned considering the efforts made by the OECD over the past years to support the financial sector in the implementation of its guidelines for multinational enterprises by publishing specific due diligence guidance for investors (in 2017) and banks (2019).

It is therefore essential that all financial institutions must be held to the same ongoing due diligence obligations as other companies, and that due diligence requirements for financial institutions include their full business portfolio. Financial institutions must also be required to suspend or stop providing a financial service to a company in the same way and under the same circumstances delineated for other companies in scope of the Directive, and finally the financial sector should be included as a high impact sector.

It is therefore essential that all financial institutions must be held to the same ongoing due diligence obligations as other companies, and that due diligence requirements for financial institutions include their full business portfolio

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Appendix 1: Research design to conduct the engagement survey

1.1 Selected financial institutions

The selection of financial institutions was made on the following criteria:

- Financial links have been identified with one or more of the construction and hospitality companies active in Qatar identified in [chapter 1](#) and [chapter 2](#) of this report.
- Financial institutions are included in the Fair Finance Guide Germany and Fair Finance Guide Norway, a ranking of the sustainability policies of main financial institutions with a commercial presence in those countries.

Based on these considerations a selection of eleven financial institutions was made ([see Table 30](#)).

1.2 Assessment and scoring

In order to assess the engagement efforts conducted by the selected financial institutions with these two sectors, Profundo prepared a survey addressing a number of salient human rights issues. Together with the survey, Profundo shared the results of the financial research with the financial institutions. They were requested to fill in the survey and to provide written evidence to support all their answers (such as internal-use documents, public evidence or other documents).

Subsequently, a first assessment of the financial institutions' responses to the survey was made by applying the scoring methodology presented in [Table 31](#). All financial institutions were given the opportunity to comment on their draft assessment. When relevant, feedback

to the drafts has been incorporated and adjustments to the scores have been done.

1.2.1 Survey

The following questions were included in the survey sent to financial institutions:

2. Has the financial institution developed specific sector policies for the construction and hospitality sectors which addresses human and labour rights issues? If yes, could you please share these policies? If your financial institution did not develop sector policies for these two sectors but has a human rights and/or labour rights policy covering all the sectors, please explain it as well.
3. Before providing a loan or making an investment in companies active in the construction sector and in the hospitality sector, does the financial institution investigate if these companies, their subsidiaries or joint ventures have been involved in human rights controversies (over the past three years) and how they responded to these controversies? Please provide evidence to support your answer at least for one company in each sector.
4. When providing a loan, does the financial institution incorporate human rights expectations into contractual documents with companies active in the construction and hospitality sector in Qatar (not applicable for investors)?

5. Has the financial institution engaged on labour rights with the companies for which financial links have been identified (Profundo prepared a table with the findings of the financial research for each financial institution)?
6. If the answer to question 4 is yes, could you please provide details about your engagement initiatives such as:
 - The topics of the engagement (e.g., wages, health and safety, working hours, labour contracts, living conditions, workers' representation, human rights due diligence process)
 - The features of the engagement (e.g., bilateral meeting, calls, number of contacts, collaboration with other investors, letter to senior management)
 - The goals of the engagement
 - Timeline
 - The milestones achieved
7. Does the financial institution monitor the effectiveness of its engagement activities with the identified companies related to human rights abuses in Qatar? If yes how?
8. How does the financial institution take into consideration the voice of affected stakeholders or CSOs / trade unions representing them in its due diligence (specially about the cases of human rights abuses in Qatar)?
9. Has the financial institution tried (alone or collectively with other FIs) to use its leverage to influence investees and/or clients to enable remediation of affected people in Qatar?

It has to be noted that for financial institutions for which the financial research did not identify any loans or underwriting activities with the selected companies, questions 1b and question 3 have been set as non-applicable. Consequently, the maximum score for financial institutions for which only investments have been identified was 44.

For each financial institution a score was calculated and normalised on a scale from 0 to 10.

Table 30
Selected financial institutions

Financial institution	Country of origin	Fair Finance Guide
1 Allianz	Germany	Germany
2 Axa	France	Germany
3 Commerzbank	Germany	Germany
4 Deutsche Bank	Germany	Germany
5 DZ Bank	Germany	Germany
6 Danske Bank	Denmark	Norway
7 DNB	Norway	Norway
8 Government Pension Fund Global (Oil fund)	Norway	Norway
9 KLP	Norway	Norway
10 Nordea	Finland	Norway
11 Storebrand	Norway	Norway

Table 31
Scoring table

Questions	Scoring guidance	Points Construction sector	Points Hospitality sector
1a The FI has developed sector policies or overall human right policy addressing human rights and labour rights issues	Yes, and the policy includes requirements on companies and their suppliers/ subcontractors	2.0	2.0
	Yes, but the policy does not cover companies' suppliers and subcontractors	1.0	1.0
	No policies/ No information	0.0	0.0
1b The scope of the sector policies/human rights/ labour rights policies covers lending and investment activities	Yes, the scope of the policy covered lending AND investment activities	1.0	1.0
	The scope of the policy covers lending OR investment activities	0.5	0.5
1c The sector policies/human rights policies/ labour rights policies cover the following topics: <ul style="list-style-type: none"> • Health and safety of workers • Decent working conditions • Workers' right to form a representative workers' organization • Wages directly paid to workers, regularly, without delay and without deductions not required by law • Prohibition of recruitment fees or related costs to be borne by workers or jobseekers • Prohibition of forced labour (including bonded labour, human trafficking, slave labour) • Prohibition of child labour • Workers' accommodation compliant with national and international standards (including good welfare and sanitary facilities) • Grievance mechanism for workers • Equal treatment and working conditions for migrant workers (including the freedom of migrant workers to leave or change employment or to return to their countries of origin) 	All the topics are covered	2.0	2.0
	Half or more of the topics are covered	1.0	1.0
	Half or less	0.5	0.5
	None of the topics are covered	0.0	0.0
2 The FI investigates if companies, their subsidiaries and/or joint ventures have been involved in human rights controversies (track-record)	Yes	1.0	1.0
	No/No information	0.0	0.0

Questions	Scoring guidance	Points Construction sector	Points Hospitality sector
3 The FI incorporates human rights expectations into contractual documents	Yes	1.0	1.0
	No/ No information	0.0	0.0
4 The FI engages with the construction and hospitality companies identified in the financial research	Evidence for all companies	3.0	3.0
	Evidence for at least one company	1.5	1.5
	No engagement/ No information	0.0	0.0
5 The FI provides details on the engagement: <ul style="list-style-type: none"> • topics • features of the engagement • goals • timeline • milestones achieved 	Yes, details on all the items are provided for at least one company	5.0	5.0
	Yes, details on at least two items are provided for at least one company	2.5	2.5
	Yes, details on one item are provided for at least one company	1.0	1.0
	No/No information	0.0	0.0
6 The FI monitors the effectiveness of its engagements and reports publicly about it	Yes systematically	1.0	1.0
	At least one example	0.5	0.5
	No evidence	0.0	0.0
7 The FI Integrates stakeholders' concerns during the due diligence on the selected companies: <ul style="list-style-type: none"> • In the identification and assessment of adverse human rights impacts (screening) • To formulate engagement goals • To monitor and track the clients/investees' progress on engagement goals 	Yes, in all the steps mentioned	4.0	4.0
	Yes, in at least one step of the due diligence (like identification of the adverse impacts)	2.0	2.0
	No/no information	0.0	0.0
8 The financial institution tried (alone or collectively with other FIs) to use its leverage to influence investees and/or clients to enable remediation	Yes, for all cases of human rights abuses	4.0	4.0
	Yes, one or more examples provided	2.0	2.0
	No/no information	0.0	0.0
Maximum score		24.0	24.0
Consolidated maximum score for the two sectors		48.0	



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