

Assessing the Risks Areas in your Supply Chain – Labour

Use the table below to start thinking about some of the risks in your supplier chain. Note, this is not an exhaustive list but a starting point for your human resources teams to consider.

| Pathway | Where does risk lie? | Key Questions and Resources |
|----------------------------|---|---|
| Outsourced Labour Agencies | <ul style="list-style-type: none"> • Limited visibility and control: When hotels outsource services, they often have limited visibility and control over the recruitment and management of the outsourced workforce (often many people). This lack of oversight can create conditions where exploitation easily goes unnoticed or unaddressed. • Undisclosed salaries and working terms: As staff members are officially employed by the outsourced labour agency, hotel managers would likely not know how much employees are being paid or their working terms. This lack of visibility can lead to underpayment or even non-payment of workers on site, without the knowledge of hotel managers. • Recruitment or other fees: Workers engaged through outsourced labour agencies might be subjected to recruitment fees, essentially incurring debt bondage to secure their positions. • Contract Deception: Labour agencies may not provide written contracts of employment or may provide a contract to workers in a language other than their native language. Workers may find themselves in a different job or with a significantly lower salary than they were promised. | <ul style="list-style-type: none"> • Are you aware of the labour standards upheld by your outsourced labour agencies? • Are these standards consistent with your own standards and are they consolidated in a partnership agreement, MOU, code of conduct or contract? • Does your hotel have some oversight over the operations of outsourced labour agencies? • Does your outsourced labour agency operate with transparency in relation to salaries and working conditions of their staff? • Have all labour agencies you worked with recently signed the supplier code of conduct? |

| Pathway (cont) | Where does risk lie? | Key Questions and Resources |
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| | <ul style="list-style-type: none"> • Wages and Benefits: Current factors of labour exploitation include withholding of wages (notably if contract is terminated early), unreasonable pay deductions, wages not paid on time, worker bank accounts controlled by employer, and in-kind payments (e.g., bonds, manufactured goods, etc.). • Lack of training and support: Workers of outsourced labour agencies might not receive adequate training or support (including training on labour rights or safety standards) leaving them susceptible to exploitation or unsafe working conditions. • Retention of Identification Documents: Workers can be effectively bound to a job or employer when personal documents (e.g. passports), or any other valuables (e.g. wedding rings), are confiscated, destroyed, withheld, or otherwise denied to the worker, technically preventing them from leaving their job. • Worker living accommodations: If the employer provides accommodation for workers to live, the housing must be safe, clean, and offered at a reasonable price. For migrant workers, there may be no other options of a place to live. As workers become more reliant upon the labour provider, risk of exploitation can increase. | <ul style="list-style-type: none"> • Do you suspect your labour agency may require their staff to pay fees to work with their organisation? • Are you aware of the training and support your labour agency offer their staff members? • Does your labour agency have established internal grievance mechanisms which are widely known by all their staff members? • Are your hotel's grievance mechanism processes known by all agency staff that work on your site? • Are you closely monitoring agencies to ensure adherence to ethical recruitment practices? • Do you know if written contracts are provided to all workers in a language they understand? If so, how clear and detailed are these contracts about job roles, salaries, and working conditions? |

| Pathway (cont) | Where does risk lie? | Key Questions and Resources |
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| | <ul style="list-style-type: none"> • Ineffective grievance mechanisms: Outsourced labour agencies should have existing grievance mechanisms operating within their own organisation. If this is not the case, workers who may be experiencing abuse or exploitation would be left with avenue to report. • Dependence on subcontractors: Outsourced labour agencies may also depend on subcontractors or recruitment agencies to resources their operations at the hotel. This creates multiple layers of subcontractors, resulting in a complex change that can obscure accountability and make it easier for exploitation to occur unnoticed. | <ul style="list-style-type: none"> • Have you heard rumour of wage withholding, unreasonable deductions, or delayed payments? • Does your system pick up bank accounts multiple salaries are being paid into? • Are workers, provided by the agency, in possession of their personal documents (e.g., passports)? • Does the recruitment agency provide accommodation? If so, are you aware of the conditions? • Are there any indicators suggesting increased reliance on the agency/ labour provider for necessities? |

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| Third Party Recruitment Agencies | <ul style="list-style-type: none"> • Charging recruitment fees: Large recruitment fees, whether for recruitment itself, travel, visa or administration costs, can leave workers in situations of debt bondage. Lower-skilled migrant workers tend to pay a higher percentage of job-matching fees than high-skilled non workers. • Misinformation: Third-party recruitment agencies – often operating unlawfully or semi-lawfully – may be the only source of employment information available to migrants. This makes it easy for them to lie about the nature of jobs and conditions of work. • Retention of Identification Documents: Workers can be effectively bound to an agency when personal documents (e.g. passports), or any other valuables (e.g. wedding rings), are confiscated, destroyed, withheld, or otherwise denied to the worker, technically preventing them from leaving their job. • Debt bondage: Debt bondage is another form of coercion used to entrap workers. The debt can be imposed in a number of ways. Accepting credit for expenses such as travel costs immediately places a worker in debt to their employers. This debt can then be manipulated through sudden “rises” in interest rates or hidden charges. | <ul style="list-style-type: none"> • Have you seen evidence of workers paying recruitment fees? • Have all labour agencies you worked with recently signed the supplier code of conduct? • Are you aware of what information is being provided to potential candidates? • Are workers, provided by the agency, in possession of their personal documents (e.g., passports)? • Have you heard rumours of recruitment agencies providing credit for travel costs? |

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| Directly employed (internal HR) | <ul style="list-style-type: none"> • Long working hours: employees being pressured or coerced into working longer hours than legally permitted, potentially resulting in exploitation through overwork without adequate compensation. • Deductions: imposing deductions for necessities, such as uniforms, without fair compensation or exceeding reasonable proportions might lead to staff effectively being paid below the minimum wage, especially if these deductions significantly impact their earnings. • Unethical employment policies: not integrating best practice commitments regarding fair treatment and ethical employment into internal policies like the staff handbook or HR manual could create loopholes for exploitation, as clear guidelines for fair treatment might be absent or vague. • Inaccessibility/ lack of knowledge: if policies containing commitments to fair treatment and ethical employment aren't easily accessible to staff in areas like the staff room or readily available to HR and recruitment teams, it could lead to inconsistencies in implementation and potential exploitation due to lack of clarity. • Inconsistent with global labour standards: this may allow for exploitative practices, especially if local regulations are less stringent. | <ul style="list-style-type: none"> • Have you integrated best practice commitments regarding fair treatment and ethical employment into your internal policies, such as the staff handbook, HR manual, job descriptions, and welcome packs? • Are the policies containing these commitments easily accessible for your staff on a day-to-day basis, especially in areas like the staff room? Do your HR and recruitment teams have constant access to these guidelines? • Are direct employment processes and policies consistent with global labour standards? • Are you ensuring that your practices comply with national minimum wage regulations? How are you consistently verifying this? • Are you adhering to relevant working time regulations to ensure fair working hours for all employees? |