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Concerns Raised at PRI's Responsible Investment Meeting About The International Finance Corporation's Investments Promotion of Decent Work & Development in the Hospitality Sector

Global Labor Justice issued the following:

SAN FRANCISCO, CALIFORNIA – At this year's **PRI**, billed as the world's leading responsible investment conference, Sharan Burrow, General Secretary of the **International Trade Union Confederation** challenged whether the International Finance Corporation's (IFC) investments in globally branded hotels actually promote decent work and development. Burrow said, "Development loans must benefit workers – not just global financiers. Development through hospitality sector investments must ensure engagement with trade unions at every level." Burrow's comments referenced recent letters sent to the IFC raising concerns various labor issues at hotels Marriott operates for IFC loan recipients.

Loans from the **IFC** require recipients and entities with whom they contract to ensure labor standards for development on the project under a **Performance Standard on Labor and Working Conditions**, updated in 2012. Loan applicants must include an economic and social action plan with their application, disclosing concrete steps to meet the standard at each phase of the project. The IFC makes these publicly available through its **online information portal**.

The discussion at this year's PRI signals a change to the "business as usual" approach to private sector investment in the hospitality sector for the IFC and private lenders who invest alongside the IFC. Investors are now on notice to be attentive to how the IFC, its loan recipients, and global brands like Marriott ultimately respond.

In a **letter** responding to a proposed 45 million USD loan to Ananta Hotels and Resorts Limited for a Marriott Hotel and Residence property in Bangladesh, **The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations** (IUF) and human and labor rights NGO **Global Labor Justice** (GLJ) requested that the IFC conduct additional due diligence before approving the loan, in order to ensure ethical labor standards throughout the life of the project.

In a **letter** referencing a \$20.95 million USD loan to **SAMHI Private Limited**, covering a wide portfolio of hotels in India, the majority now branded Marriott, Hotel Mazdoor Panchayat, an trade union organizing in hotels, along with human and labor rights NGO **Global Labor Justice** (GLJ) alleged that the project does not adequately protect workers with relation to freedom of association, gender based violence, limits on contract labor and subcontracting of permanent

jobs core to the industry, and living wages that enable workers and their families to afford basic necessities and participate in development.

They asked that the IFC take action to ensure that the loan recipient, SAMHI, and its branded operator Marriott, engage with trade unions as they continue to proceed with the organizing in hotels covered by the project. “We expect SAMHI, Marriott and their financiers to ensure all the hotel workers on this project are paid living wages, with fair working conditions, and freedom of association, and not retaliate against workers for forming unions in their hotel chains.” said Ashim Roy, President of Hotels Mazdoor Panchayat.

Marriott International is the largest hotel chain in the world with more than 6,500 properties in 127 countries and earning more than \$22 billion in the 2017 fiscal year, which has funded its global growth in part through these preferential loans. With over 100 managed and/or franchised hotels in India and approximately 50 more under construction and renovation, Marriott’s 22,000 rooms make it the largest branded hotel chain in India.

Marriott could also face potential strikes after 8,000 workers in six cities in the United States voted to authorize strikes. More than 12,000 Marriott workers have had their contracts expire and continue negotiations to secure better standards around job security and safety while demanding the hotel giant provide more for workers who say they often can not afford to live in the cities where Marriott prospers.

Jennifer (JJ) Rosenbaum, U.S. Director of Global Labor Justice, explained that, “The International Finance Corporation is enabling Marriott to export problematic U.S. labor relations policy including ‘right to work’ policies which are at odds with the International Labour Organization’s standards on human and labor rights. We look forward to dialogue with the IFC on best practices to make these projects models for advancing decent work and socially responsible tourism.”
