

KLP seizes the opportunity of the Business Human Rights & Resource Center to respond to a request regarding a report from Fair Finance International which discusses the relationship between risk of labor exploitation for workers in Qatar' construction and hospitality sectors, and financing and investment in those industries.

KLP has a strong commitment to responsible investment and continuously monitors its portfolio companies for potential breaches of international norms and conventions. Institutional investors such as KLP does not only have a responsibility to ensure a return on investment, but also has a responsibility to ensure that international regulations are followed. In that lies an ownership responsibility for how the companies we are invested in take human rights into account. It is important that various actors such as Business & Human Rights Resource Centre, Amnesty International and others focus on the human rights violations that are taking place in Qatar. A big drive to change is that investors, civil society, the media, and consumers together continue to influence the authority.

We commend the work and quality of the report which gives KLP valuable information from the ground. As an investor we rely on different sources to be able to use our ownership and influence companies. Excluding companies is always a possibility and it should be a high threshold especially when we give a public justification for why we believe there is a breach, but our focus is to influence the companies to improve.

KLP has focused on the rights of migrant workers for many years, due to the risks associated with fundamental violations of human rights. We have engaged in dialogue with several companies about various forms of forced labor that can be found in their business and their value chain since 2010. In 2012 we had a meeting with Business and Human rights regarding the situation with migrant workers in Qatar. In both 2021 and 2022 KLP actively used the finding from the reports from Business and Human Rights Resource center in the follow up on hospitality sector in Qatar. Both years we contacted all the hotels from the survey. In 2021 KLP focused on the implementation of human rights policies and workers living and working condition. In 2022 the focus was in addition on continuous due diligence both in their operation and supply chain and recruitment practices of migrant workers, especially focusing on use of agent and recruitment fee. KLP had meetings with both Accor and Whitbread in 2022. Whitbread does not use recruitment agencies to find candidates and have their internal pool and applies the "employer pays policy" and pays all the fees related to recruitment. Each supplier in the supply chain is regularly assessed. Accor uses recruitment agencies to find candidates and pays all fees related to recruitment. KLP wants to see improvement from Accor on their control and responsibility towards their supply chain. In specific KLP encouraged a more hands on approach and more frequent on-site visits and 3, party audit, especially on their provider for accommodation and work for migrant workers. KLP will follow Accor closely and our assessment so far is that it is better to have the opportunity to influence the company in the right direction.

KLP will use the findings in the report in the follow up of the companies we are invested in. and at the same time address the areas we have something to learn in. It is valuable for KLP to both get information from the ground and feedback on our work and we will take the specific recommendations into consideration.