

PRESS RELEASE

Kyiv, March 20, 2022

Hotel Operators Refuse to Stop Doing Business in Russia

The Ukrainian Hotel & Resort Association (UHRA) and State Agency for Tourism Development (SATD) have repeatedly appealed to hotel operators to stop supporting the Russian economy and war machine and withdraw their brands from Russia. Two separate letters were sent to the CEOs and the heads of Corporate Social Responsible for the seven top international hotel groups represented in Russia on 14 March and 18 March 2022.

Since the start of this campaign, none of the hotel operators has changed their stance and is adamant they will continue operating in Russia. In contrast, the Russian missiles continue to rain down on peaceful Ukrainian citizens. Russia continues to commit horrific war crimes, such as in Mariupol - with the bombing of the Art School No.12, sheltering 400 refugees, and the Donetsk Regional Drama Theatre missile strikes with up to 1,200 innocent people hiding in the basement. The status of responses from the UHRA & SATD appeals are as followings:

Hyatt Hotels Corporation: No acknowledgement of our appeal.

IHG Hotels & Resorts, Hilton Hotels & Resorts, and Wyndham Hotels & Resorts: Acknowledgement of receipt of the letter, but to date, no formal response.

Marriott International: An email from Marriott Bonvoy Customer Care repeating the exact corporate words published in their [Statement on Ukraine](#)

The Radisson Hotel Group: A direct email from the President & CEO Federico J. González, acknowledging the point of view of UHRA & SATD, but merely stating that they would "continue to monitor and evaluate". After three weeks have elapsed, RHG is the only hotel group of the seven still not yet to have published any Statement on Ukraine to [their media centre](#).

Accor: A direct and detailed letter from Chairman & CEO Sébastien Bazin, stating that UHRA and SATD "have our full commitment", however stopping short of halting business in Russia, only to the extent of acting "in accordance with the sanctions adopted by the EU, UK, and US governments".

The UHRA and SATD do not feel that following a policy of being merely reactive to sanctions imposed on them by governments is enough, given the horrors committed by Russian war criminals on our soil. For a long time, the hotel industry has claimed to be an industry of people and communities, to hold the highest universal values of integrity and respect. They claim to enshrine them in their CSR (corporate social responsibility) charters. Yet today when the worst atrocities in Europe since the genocides of WW2 are being committed, this mask has slipped, exposed in their inertia and inaction, that for the global hotel operator's shareholder value surpasses human morals and dead Ukrainian citizens.

Our total views and facts are outlined in the letters to the hotel operators; the main extracts of these letters are posted below:

Letter 2 (18 March 2022) - Support for Sanctions Against Russian Invasion – International Hotel Operators

"...These hotel operators do not seem to have understood that if we sign a peace treaty, and for god's sake, I hope we can do it quickly, it will not be a shake of the hands and let's carry on where we left-off. Ukraine would not sign a peace treaty because Putin would otherwise win; it is evident now to everyone that Putin cannot win this war. They would sign the agreement because until we have won, Putin will indiscriminately kill our women and children and will bomb each and every home, hotel, hospital, school, church and historic Ukrainian landmark. Ukraine would sign a peace treaty for world humanity because Putin openly threatens to start a nuclear war. It is evident now to everyone that Putin is psychopathic enough to do this.

If the hotel operators believe with good fortune this will be over in 4 or 5 weeks/months, they need to understand that the consequence of a peace treaty is very different to the capitulation of the Nazi armies and Hitler's suicide in the Berlin bunker. This Russian Hitler will claim victory while turning his inadequacies and frustrations internally by further Stalinising his country, further twisting reality, further repressing, and persecuting his people, expropriation and nationalization of private property. When this no longer satisfies his

psychopathic tendencies, he will turn on the easiest targets the Republic of Georgia, the Central Asian states and then the Baltic States and Finland.

At what point do Accor, Hilton, Hyatt, IHG, Marriott, Radisson, Wyndham and the other international hotel operators stop giving western credence to Putin? For what reason do they continue to advance Russia's economy and create tax revenues for his regime? Do they think for one minute those Russian tax revenues will go to rebuilding the Theatre in Mariupol? Will those taxes support the multitude of physically and psychologically scarred Ukrainians who have lost parents or children? Will they assist tens of millions of refugees and internally displaced Ukrainians? Of course, not; the Russian state is never benevolent; such altruism will come from the US and Europe, from kind donations and American and European taxpayers. The taxes the operators pay in Russia will help preserve Putin's dictatorship and feed his internal repression and external greed for power.

As much as we all wish we could turn the clocks back 4-weeks, for generations to come, Ukraine and Russia will unfortunately never be as it was. Doing business in Russia (under Putin's regime at least) cannot be compatible with doing business in Ukraine or Europe. Eventually, the hotel operators will have to choose from the ample opportunities of an aggressive oil-rich Russian autocracy or a modest and peaceful Ukraine. Once peace has returned to Ukraine, then our role would naturally be to seek Ukrainian government sanction for hotels that continue to do business in Russia.

The emerging markets of Eastern Europe, including Russia and Ukraine, were always a high political and reputational risk for hotel operators; in the main, they did exceptionally well, with relatively little financial risk or asset exposure; they returned significant profits from high room rates and high fees. The wise hotel operators also entered the market with virtually watertight template contracts on which they gave little compromise on commercial terms and zero compromises on legal terms. When they have claimed for 30-years to be able to deliver high-level management, we are astonished to hear that some hotel operators suddenly only have arms-length franchise/license agreements over which they have little or no control and therefore cannot leave Russia?

It is because the hotels have little or no asset position that it should be more accessible, not more challenging, to exit Russia, and we reject the claim that they are in line with actions taken by other industries. One only needs to look at the substantial asset sacrifices undertaken by McDonald's, BP, and British American Tobacco. Are we to hold the fast food, oil & gas, and tobacco industries to a higher ethical standard than hotels? If so, should we hoteliers worldwide question our esteem in being part of the hospitality industry?

Any notion made by the hotel operators that "...confiscations, which may benefit the same people sanctions are intended to punish, must be avoided..." makes a mockery of international law and the principles of sanctions. It is effectively suggesting that the assets such as aeroplanes, factories, DIY stores and fast-food restaurants, that the Russian state is stealing from those companies who are brave enough to make a moral stand, are themselves supporting the Russian state. Sanctions not only squeeze the economy but underscore to ordinary Russians the world's revulsion at Putin's brutality. We need to stop financing the aggressor. It is only by that kind of isolation that we have a chance of ending this war and ending the tyranny inside Russia.

An international hotel general manager normally based in Kyiv, last week quoted Napoleon Bonaparte and posted on his LinkedIn page: "The world suffers a lot, not because of the violence of bad people, but because of the silence of good people" the irony of those words is in the silence of those hotel operators.

The time to act is now, not to pause until US/EU sanctions make action compulsory. It is time for the hotel operators to stand next to the people of Ukraine, the free world, the ethical and righteous, and make that courageous decision to leave the Russian market; history will thank them for it."

Letter 1 (14 March 2022) - Support for Sanctions Against Russian Invasion – International Hotel Operators

"On 2 March 2022, UHRA issued an open letter appealing for global hotel and tourism organisations "Support for sanctions against the Russian invasion". As a direct consequence of the joint appeal from State Agency of Tourism Development of Ukraine ("ministry of tourism", chaired by Ms. Mariana OLESKIV) and UHRA to the UNWTO, on 8 March, the UNWTO held an extraordinary session of the General Assembly in Madrid to suspend Russia's membership in the organisation.

Apart from the request to expel Russia from the UNWTO and IATA, the UHRA called for OTA's (online tour operators), tour operators and wholesalers to immediately halt the provision of their services in Russia.



In the interim, reservation and travel organisations such as Booking.com, Expedia, Google Travel, HRS, AirBNB, Skyscanner, Kayak, Tripadvisor, Trivago, and TUI have terminated all operations within Russia.

Large multinational companies from other industries such as BP, Shell, Apple, McDonald's, Ikea, Coca-Cola have been clear about their ethical positions; they have sacrificed billions of Euro revenue streams and given up huge asset positions. They have given up more than just license and management fees, have broken agreements with their Russian partners, and released tens of thousands of their Russian and expatriate employees because they know without making such difficult long-term resolutions, they cannot change the cruel direction of the Kremlin. We are struggling to understand why the hotel industry is any different, why quality hoteliers cannot send the same message to the Russian war regime?

We are **bitterly disappointed** that almost all prominent hotel companies have only made token statements about their operations in Russia. We consider the declaration to suspend new hotel development in Russia as an empty and cynical gesture since, with the withdrawal of international financing, no pipeline hotels can be completed in any case without Putin's oligarch's money. So far, only IHG and Marriott have made minor inconveniences by closing small representative offices in Russia, and all major hotel groups continue to operate all their hotels.

Today Russia's armies are carpet bombing our cities, turning our homes and hotels to rubble; they are murdering our children and our parents, our peaceful brothers and sisters; many of whom are your very own employees, hotel receptionists, waiters, chefs, and accountants.

We do not wish to coerce, but we cannot sit by and let the inaction of hotel operators who continue to try and sit on the fence and effectively support the regime of Putin. As an association of dedicated hoteliers, we have a great deal of respect for international operators and hope they will be active when the time comes to rebuild Ukraine. We do not want to get angry at hotel operators; we do not want to feel compelled to call for hotel brand boycotts. The anger should be collectively fixed in one clear direction.

As we write this letter, the Russian war machine is surrounding us in Kyiv with the intent of destroying this fantastic city, our people, us hoteliers. We ask operators to please act now; please be on the right side of history, to cease to try and "ride out" this brutal massacre of Ukraine, to make an immediate and tangible stand against this war.

We kindly ask each hotel group to email UHRA at office@uhra.com.ua or SATD at dart@tourism.gov.ua with a statement regarding your further intentions of responsible and ethical business strategy related to sanctions in Russia. Otherwise, comment or correct your respective general press statement below and advise us on how concretely you will support us."

For questions regarding this press release please call the mobile of Ivan LOUN, a founding members of UHRA and an advisor to SATD, who is currently located in Lviv +380 50 337 5010, international@uhra.com.ua.

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