



Annual External Compliance Report of the Supreme Committee for Delivery & Legacy's Workers' Welfare Standards

Changing the game: towards real impacts for workers



MAKING WHAT'S GOOD FOR WORKERS
WORK FOR BUSINESS

February 2018

Table of Contents

Glossary of terms	3
Executive Summary	4
About the authors	9
Introduction	10
Context	12
Supreme Committee Workers' Welfare programme	13
Impactt's external compliance monitoring programme	18
External monitoring findings	22
Conclusion and Roadmap recommendations for 2018	44
Limitations	46
Appendix 1 – SC Workers' Welfare compliance activities	47
Appendix 2 – Impactt's audit approach	48
Appendix 3 – Topic area descriptions	50
Appendix 4 – Additional surveys	52

Glossary of terms

BWI

Building and Wood Workers' International, a global trade union representing workers in the construction sector.

Contractor

Any party that has a contractual standing in the SC's supply chain. This includes main contractors, who have a direct relationship with the SC, as well as the companies that have a contractual relationship with the main contractor. A contractor to a main contractor is referred to as a Tier 1 subcontractor. A contractor to a Tier 1 contractor is referred to as a Tier 2 contractor.

Contract substitution

The practice of replacing the terms initially promised to workers during the recruitment process with less favourable terms (e.g. lower wages) after the worker has committed to taking up employment.

Manpower supplier

Companies that sponsor and employ workers and lease them out to other companies to provide a variety of services.

MOADLSA

Ministry of Administrative Development, Labour and Social Affairs

Project Workers' Welfare Forum (PWWF)

Workers' Welfare Forum at construction sites, where there are over 500 workers

Project Workers' Welfare Officer (PWWO)

Representative from Main Contractor in PWWF

Prescribed language

The WW Standards define prescribed languages as "the languages of Arabic, Bengali, English, Tagalog, Hindi, Nepali, Tamil and Urdu"

SC

Supreme Committee for Delivery & Legacy

Wage Protection System (WPS)

The WPS is a system launched in 2015 by the MOADLSA that requires employers to pay employees' wages through bank accounts and to submit details of these payments to the MOADLSA. The system is designed for the MOADLSA to check the timeliness and regularity of payments and phase out the payment of wages in cash.

WWD

Workers' Welfare Department

WWF

Workers' Welfare Forum (at accommodation sites)

WWO

Workers' Welfare Officer

WW Standards

Workers' Welfare Standards

Executive Summary

Background

Impactt's 2018 Annual Report is the second of its kind and presents the findings from Impactt's work in 2017 as external compliance monitor for the Supreme Committee of Delivery & Legacy (the SC).¹

The State of Qatar established the SC in 2011 as the entity responsible for delivering the infrastructure required to host the 2022 FIFA World Cup (the Tournament). The SC's responsibilities comprise the design, construction and upgrading of stadiums, training sites and fan villages. As of December 2017, 208 contractors and 18,500 workers fall under the remit of the SC, which seeks to protect the health, wellbeing, safety and security of workers through the Workers' Charter (2013) and the more detailed Workers' Welfare Standards (WW Standards).

The WW Standards cover all aspects of a worker's journey from recruitment to repatriation. To identify where companies are falling short on their contractual commitments to the WW Standards, the SC developed a four-tier auditing system, comprised of contractors' self-audits, SC audits, audits by an independent external monitor (Impactt), and inspections carried out by the Ministry of Administrative Development Labour and Social Affairs (MOADLSA).² This is complemented by inspections conducted by the SC and Building and Wood Workers' International (BWI) Joint Working Group (SC-BWI JWG).

Context

2017 saw momentous changes in the human rights landscape in Qatar. The government announced a number of reforms to improve working conditions, with particular implications for construction workers:

- A temporary minimum wage of QAR 750 (USD 206) per month while a review is conducted to set a permanent minimum wage.
- Joint labour committees at all facilities employing more than 30 workers. The committees will be formed of workers and representatives of management.
- A National Committee for Combatting Human Trafficking.
- A fund for workers' support and insurance, which will pay workers any compensation awarded by dispute resolution committees.
- The provision of contracts of employment to workers in their own language and before they leave their home countries, in order to prevent contract substitution.

In November 2017, the International Labour Organization (ILO) Governing Body recognised progress made by Qatar. The organisation welcomed Qatar's commitment to ensuring fundamental principles and rights at work for all workers and the resulting breakthrough to end the "kafala" sponsorship system. As a result of these changes, the

¹ The Annual Report 2018 covers the period between May 2017 and January 2018.

² MOADLSA audits follow Qatari labour law rather than the WW Standards.

ILO closed the complaints procedure for non-observance of Conventions 29 (Forced Labour Convention) and 81 (Labour Inspection Convention). This paved the way for the start of a three-year technical cooperation programme between the Government of Qatar and the ILO to support the implementation of labour reforms, including lifting restrictions on workers' ability to leave Qatar; improving the Wage Protection System (WPS) and supporting workers in submitting complaints via national complaints mechanisms. These changes will help to improve the basic working and living conditions of workers across Qatar and will facilitate the SC's Workers' Welfare Programme.

The SC Workers' Welfare programme

The SC has sought to identify and address workers' welfare challenges by creating a detailed compliance framework with contractually-binding requirements based on their Workers' Charter and the WW Standards. To support the compliance framework, the SC's Workers' Welfare Department has continuously grown its internal capacity and become a fully-fledged department reporting to the Secretary General. The SC has also extended its partnership with Impactt as external monitor until 2020, and its collaboration with BWI until the end of 2018.

In addition to its compliance audit programme, the SC has taken on-board the three-year roadmap set out in Impactt's 2017 Annual Report, which consists of three pillars:

- Pillar 1 - Improve the effectiveness of efforts to drive compliance with the WW Standards
- Pillar 2 - Prompt behaviour change in manager-worker interaction
- Pillar 3 - Collaborate for greater reach and impact.

In 2017, the SC has made significant progress in the following areas:

- **Recruitment fees:** Three contractors – including two main contractors – agreed to reimburse workers for fees that they may have paid during the recruitment stage, without asking for receipts. This ground-breaking “Universal Payment” approach will impact 1,700 workers, equivalent to 10% of the total workforce at SC sites. Two contractors will pay workers a reimbursement of between QAR 1,500 (USD 412) and QAR 4,000 (USD 1,100), while another contractor will pay workers an ongoing monthly allowance in recompense for fees they may have paid. These reimbursements amount to more than QAR 3 million (USD 824,000) per annum. In addition, the SC continued working with contractors to reimburse legacy workers for recruitment fees. As of January 2018, three contractors had reimbursed 40 workers who had provided receipts.
- **Pre-mobilisation approval process:** The SC established a pre-mobilisation approval process for subcontractors, which enables early detection of workers' welfare issues. In 2017, the SC rejected 9% of subcontractor mobilisation requests due to workers' welfare issues.
- **Workers' Welfare Forums (WWF):** The SC worked with contractors to establish WWFs at all 24 main contractor accommodation locations and at 70 subcontractor accommodation sites. The SC developed guidelines – reviewed and endorsed by BWI – to help contractors hold worker representative elections. The SC-BWI JWG observed elections at two accommodation sites. As of January 2018, 8,000 workers had elected representatives across 20 accommodation sites, covering 15 main

contractors and 20 subcontractors. The election turnout was more than 85%. Building on previous work, the SC rolled out its 'nudge unit'³ to four accommodation sites, covering 5,400 workers.

- **SC Grievance Hotline:** In April 2017, the SC launched an anonymous grievance hotline managed by an external service provider. The launch was followed by an awareness campaign for workers. In October 2017, Impactt interviewed 178 workers across seven contractors and found that 78% knew about the hotline, of which 87% said they trusted it. As of December 2017, 66% of grievances raised had been resolved.
- **Accommodation:** The SC identified a number of accommodation sites that comply with the majority of WW Standards requirements, and mandated contractors to move workers to these sites. As of December 2017, 85% of workers at SC projects were housed in six highly compliant accommodation sites.
- **Stakeholder collaboration:** The SC continued to strengthen its relationship with the MOADLSA and key stakeholders such as the Institute for Human Rights and Business (IHRB), and Weill Cornell Medicine – Qatar.

Scope of Impactt's work

The scope of Impactt's monitoring covers all contractors across all contracting tiers working at SC competition and non-competition venues. In the period May 2017 to January 2018, Impactt conducted initial audits of 14 contractors and follow-up audits of 19 contractors, and interviewed 679 workers. Impactt selected which contractors to audit, when to audit them, and which workers to interview, independently of the SC.

Impactt's initial audits per contractor took place over three days and each follow-up audit required one day. Every audit involved a two or three-person team, consisting of at least one lead auditor and a dedicated worker interviewer. This represents a total of 152 person days in the field. In comparison with last year, this increase in personnel and other refinements in the audit process have enabled the team to delve deeper into issues. The results from the 2017 Annual Report were based on a small sample of 5 contractors with follow-up audits. The 2018 Annual Report audits cover 19 contractors. Comparisons between the two years are illustrative, but not conclusive.

External compliance monitoring findings

Impactt's initial audits found that contractors achieved a high percentage of compliance in the areas of personal documents (which includes compliance on passport retention), end of service procedures, construction site health and safety, transportation, and accommodation and food.

Unlike last year, all areas have compliance rates above 50%. Moreover, on some issues, compliance rates have increased by more than five percentage points. These include contractor self-audits, induction, disciplinary procedures and worker representation. In other areas, however, compliance rates have decreased and there are clear opportunities for improvement, including in recruitment fees, contracts and administration, treatment, and wages and allowances.

³ The 'nudge unit' consists of behavioural economics and psychology specialists that support the SC's workers' welfare activities, for example by boosting the effectiveness of WWFs by increasing the quality and quantity of issues raised by workers.

In follow-up audits, Impactt found that contractors had been able to close out or make progress on 58% of issues. Contractors achieved non-compliance closure rates of more than 50% in the areas of: contractor self-audits, personal documents, treatment, construction site health and safety, transportation, and worker representation. Contractors achieved lower non-compliance closure rates in recruitment fees, working hours, rest and leave, and wages and allowances. Improving the closure rates should be a priority for the coming year.

Impactt's analysis of findings by contracting tier shows that the number and severity of issues tends to increase further down the supply chain. The SC is mindful of this trend and, as a consequence of the improvement in the contractor self-audits and the pre-approval process for subcontractors, it has virtually eliminated Tier 3 contractors from its projects.

Conclusions and Roadmap recommendations

Impactt commends the SC's efforts during 2017. Whilst some initiatives are in their early stages, Impactt has observed real impacts on workers in the below areas, particularly in those that reflect the Roadmap recommendations set out in the 2017 Annual Report:

- **Recruitment fees**, where 10% of workers at SC projects will benefit from an unprecedented approach to reimbursing recruitment fees.
- **Worker representation**, where the SC's efforts and collaboration through the SC-BWI JWG have enabled 43% of workers at SC projects to elect their representatives and all main contractors to have a functioning WWF at their accommodation.
- **Personal documents**, where the SC's sustained efforts meant that none of the 19 contractors audited were systematically breaching the WW Standards requirements.
- **Accommodation**, where the SC's request that contractors house workers in highly compliant sites has led to very high compliance rates.

Taking into account the compliance monitoring findings and the initiatives underway, we recommend the following areas for further work in 2018:

Pillar I - Improve the effectiveness of efforts to drive compliance with the WW Standards

Existing activities

- **Recruitment fees**: Build on the excellent progress made during the year and roll out the "Universal Payment" approach, working with contractors to ensure legacy workers are reimbursed for recruitment fees they may have paid during recruitment, regardless of receipts. Continue working with contractors to prevent new workers from paying recruitment fees.
- **Pre-mobilisation approval of subcontractors**: Continue rolling out and documenting the effectiveness of this approach.
- **Workforce management systems**: Complete roll out of workforce management systems across all sites to ensure that working hours are accurately measured and prevent contractors from employing workers without the required documents.
- **Accommodation and food**: Continue requiring contractors to house workers at highly compliant sites and, where possible, to house main contractor and subcontractor

workers at the same accommodation. We also recommend implementing the food and nutrition recommendations from the pilot programme conducted with Weill Cornell Medicine – Qatar.

Further actions

- **Communication:** Support contractors in improving communication with workers, particularly before arrival and during the on-boarding process, so that workers fully understand their rights and the nature of their jobs.
- **Working hours:** Leveraging the data provided by the workforce management system, analyse root causes of excessive working hours and develop a process to manage unavoidable peaks in working hours, taking into account international law and good practices.

Pillar 2 - Prompt behaviour change in manager-workers interaction

Existing activities

- **Amplify workers' voices:** Continue promoting the anonymous SC Grievance Hotline and complete the roll out of worker sentiment and satisfaction surveys.
- **Ensure that contractors run effective worker representation mechanisms (WWF) and grievance mechanisms:** Continue working with contractors to ensure all worker representatives are elected by workers and that workers see the outcomes of the improvements driven by WWFs.
- **Build worker skills:** Maintain the partnership with Qatar International Safety Centre (QISC) to build and roll out worker skills training.

Further actions

- **Build management skills:** Work with contractors to upskill people-managers (middle managers, supervisors and foremen).
- **WWF:** Leverage BWI experience to build the skills of worker representatives in WWFs.
- **SC Grievance Hotline:** We recommend following best practice by publishing grievances raised and actions taken (anonymised).

Pillar 3 - Collaborate for greater reach and impact

Existing activities

- **SC-BWI JWG:** Continue working with BWI to identify good practices for health and safety, and WWFs, and continue rolling out these good practices across sites.
- **MOADLSA:** Continue working with the MOADLSA to circulate a list of blacklisted Qatari recruitment agents to contractors and to escalate non-compliant contractors to the MOADLSA.

Further actions

- **Multi-stakeholder forums:** Work within existing initiatives to identify solutions to improve the recruitment process in workers' home countries, including by establishing ways to assess the recruitment practices of agents and sub-agents.
- **International leadership groups:** Engage with international groups at leadership and practitioner levels. In particular, Impactt recommends engaging with stakeholders through the Mega-Sporting Events Platform for Human Rights.

About the authors

The Impactt Team below has been working with the SC since 2016.

Rosey Hurst

Rosey founded Impactt in 1997 with the mission of improving the lives and livelihoods of workers worldwide by harnessing the positive power of global supply chains. She has since used her knowledge and experience of the developing world, corporate organisations and NGOs to develop diverse tools, solutions and services to create positive impacts for workers.

Federico Burlon

Federico joined Impactt in January 2016 and is currently a Senior Project Manager. He was previously a Responsible Sourcing Manager at Tesco Plc. He has a background in human rights and labour standards improvement. Federico has an MSc in Human Rights from the London School of Economics and a BA in Political Science from Macalester College.

Bernard Gouw

Bernard joined Impactt as a Senior Project Officer in September 2016. He has a background in project management and research and analysis in the areas of Ethical Trade and International Development. Bernard has an MA in International Development and has previously worked for Oxfam and the United Nations Development Programme.

Barbara Dirnberger

Barbara joined Impactt in May 2016 as a Project Officer. She has a background in social research and human rights. Before joining Impactt, she led a research project on working conditions in South Africa, and worked for the Austrian Permanent Mission to the United Nations in Geneva and at humanitarian agency Care International. She has an MSc in Social Anthropology from University College London.

Introduction

Impactt's 2018 Annual Report is the second of its kind and presents the findings from Impactt's work in 2017 as external compliance monitor for the 2022 FIFA World Cup Qatar (the Tournament). The SC first appointed Impactt as external compliance monitor in 2016. Impactt's role is to independently monitor the compliance of contractors, subcontractors and the SC with the WW Standards, provide advice and publish an independent annual external compliance report.

After winning the bid to host the Tournament, the State of Qatar established the Supreme Committee for Delivery & Legacy (the SC) in 2011 as the entity responsible for delivering the required infrastructure. The SC is primarily responsible for the design, construction and upgrading of stadiums, training sites and fan villages. Nearly 208 construction companies and 18,500 workers fall under the remit of the SC, which seeks to protect the health, wellbeing, safety and security of workers through the Workers' Charter (2013). The Charter was translated into specific, contractual requirements, called the Workers' Welfare Standards (WW Standards), initially developed in 2014 and updated in 2016, so as to provide further guidance to all those involved in the construction works.

The WW Standards cover all aspects of a worker's journey from recruitment to repatriation. To identify where companies are falling short on their contractual commitments to the WW Standards, the SC developed a four-tier auditing system, comprised of contractors' self-audits, SC audits, External Monitor audits, and inspections carried out by the MOADLSA.⁴ The SC audits are complemented by the SC-BWI JWG inspections.

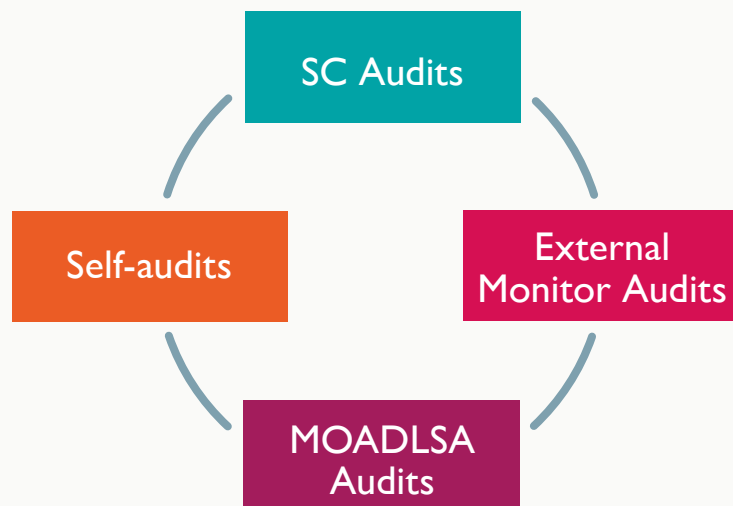


Figure 1 - SC four-tier audit system

⁴ MOADLSA audits follow Qatari labour law rather than the WW Standards.

Introduction to Impactt

Impactt is a consultancy firm, founded in 1997, that specialises in delivering tangible and systemic improvements for workers in multiple industries and countries worldwide.

Impactt's mission is to help improve the lives of 6 million workers in global supply chains by 2020 by developing win-win solutions that work for businesses and workers, harnessing the power of supply chains for positive change. Since 2006, Impactt has reached some 1.63m workers.

Impactt's global teams draw on both ethical and commercial expertise, and include former workers as well as technical experts to bring a full understanding of complex supply chain challenges. Impactt helps companies across the supply chain to address pressing social issues, from modern slavery to empowering women. Importantly, Impactt 'bridges the gap' between diverse stakeholders to develop robust, long-term, holistic solutions.

The 2017 annual report

Impactt's first annual report (covering April 2016 to January 2017) found that:

- The majority of contractors showed a good level of compliance with accommodation and construction site requirements. Most contractors were also compliant on the issues of recruitment fees, contract substitution and passport retention.
- The audits covered a number of priority topics:⁵ recruitment fees, personal documents, induction, contracts and administration, working hours, wages, rest and leave, construction site health and safety, accommodation and food, treatment, worker representation, grievance mechanisms and disciplinary procedures.
- The five contractors who underwent a follow-up audit made significant improvements: 78% of the non-compliances and observations identified were closed or progress had been made in resolving them. The bulk of the improvement was in procedural areas (provision of medical care, transportation and facilities management).
- Further progress was needed on more complex challenges, such as promoting the effectiveness of Workers' Welfare Forums, reimbursing recruitment fees, adhering to the legal working hour limits and consecutive days of work (in line with legislation), and ensuring that workers have adequate residence permits.

Impactt recommended that the SC implement a three-year roadmap, consisting of three pillars:

1. Improve the effectiveness of efforts to drive compliance with the WW Standards
2. Prompt behaviour change in manager-worker interaction
3. Collaborate for greater reach and impact.

⁵ Priority is defined as a function of prevalence and severity.

Context

This section describes the context in which the SC operates, such as recent changes in Qatari law, differences between Qatari law and International Labour Law, and the views of civil society stakeholders. From the outset, it is important to underscore that there is a distinction between the SC as a government agency tasked with delivering the Tournament infrastructure, and the State of Qatar.

Differences between International Labour Law and Qatari law

Impactt's 2017 Annual Report identified differences between International Labour Law, understood as the eight Fundamental Conventions of the International Labour Organization (ILO),⁶ and Qatari law. The differences stemmed from Qatar not having ratified three of the eight Fundamental Conventions, specifically those relating to: freedom of association, collective bargaining and equal remuneration.

In November 2017, the ILO's Governing Body recognised progress made by Qatar, and welcomed its commitment to ensuring fundamental principles and rights at work for all workers and the resulting breakthrough to end the “kafala” sponsorship system. The ILO closed the complaints procedure for non-observance of Conventions 29 (Forced Labour Convention) and 81 (Labour Inspection Convention).⁷ This paved the way for the start of a three-year technical cooperation programme between the Government of Qatar and the ILO to support the implementation of labour reforms, including lifting restrictions on workers' ability to leave Qatar, improving the Wage Protection System and supporting workers in submitting complaints via national complaints mechanisms.

Changes in domestic laws

In 2017, the Government of Qatar announced a number of reforms to improve working conditions, with particular implications for construction workers:

- A temporary minimum wage of QAR 750 (USD 206) per month while a review is conducted to set a permanent minimum wage.
- Joint labour committees at all facilities employing more than 30 workers. The joint committees will be formed of workers and representatives of management.
- A National Committee for Combatting Human Trafficking.
- A fund for workers' support and insurance, which will pay workers any compensation awarded by dispute resolution committees.
- The provision of contracts of employment to workers in their own language and before they leave their home countries, in order to prevent contract substitution.

⁶ The ILO brings together governments, employers and workers representatives of 187 member States to set international labour law covering people's basic principles and rights at work.

⁷ ILO, 'ILO Governing Body welcomes Qatar's commitment to bolster migrant worker rights', http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_592473/lang-en/index.htm, accessed 14 February 2018.

As part of its Technical Cooperation agreement with the ILO, the Government has agreed to make the following changes:

- Lifting restrictions on workers' exit permits.
- Improving the WPS to ensure wages are systematically paid on time.
- Supporting workers in submitting complaints via national complaints mechanisms.

These changes will help to improve the basic working and living conditions of workers across Qatar. They will also make it harder for contractors to exercise double standards for their workers depending on whether or not they are allocated to SC projects.

Stakeholder views

In the 2017 Annual Report, Impactt noted that civil society organisations had a number of concerns regarding migrant workers' welfare in the Middle East (in general). These included: recruitment fees, employers retaining workers' passports and identity documents, contract substitution, late payment of wages, differential wages depending on the nationality of the worker, and poor working and living conditions. Stakeholders also highlighted that restrictions in freedom of association, limited access to grievance mechanisms and gaps in law enforcement exacerbated these issues.

Over the last 12 months, stakeholders have observed that workers on SC projects experience higher standards than those outside SC projects, even when they are working for the same employer. Differences in the management of working in high temperatures, the quality of accommodation, and the practice of retaining passports have been cited as examples.⁸ The SC is increasingly seen as taking the lead in delivering higher standards in Qatar on its own projects, and many commentators would like to see a wider carry-over into the construction sector.

Supreme Committee Workers' Welfare programme

This chapter provides an overview of the SC Workers' Welfare programme. It reflects on some of the key recent milestones achieved, and outlines the targets for the coming year.

The journey so far

The SC was established in 2011 and has since sought to identify and address workers' welfare challenges by creating a detailed compliance framework with contractually binding workers' welfare requirements based on the Workers' Charter and the Workers' Welfare Standards (WW Standards). The WW Standards are currently

⁸ Human Rights Watch (2017) 'Qatar: Take Urgent Action to Protect Construction Workers', <https://www.hrw.org/news/2017/09/27/qatar-take-urgent-action-protect-construction-workers>. See also Amnesty International (2017), 'Qatar 2016/2017', <https://www.amnesty.org/en/countries/middle-east-and-north-africa/qatar/report-qatar/>, accessed 14 February 2018.

in their third round of updates. To support its compliance framework, the SC has continuously grown its internal capacity, while also seeking external expertise by working with Impactt, BWI, Deloitte, Weill Cornell-Qatar, Qatar International Safety Centre (QISC), Commercial Bank Qatar and Ooredoo.

The roadmap

The SC focused its 2017 efforts on the recommendations made in Impactt's 2017 Annual Report. For some areas, the SC has formulated an action plan, while for others, it has begun implementation or run trials. In some areas, the impact of these activities on workers is visible. Elsewhere, more time is needed for the changes to take root. The 'External monitoring findings' section (page 22) provides further analysis of the impact of the SC's roadmap efforts.

Tables 1, 2 and 3 below provide an overview of the activities reported by the SC, arranged by roadmap pillar. Appendix 1 provides further details about the SC's workers' welfare compliance activities.



Direct efforts

Ensure that contractors, rather than workers, pay the cost of recruitment:

- The SC trialled a new approach to shift the burden of proof for repayment of recruitment fees from workers to contractors. Instead of workers having to provide evidence of recruitment fees paid, the contractor is required to demonstrate that it has paid the costs of recruitment for each worker. Where the contractor cannot demonstrate this, the contractor pays a "Universal Payment" to each worker. The SC worked with two main contractors and one subcontractor to reimburse workers for fees that they may have paid during the recruitment stage, without asking for receipts. The Universal Payment pilot will impact 1,700 workers, equivalent to 10% of the total workforce at SC sites. One contractor will pay workers a reimbursement of between QAR 1,500 (USD 400) and QAR 4,000 (USD 1,100), while another will pay workers an ongoing monthly allowance in recompense for fees they may have paid. These reimbursements amount to more than QAR 3 million (USD 824,000) per annum.
- As of January 2018, another contractor had reimbursed 40 workers who provided receipts.

Support contractors in improving the effectiveness of their due diligence processes:

- The SC delivered training for more than 127 Workers' Welfare Officers (WVO) and Project Workers' Welfare Officers (PWVO).
- The SC convened four Programme Welfare Forums (PWWF) to discuss workers' welfare issues directly with each project's main contractor(s).
- The SC established a pre-mobilisation approval process for subcontractors, which enables the early detection of workers' welfare issues. The SC rejected 9% of subcontractor mobilisation requests due to issues related to worker welfare.
- **Encourage contractors to share challenges transparently:**
- The SC established project-specific bi-monthly meetings between contractors and subcontractors at Al Bayt and Al Wakrah. These meetings enable main contractors to cascade information and discuss issues with their subcontractors.

Build contractors' capacity to develop and implement improvements within their own operations:

- The SC implemented changes to empower WVO and PWVOs to promote improvements within their own companies. For example, the SC requires a dedicated WVO/PWVO for each project and requires them to report directly to a project director. It has also increased the number of WVO/PWVOs required based on the number of workers at each company.

Indirect efforts

- Joint Working Group with BWI (SC-BWI JWG): The SC-BWI JWG carried out 6 inspections of construction sites and accommodation, and published a report with findings and recommendations in January 2018.
- Accommodation: As of December 2017, 85% of workers at SC projects were housed in six highly compliant accommodation sites.
- Emergency medical response strategy: The SC developed a strategy to identify and manage significant health risks in the workforce. It has completed the first two phases of the strategy, which included carrying out baseline health screenings of 98% of the workforce to identify health risks. The subsequent phases will include training, development of emergency response and communication plans and state-of-the-art electronic medical records management.

Table I - Roadmap update: Pillar I

Direct efforts

Prompt behaviour change in manager-worker interaction

- The SC launched an anonymous Grievance Hotline in April 2017 across all projects and all contracting tiers. The launch of the hotline was followed by an awareness campaign for workers. As of December 2017, 66% of grievances raised had been resolved.
- The SC has engaged with Qatar University (Social and Economic Survey Research Institute) to develop and carry out worker sentiment and satisfaction surveys.

Ensure that contractors run effective worker representation systems and grievance mechanisms:

- The SC worked with contractors to establish WWFs at all 24 main contractor accommodation locations and at 70 subcontractor accommodation sites. The number of operational WWFs increased from 14 in 2016 to 94 in January 2018.
- 8,000 workers elected representatives across 20 accommodation sites, covering 15 main contractors and 12 subcontractors. The election turnover was 85%.
- Building on previous work, the SC rolled out the 'nudge unit' to four accommodation sites, reaching 5,400 workers.

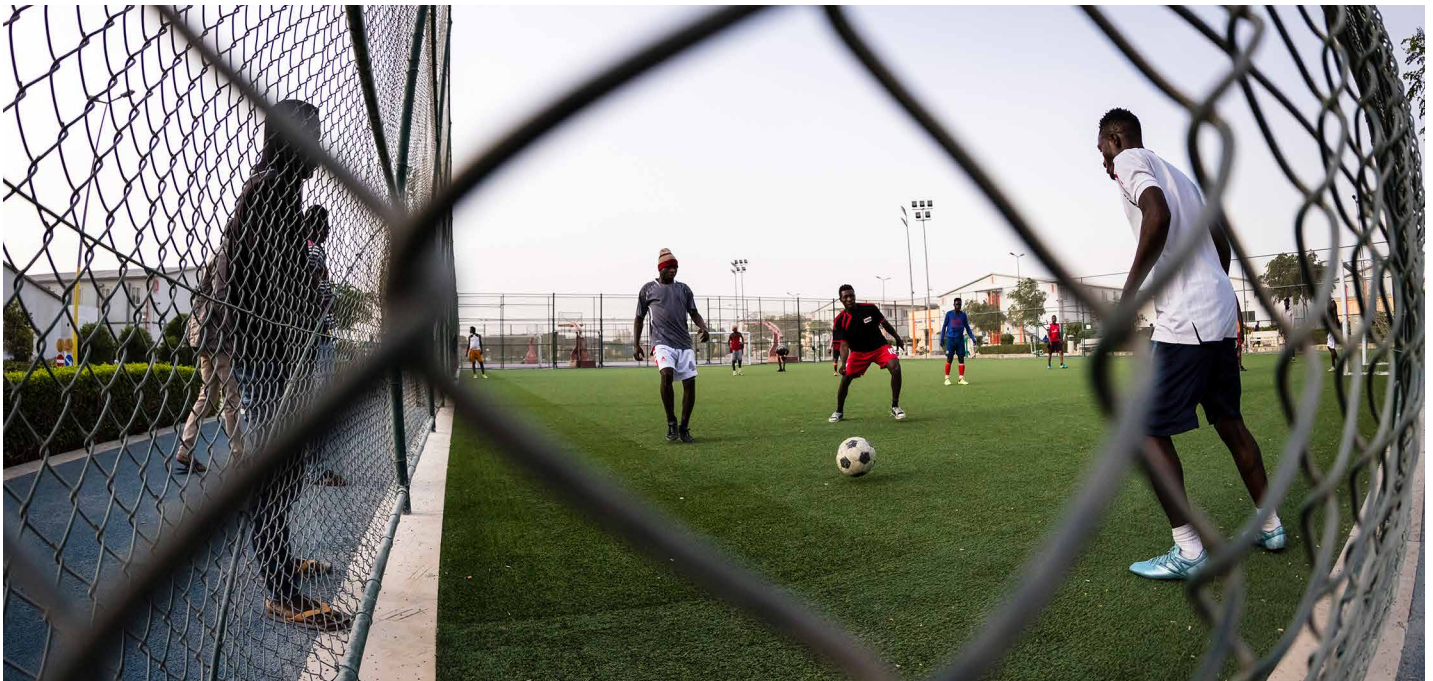
Build management skills:

- The SC partnered with leading health and safety training provider QISC to upskill workers and contractors across SC projects. As of December 2017, the SC completed the development of training materials and provided training to 272 workers.

Indirect efforts

- SC-BWI JWG: Representatives observed WWF elections at two accommodation sites in 2017, and provided input to the SC in the development of WWF elections guidelines.
- In collaboration with Qatar Stars League, the SC continues to run the Workers' Cup – an annual football tournament for workers.

Table 2 - Roadmap update: Pillar 2



Direct efforts

Participate in and contribute to multi-stakeholder action to catalyse improvements in addressing systemic issues

- The SC continues to strengthen its relationship with the MOADLSA by ensuring that contractors comply with Qatari Labour Law. To date, the SC has referred 34 contractors to the MOADLSA for further inspection and follow-up.
- The SC is in discussions with the MOADLSA to obtain and circulate a list of blacklisted recruitment agents to contractors.
- The SC continues to play an active role in bi-monthly Karama meetings, which are attended by 18 major companies and organisations seeking to tackle workers' welfare issues in Qatar.

Indirect efforts

- The SC renewed its Collaboration Agreement with BWI for another year.
- Nutrition programme: Together with Weill Cornell Medicine - Qatar, the SC completed the first two phases of its nutrition programme. These consisted of health assessments for 1,000 workers, followed by a training and awareness campaign for workers and catering contractors.
- Cooling technologies: The SC distributed 10,000 cooling towels to workers at Lusail and Al Wakrah projects. Together with a partner, the SC trialled cooling vests and accessories that demonstrably lowered workers' body temperature by 8-10 degrees centigrade. The SC is planning to roll out these products to other sites in 2018.
- Remittance: Together with mobile provider Ooredoo and Commercial Bank of Qatar, the SC developed an app to enable workers to transfer money to their home countries without having to queue at money transfer centres. As of December 2017, 10,000 workers had received training on the app.

Table 3 - Roadmap update: Pillar 3

Challenges

The SC's journey is taking place in a demanding context arising from the complex nature of global labour supply chains:

- **Historic issues:** While the WW Standards are contractually binding, many workers were initially recruited to work on non-SC projects and/or were recruited before the publication of the WW Standards in 2014. As such, contractors find it challenging to rectify non-compliances that occurred before the WW Standards were applicable. This challenge was noted in Impactt's 2017 Annual Report and remains a concern. However, the SC has made progress on remediating certain legacy issues, such as recruitment fees (see case study on page 30).
- **A steadily increasing number of workers at SC projects:** In 2017, the number of workers at SC projects increased by 93% to 18,500, up from 9,600 in December 2016. The SC expects this number to peak in 2019 at approximately 30,000. The more workers, the greater the demand on SC resources. Additionally, as the SC extends the scope of its compliance programme beyond measuring contractors' performance to supporting improvements, its resources will be stretched. Greater numbers of workers could also increase costs for contractors, as compliance with WW Standards typically represents an additional cost, particularly in areas where the Standards go beyond local industry practices.
- **Short active period:** On average, subcontractors spend 6-7 months working on an SC project before their work is completed. This gives them limited time to adapt their operations to achieve higher compliance with the WW Standards.

- **Differences in contractors' awareness of worker welfare processes:** For some contractors, the WW Standards are their first experience of comprehensive labour standards. In many cases, complying with the WW Standards requires contractors to change their mindsets, particularly with regard to the way they perceive workers and understand the global labour supply chain. It also requires them to establish robust workers' welfare management systems from scratch and allocate adequate resources to managing these systems.
- **First-mover disadvantage:** The SC is a first mover in implementing a Workers' Welfare Programme of this magnitude in Qatar. The WW Standards go well beyond industry norms in terms of the requirement for employers to reimburse recruitment fees to workers, provide workers with annual flights home, and establish dialogue mechanisms (Workers' Welfare Forums). The WW Standards also stipulate higher standards than Qatari law on worker accommodation and transportation. Therefore, not only is the SC implementing a new approach in the region, but it also has to support contractors in exceeding legal compliance requirements.

Impactt's external compliance monitoring programme

Scope of Impactt's work

The scope of Impactt's monitoring covers all contractors across all contracting tiers, working at SC competition and non-competition venues. Prior to beginning its compliance monitoring work in 2016, Impactt developed a bespoke auditing methodology to assess contractors' compliance with the WW Standards and relevant Qatari law.⁹

In 2016, Impactt conducted initial audits of ten contractors and followed up on five of them. In 2017, Impactt conducted follow-up audits of the remaining five contractors initially audited in 2016 and initial and follow-up audits of an additional 14 contractors. Given that the follow-up audits of the contractors initial audited in November 2016 could not be included in the 2017 Annual Report, they are included, together with their corresponding initial findings, in this 2018 Annual Report.

The 2018 Annual Report covers findings from four visits:

Date of visit	Audits carried out
November 2016	5 initial audits
July-August 2017	5 follow-up audits 7 initial audits
October 2017	7 initial audits 7 follow-up audits
January 2018	7 follow-up audits

Table 4 – Audit visits to Qatar

⁹ Impactt's bespoke methodology followed the WW Standards. Impactt audited directly against Qatari labour law in the following areas: working hours, rest and leave and disciplinary procedures.

Over the course of these visits, Impactt conducted initial and follow-up audits of 19 contractors. The table below (Table 5) summarises Impactt's sample in relation to the overall population of workers at SC projects.

Impactt sample				
		Sample	Population (of workers) ¹	% covered
Interviews conducted		679	13,655	5%
# of workers' nationalities		12	40	30%
Workers interviewed	Main	333	8,224	4%
	Tiers 1-2	346	5,431	6%
SC sites audited		10	11	91%
Contractors audited (Initial & Follow up)	Main	8	23	35%
	Tier 1-2	11	185	6%

¹ Data provided by the SC, as of August 2017

Table 5 - Impactt sample

Appendix 2 provides further detail on Impactt's audit approach.

Audit structure

Impactt conducted three-day initial audits of each contractor, with each follow-up audit taking place over one day. Every audit involved a two or three-person team, consisting of at least one lead auditor and a dedicated worker interviewer. This represents a total of **152 person days** in the field. In comparison with 2016, this increase in personnel and other refinements in the audit process have enabled the team to delve deeper into the issues.

Impactt selected which contractors to audit, when to audit them, and which workers to interview, independently of the SC.

Impactt's audits are structured following the worker journey (see Appendix 3 for a description of topic areas).

Audit findings

Impactt's audits produced three types of finding:

- **Non-compliances (NCs)** with the WW Standards and/or Qatari law: Material breaches of legal or contractual requirements. The term "compliance" means the extent to which contractors follow the WW Standards and Qatari labour law.¹⁰
- **Observations:** Issues that could become a breach of the WW Standards or Qatari law if no action is taken to address them, areas that lack the full weight of evidence necessary to demonstrate non-compliance (these issues require further investigation), or areas that fall outside of WW Standards and legal requirements, but are important to workers.
- **Good examples:** These are cases where contractors go above and beyond the minimum WW Standards or legal requirements, or demonstrate sustained improvement.

¹⁰ Impactt's bespoke methodology followed the WW Standards, which is based on Qatari labour law. Impactt audited directly against Qatari labour law in the following areas: working hours, rest and leave, and disciplinary procedures.

During the course of each audit, Impactt's auditors classify each non-compliance according to their severity as follows:

- **Critical:** Imminent risk to workers' safety or risk to life and limb; a significant breach of employees' human rights; a recurring major issue that has not been addressed; or an attempt to pervert the course of the audit.
- **Major:** A material breach of the SC WW Standards or Qatari law which is not a minor.
- **Minor:** An occasional or isolated problem; an issue that represents low or limited risk to workers or those on site, or a policy issue or misunderstanding.

Impactt's auditors classify observations as follows:

- **Critical:** Represents a severe or imminent risk to workers' welfare.
- **Non-critical:** Represents a non-severe or non-imminent risk to workers' welfare.

The severity classification allocated to each issue is dictated by the audit methodology and the auditor's assessment of the facts.

Sampling of contractors

Impactt selected which contractors to audit independently and randomly from a cross-section of projects and contracting tiers. Table 6 below shows that Impactt has covered all project sites and, where applicable, all tiers. The grey boxes indicate where there were no contractors to audit at the time of Impactt's audits. For example, at Ras Abu Aboud Stadium, at the time of Impactt's audits, the site was transitioning between construction phases and no work was being carried out. It is critical that Impactt audit contractors where work is in progress, in order to be able to engage with their workforce.

Sites	MC	T1	T2
Al Bayt	1	1	1
Al Bidda (SC office)	1	1	
Al Rayyan	1	1	
Al Wakrah	2	2	
Doha Port	1		
Khalifa	1	2	
Lusail	1	1	
Qatar Foundation	1	2	1
SC Nursery	1		
Ras Abu Aboud (prev. Fourth Precinct)			2
Al Thumama (prev. Fifth Precinct)	1		

Table 6 – Coverage of SC project sites

Sampling of workers

In preparation for each audit, Impactt requested selected contractors to provide a

complete list of their workers at SC projects. Impactt selected a sample of workers for interview, ensuring a cross-section of nationalities, job types and lengths of service.

Impactt conducted the interviews at the workers' accommodation to allow workers to speak freely, confidentially and away from management. In addition, Impactt carried out spontaneous and unstructured interviews with other workers. Impactt completed all the interviews without the contractors' or the SC's involvement.

The nationalities of workers interviewed are shown in the figure below (Figure 2). Impactt interviewed workers from 12 of the 40 nationalities present at SC projects. More than four-fifths of all workers interviewed were nationals of Nepal, Bangladesh and India, which represent the largest portions of worker nationalities at SC projects.

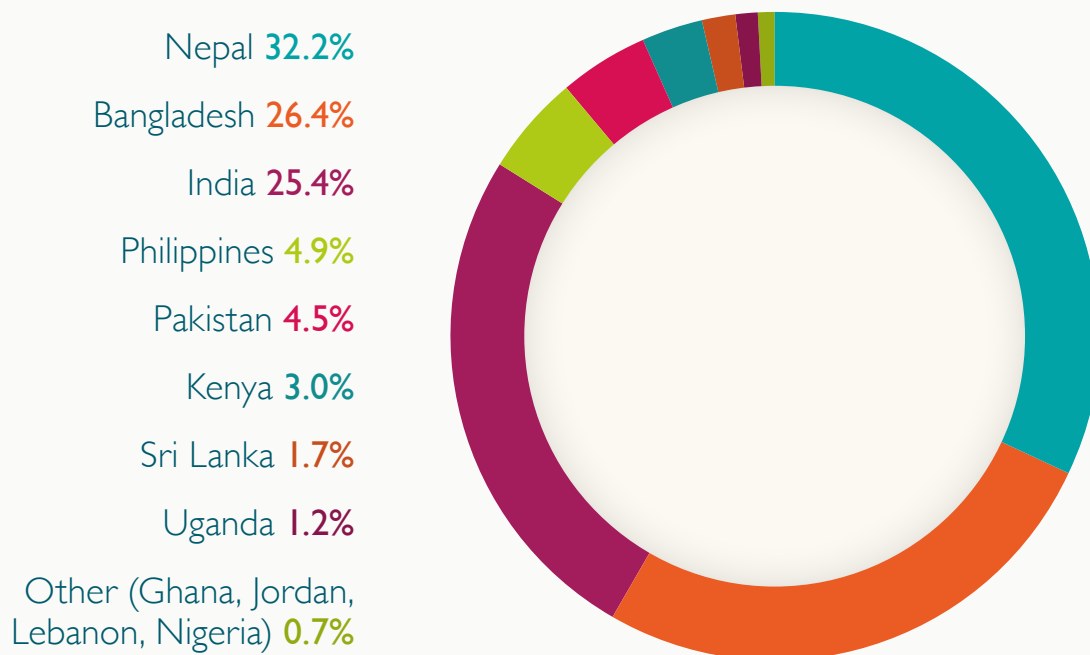


Figure 2 – Workers interviewed by nationality

Worker satisfaction and socio-economic survey

In addition to the standard audit worker interviews, Impactt conducted worker satisfaction and socio-economic surveys among 672 workers. The purpose of the worker satisfaction survey is to measure how satisfied workers are with their employer and workplace, while the socio-economic survey is designed to capture additional insight into the 'push and pull' factors that shape the workers' journeys as migrant workers.

Impactt asked workers to respond to a series of positive statements about their workplace satisfaction, indicating to what extent the statements applied to them, on a scale of 4 to 0, with 4 meaning "I agree fully" and 0 "I don't agree at all". Appendix 4 provides further information about the worker satisfaction survey.

The results of these surveys are included throughout the External monitoring findings section below.

Focus group on recruitment fees

To gain a relevant and timely insight on current recruitment procedures, Impactt interviewed and surveyed focus groups of new workers. In October 2017, Impactt surveyed 52 workers who had been recruited directly for SC projects within the 12 months prior to the audit date, across seven contractors. Impactt asked them specifically about recruitment and recruitment costs. See Appendix 4 for an overview of these questions.

The results of these focus groups are summarised in the Recruitment fees sub-section on page 29.

External monitoring findings

This section sets out the overall results of Impactt's independent, external compliance assessment of 19 contractors during the period November 2016 - January 2018. It includes the results of the worker satisfaction surveys Impactt conducted in conjunction with every audit, the assessment of the effectiveness of SC audits and how far they correspond with Impactt's independent findings. Additionally, it explores the extent to which the SC's efforts during the first year of the three-year Roadmap have resulted in a direct impact on workers.

Compliance Findings

Table 7 summarises the compliance results from 2016 and 2017 audits. The findings are organised by audit section, following workers' journey. Each audit section contains a number of topic areas, as well as requirements derived from the SC WW Standards or Qatari law.

The results from the 2017 Annual Report are based on a small sample of 5 contractors with follow-up audits. The 2018 Annual Report audits cover 19 contractors. Comparisons between the two years are illustrative, but not conclusive.



2017 ¹			2018 ²	
	Initial Audit	Follow-up	Initial Audit	Follow-up
Topic area	Compliance %	Non-compliances closed (%)	Compliance %	Non-compliances closed (%)
Contractor self-audits	37%	24%	70%	72%
Treatment	63%	50%	56%	59%
Recruitment fees	70%	50%	52%	6%
Contracts and administration	82%	53%	58%	47%
Induction	52%	57%	57%	29%
Personal documents	87%	50%	94%	57%
Construction site health and safety	90%	N/A	78%	52%
Wages and allowances	79%	40%	68%	29%
Working hours, rest and leave	63%	43%	67%	24%
Disciplinary procedures	23%	44%	66%	35%
Accommodation and food	91%	60%	89%	36%
Transportation	93%	80%	84%	64%
Grievance mechanisms	60%	0%	56%	33%
Worker representation	28%	35%	67%	65%
End of service procedures	82%	67%	89%	43%

Key			
≥0≤25%	≥26≤50%	≥51≤75%	≥76≤100%

1. These compliance rates are based on the same data as those presented in the 2017 Annual Report (on page 21, see table 3) under 'Q3'. However, the topic areas are not identical as they were amended (for example, 'Wages and allowances' and 'Working hours, rest and leave' were previously merged into one topic area).
2. Covers initial audits conducted in November 2016, July 2017 and October 2017, and their follow-ups.

Table 7 - Summary of Impactt's audit findings

Initial audit findings

This year, contractors achieved a high percentage of compliance in the areas of personal documents (which includes compliance on passport retention), end of service procedures, construction site health and safety, transportation, and accommodation and food.

Unlike last year, all areas have compliance rates above 50%. Moreover, there are areas where compliance rates have increased by more than five percentage points: contractor self-audits, induction, disciplinary procedures and worker representation.

These positive trends reflect the SC's efforts over the past year, with compliance rates rising as contractors increasingly recognise the seriousness of the SC's approach to compliance. For example, the SC's support of contractors to establish WWFs has contributed to an increase in compliance rates in worker representation from 28% to 67%. The SC's request for contractors to move workers to accommodation sites adhering to good living standards, has contributed to high compliance rates for accommodation and food (89%) and transportation (84%).

In other areas, however, compliance rates have decreased and there are clear opportunities for improvement, including: recruitment fees, contracts and administration, treatment, and wages and allowances.

The decrease in compliance rates for recruitment fees (from 70% to 52%) can be partially attributed to the increase in audit personnel and other refinements in the audit process. Impactt's approach to assessing contractors' performance on wages and allowances (rates declined from 79% to 68%) has also become more sophisticated. In particular, Impactt was able to identify non-compliances in contractors' complex timekeeping and payroll systems more rapidly and definitively. Further analysis is provided in the sections below.



The area of contracts and administration saw the largest decrease in compliance (from 82% to 58%). This is partly because Impactt's auditors placed more emphasis on the inclusion of a stipulation in contractors' written agreement with their recruitment agents that the contractor would pay the recruitment agent for their services, in addition to covering the direct costs of recruitment.

Follow-up audit findings

In follow-up audits, Impactt found that contractors had been able to close out or make progress on 58% of issues. Contractors achieved non-compliance closure rates of more than 50% in the areas of: contractor self-audits, personal documents, treatment, construction site health & safety, transportation, and worker representation. Contractors achieved lower non-compliance closure rates in recruitment fees, working hours, rest and leave, and wages and allowances. Improving the closure rates should be a priority for the coming year.

Table 8 summarises the follow-up audit results from the past two years. The results from the 2017 Annual Report are based on a small sample of 5 contractors with follow-up audits. The 2018 Annual Report audits cover 19 contractors. Comparisons between the two years are illustrative, but not conclusive.

	2017	2018
NCs closed	48%	42%
NCs progress made	34%	16%
Critical NCs closed	3/9 (33%)	9/31 (29%)
Critical NCs progress made	4/9 (44%)	5/31 (16%)

Table 8 – Overall follow-up improvement by year

Factors of potential importance are:

- Critical issues reported in the 2017 Annual Report were found at 3 contractors. This small group may have been particularly successful in closing issues.
- The proportion of difficult-to-resolve issues (for example on working hours) increased over time, which may have contributed to the lower close-out rates.

Findings by contracting tier (initial audits)

There are three tiers of contractors at SC projects:

- **Main contractors:** these contractors have a direct relationship with the SC and a contractual obligation to ensure their subcontractors comply with the WW Standards (Impactt audited three main contractors).
- **Tier 1:** specialist companies such as excavation, scaffolding, landscaping, contracted by the main contractors (Impactt audited five Tier 1 contractors).
- **Tier 2:** generally manpower agencies, which supply labour to other companies (Impactt audited two Tier 2 contractors).

The comparison of the average number of findings by contractor tier shows that subcontractors tend to experience more severe and more numerous issues than main contractors. Figure 3 shows the difference in the average number of non-compliances and observations by contracting tier:

- Main contractors exhibit, on average, ten fewer non-compliances than Tier 2 contractors.
- Tier 2 contractors exhibit an average of five critical non-compliances, whereas main contractors exhibit, on average, less than one.

This difference in performance echoes Impactt's experience in other contexts: that the number and severity of issues tends to increase further down the supply chain. This trend is slightly more pronounced in 2017, compared in 2016, as the total number of issues per contractor among Main and Tier 1 contractors remained relatively constant, while for Tier 2 it increased by 27%.

The SC is mindful of this trend and, as a consequence of the improvement in the contractor self-audits and the pre-approval process for subcontractors, it has virtually eliminated Tier 3 contractors from its projects.

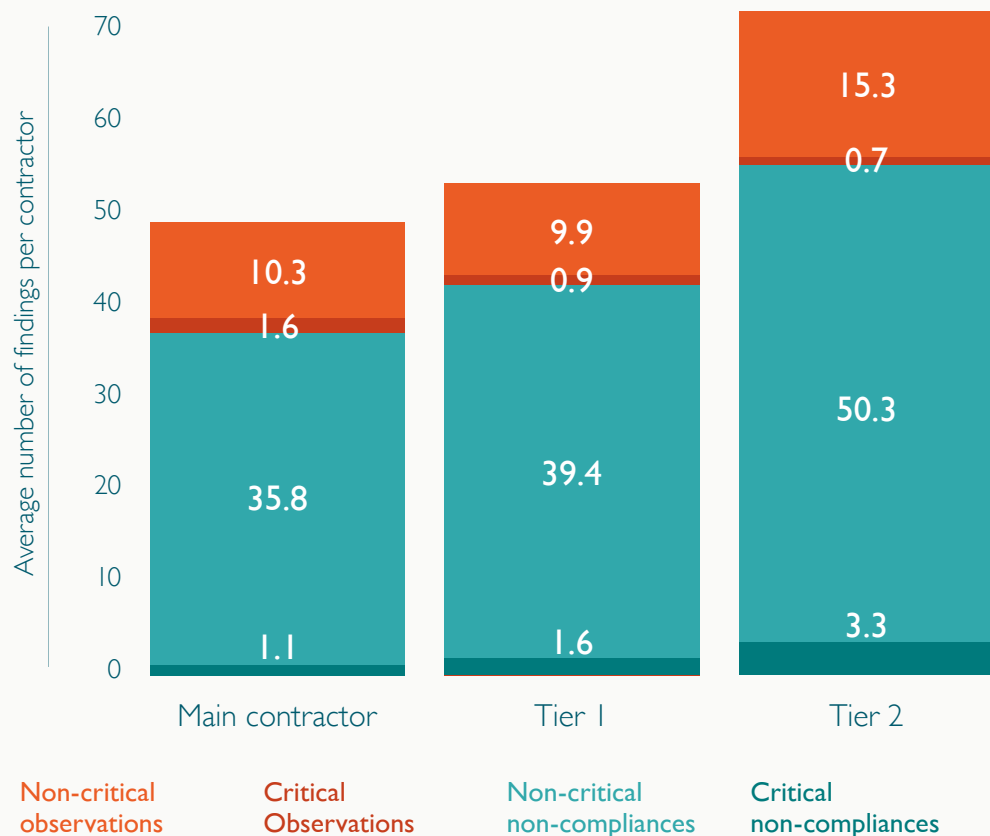


Figure 3 - Findings by contracting tier

Priority topics

In order to provide greater nuance and highlight the issues that affect workers the most, Impactt's analysis identified eight **priority topics** (Figure 4). Impactt determined these topics based on an analysis of the severity¹¹ and prevalence¹² of the issues (non-compliances and observations). The resulting priority topics are those labelled with A-H and are highlighted in orange.

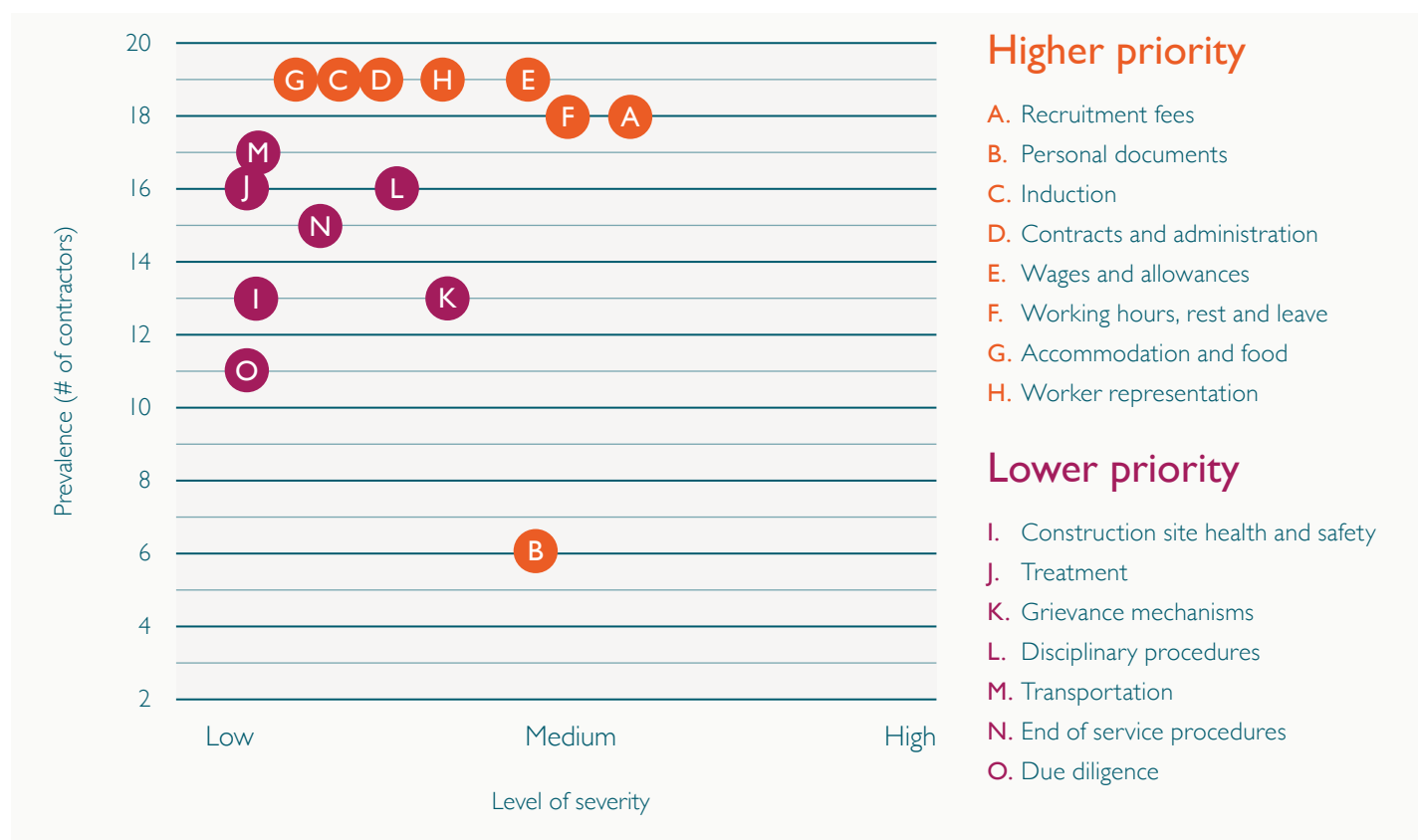


Figure 4 - Priority topics

Each priority topic section below begins with a summary of the relevant WW Standards requirement, followed by a non-exhaustive list of key findings from the audits within the scope of this report. We also consider relevant results from the worker satisfaction and socio-economic surveys and comment on the tangible impacts of SC's roadmap efforts.

A. Recruitment fees

WW Standards requirements

The WW Standards requires contractors to:

- Reimburse workers for recruitment or processing fees if the worker is able to provide proof that they have paid such fees (WWS 6.9)
- Stipulate that they (the contractor) are responsible for paying all recruitment and processing fees in their contracts with recruitment agents (WWS 6.4)
- Complete a checklist with new workers, covering whether they paid any recruitment fees (WWS 6.10).

¹¹ The severity level is calculated using the number of critical, major and minor non-compliances. Severity relates to the level of risk to workers or the size of the gap between current practice and legal or WW Standards requirements.

¹² Prevalence refers to the number of contractors identified as having an issue in a particular topic area.

Initial audit findings

Recruitment fees remain a key challenge, not only for the SC, but across the world. Impactt identified recruitment fees as an issue both in audits and socio-economic surveys. Impactt found non-compliances (including four that we classified as critical) and observations related to recruitment fees at 18 out of 19 contractors audited.

- Four contractors had not reimbursed workers that had paid recruitment fees and had receipts (amounts, where known, were around QAR 360, USD 98, per worker). In one case, the worker had provided the receipts to the employer, whereas the workers in the remaining three cases had not.
- Six contractors did not cover all recruitment costs. These contractors commonly paid for the worker's airfare and visa, but did not pay for other in-country costs, such as medical examinations needed for visas or agency fees. This increases the risk that recruitment agents may seek to cover their costs by charging workers. Two of these contractors are currently developing a new contract with their recruitment agents to ensure workers do not pay for the costs of recruitment.
- At four contractors, workers were not aware that they could be reimbursed for recruitment fees upon providing evidence. At another, workers did not understand the process of applying for reimbursement. This may become a barrier to the workers accessing reimbursements.
- Five contractors did not have a policy to reimburse workers for recruitment costs.

Abdul spent almost QAR 12,000 (USD 3,300) to migrate to Qatar for work. Initially, he had to go through a broker who took him to a training centre in Bangladesh. He initially agreed to pay the recruitment broker QAR 6,800 (USD 1,900), but as soon as Abdul paid the money, he was informed that the broker had gone missing. He was then required to pay a further QAR 4,700 (USD 1,300). Abdul had to mortgage his land in order to pay these fees.¹³

Socio-economic survey results

In a sample of 472 workers, 388 (82%) reported paying recruitment fees. While the majority of workers in this sample were recruited for non-SC projects and recruited over a year ago, the results are similar for workers recruited directly for SC projects. In a sample of 24 workers recruited for SC projects in the year to October 2017, 96% reported paying recruitment fees. Of the workers who reported paying fees, two-thirds did not have receipts. Overall, the workers interviewed paid an average of USD 1,248 in recruitment fees. This is comparable to estimates of the cost of recruitment compiled by the ILO.¹⁴ Figure 5 presents these results.

¹³ This information was not verified by Impactt. The worker's name has been changed.

¹⁴ R. Jureidini (2016) 'Ways forward in the recruitment of low-skilled migrant workers in the Asia-Arab States corridor: ILO white paper', http://www.ilo.org/wcmsp5/groups/public/-arabstates/-ro-beirut/documents/publication/wcms_519913.pdf, last accessed 14 February 2018.

Did you pay any recruitment fees? (sample of 24 workers)

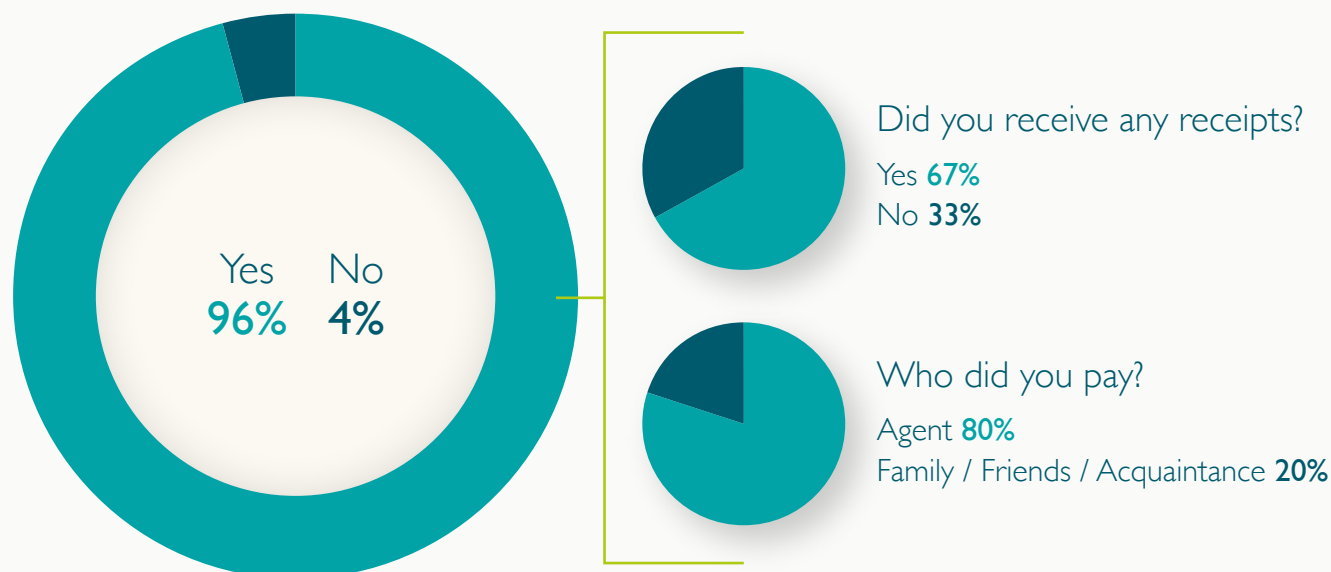


Figure 5 – Recruitment fees paid by workers recruited directly for an SC project in the year to October 2017

Follow-up audit improvement

Contractors resolved 6% and made progress on 29% of issues raised in the initial audits.

- One contractor out of seven revised its agreements with the labour provider to include payment of service fees in addition to covering recruitment costs.
- One of the five contractors without a reimbursement policy developed a policy commitment to reimburse new workers who provide evidence of paying recruitment fees.

Roadmap impact

The issue of recruitment fees is endemic amongst migrant worker populations globally, and is reflected in Impactt's findings at SC contractors. The roadmap (Pillar 1) contains a recommendation that "contractors, rather than workers, pay the cost of recruitment". The SC has made tackling recruitment fees a key priority during 2017, with a particular focus on those working at SC sites (legacy workers). Much of this effort achieved results towards the end of the year, so its impact on audit findings is limited.

Legacy workers

Firstly, the SC has continued its efforts to ensure that workers who have receipts for fees are promptly repaid. Secondly, acknowledging that workers who have receipts are in the minority, the SC has piloted a novel approach to reimbursing workers who have no paper evidence of having paid fees.

The Universal Payment: exploring a new approach to reimbursing recruitment fees

The SC is trialling a new approach to shift the burden of proof from workers to contractors. Instead of workers having to provide evidence of recruitment fees paid, the contractor is required to demonstrate that it has paid the costs of recruitment for each worker. This approach applies to all workers directly recruited by a contractor. In the case of workers transferred from other contractors, the contractor has to obtain the evidence from the worker's previous employer that it paid the costs of recruitment. Where this is not available, the contractor pays a "Universal Payment" to the worker, which provides an agreed amount of compensation and acts as an incentive for the employer to cover recruitment costs directly. In some cases the Universal Payment is paid in monthly instalments, for the duration of the worker's contract.

By January 2018, the SC was working with two main contractors and one subcontractor to pilot this approach, with the following outcomes:

- One main contractor started paying 1,500 workers an ongoing monthly allowance of QAR 150 (USD 41). The total amount to be paid out to workers will be QAR 2.7m per annum (USD 740,000). The contractor will not require proof of payment from workers.
- One subcontractor is paying 43 workers at an SC project QAR 180 (USD 49) per month until QAR 3,600 (USD 990) is paid to each worker. The contractor will not require proof of payment from workers.
- One contractor will pay QAR 125 (USD 34) per month to 160 workers until QAR 1,500 (USD 412) is paid to each worker. The contractor will not require proof of payment from workers.

Impactt verified that the first two contractors had commenced payments to workers in January 2018. The payments made by the third contractor will be verified during Impactt's visit in April 2018.

New workers

It is clear that the majority of current recruitment routes open to workers tend to entail the payment of recruitment fees. There is an undersupply of 'clean' recruitment routes where workers are not asked for money and the costs are born by the eventual employer. During Impactt's 2017 audits, one contractor, a manpower company, stood out as performing particularly well on this issue, relative to the other contractors audited. Only 56% of its workers (compared to 81% for other contractors) reported that they had paid recruitment fees.

The company employs approximately 1,000 workers in Qatar, mostly from Nepal. Impactt identified two practices that reduce the likelihood of workers paying recruitment fees.

Firstly, during the recruitment stage, a company representative has a remote call with each applicant in which they help candidates calculate how much they will be

able to earn and save in their job. They also ask the candidate if they paid fees, and remind them not to pay any fees. Secondly, in addition to covering the worker's direct recruitment costs, the company pays their recruitment agent USD 82 per worker for their services.

Once the workers arrive in Qatar, the company's accommodation site manager also checks with workers if they have paid fees and reimburses them for the amount for which they have receipts, plus an additional US 137.

B. Personal documents

WW Standards requirement

The WW Standards require contractors to:

- Provide workers with visas, Qatar residence permits and health insurance free of charge (WWS 9.2).
- Ensure that workers are in possession of their personal documents (identity papers and bank cards) and provide workers with individual, lockable facilities to store their documents (WWS 9.3).

Initial audit findings

None of the 19 contractors audited were found to be systematically breaching these requirements. There was one case of a worker who had a business visa as opposed to a residence permit.

The number of issues identified under this topic area has decreased since 2016. Across the 19 contractors audited, Impactt only found two cases of passport retention. In one of these cases, the worker had given his passport to his employer for safe-keeping. In the other, three workers employed by the contractor's parent company were not in possession of their passport.

At two contractors, workers reported being concerned that their personal items, including passports, were not safe, as their personal lockers at their accommodation could not be locked.

Ranjit is increasingly concerned about his personal documents, as some of his colleagues' money was recently stolen from their accommodation. He is unaware as to whether or not management is going to take any action related to this.¹⁵

Follow-up audit findings

All three non-compliances (passport retention and issuance of a business visa) had been rectified. However, the two cases of workers feeling their passports were not safe had not yet been resolved.

Roadmap impact

The increase in compliance in this area, from 87 to 94%, and decrease in cases of passport retention, demonstrate the effectiveness of the SC's enforcement efforts in the context of Pillar I of the Roadmap. This is a significant achievement.

¹⁵ This information was not verified by Impactt. The worker's name has been changed

C. Induction

WW Standards requirements

The WW Standards require contractors to provide an induction to workers in the prescribed languages (WWS 12.3), covering key content areas (WWS 12.2).¹⁶

Initial audit findings

Impactt's audits focused on general accommodation and site inductions. Impactt raised two isolated critical non-compliances at one contractor where the accommodation manager had:

- Asked six workers to sign the induction records without having received an induction.
- Told two workers to indicate that they had not paid recruitment fees on the 'New Starter Checklist', after they told him that they had paid recruitment fees but had no receipts.

Impactt also found the following non-compliances:

- Three contractors did not provide an accommodation induction to new workers.
- Six contractors provided accommodation inductions, however, they lacked key content required by the WW Standards (for example on reporting grievances, the WWFs, and roles and responsibilities of key personnel).
- Twelve contractors did not provide inductions in workers' native language.

Impactt found that 11 contractors had not completed the New Starter Checklists, contrary to the SC's requirement. The checklist requires contractors to ask new workers whether they have paid any recruitment fees. This document is important in facilitating workers' access to recruitment fee reimbursements.

Follow-up audit findings

63% of all non-compliances related to inductions were either closed (29%) or marked as 'progress made' (34%). Of the issues relating to New Starter Checklists, none of them were closed, but progress had been made on 64% of them. This indicates that the contractors plan to use the checklist for new recruits, but have not recruited new workers yet.

Roadmap impact

The consistently low compliance rates (52% in 2016 and 57% in 2017) and relatively poor performance on closing issues (the close-out rate fell from 57% to 29%) suggests that the SC should further build contractors' capacity in this area. In the last quarter of 2017, the SC finalised the content for a worker welfare induction training. Impactt will measure the impact of this training in the next annual report.

The capacity-building should focus on supporting contractors to develop effective due diligence processes (such as completing the checklists) and ensuring that contractors pay the cost of recruitment, in line with Pillar I of the Roadmap.

¹⁶ Key content areas include: emergency procedures, medical, health and safety procedures, a summary of workers' rights and protections, and information on worker representation. The information workers learn through the inductions help them settle into Qatar, understand their roles and responsibilities and exercise their rights. Workers receive two types of induction. Through the first induction, which takes place at their accommodation, contractors brief workers on their rights and responsibilities. This covers how to report grievances and participate in the WWFs, their employer's policies (e.g. disciplinary procedures), the roles and responsibilities of key personnel, and accommodation rules and procedures, including health and safety. The second induction takes place at the construction site. Workers learn about site rules, including health and safety procedures. Depending on their role, workers also undertake specialist technical training and daily safety briefings with their foreman.

D. Contracts and administration

WW Standards requirements

The WW Standards require contractors to provide workers with:

- An original offer of employment before they leave their home country, including information about their professional role, working hours, wages and entitlements, days off and holiday entitlements, and access to medical care (WWS 7.1). This must be in writing, in a language the worker understands (WWS 7.2), with a copy given to the worker (WWS 7.6).
- A contract on arrival in Qatar (WWS 8.1) that includes the relevant terms and benefits of employment (8.2b). All contracts must be signed and witnessed (8.2d), and their contents must be explained to the worker in a language they understand (8.2c). Workers must be given a signed copy of their contract (WWS 8.5).

Initial audit findings

Mojid had high hopes of earning more money in Qatar. However, he finds that the reality is very different, as the money he earns is not as high as expected. He no longer dreams of earning a lot of money and creating a better future for his family.¹⁷

Impactt found non-compliances and observations at all 19 contractors audited, seven of which were rated as critical (five critical non-compliances and four critical observations).

Impactt recorded the second highest number of findings in this area. It accounts for 15% of all issues (non-compliances and observations). This is partly due to the comparatively higher number of checks. However, it is clear that contractual arrangements remain a common challenge to contractors.

This area also saw the largest decrease in compliance, from 82% in 2016 to 58% in 2018. One of the reasons behind the steep decline could be that Impactt's auditors placed more emphasis on checking whether contractors' written agreements with their recruitment agents stipulated that the contractor would pay the recruitment agents for their services. In particular, contractors across both reporting years (in 2017 and 2018) found it difficult to comply with the requirement to use recruitment agents approved by the MOADLSA, as the list of approved agents is not in the public domain.

Impactt identified four critical non-compliances and two critical observations related to contract substitution at six contractors. In five of these cases, workers' monthly wages were USD 27 to 70 lower than the amount promised or agreed prior to leaving their home country. For example, one contractor issues offer letters stating a basic monthly wage of USD 250 when recruiting from Nepal, although the actual wage paid to workers in Qatar is USD 200. The management explained that they show a higher figure on offer letters because if the basic wage is less than USD 250, the government of Nepal does not allow workers to emigrate. In the remaining contract substitution case, a group of workers were assigned to a lower-skilled, lower-wage job than the job that was promised.

¹⁷ This information was not verified by Impactt. The worker's name has been changed.

In two of these cases, the contractor asked workers to sign new or revised documents (employment contract and/or offer letters) in an attempt to validate the new contractual arrangements. This exacerbates the challenge of contract substitution, potentially locking workers into their disadvantaged position.

Additional critical observations (two cases at two contractors) relate to workers not being given sufficient time to review their employment contracts prior to signing them.

Impactt also identified the following non-compliances across the 19 contractors:

- 17 contractors' offer letters omitted key information (e.g. job description), were not provided to workers or were missing from workers' files.
- 11 contractors did not provide all workers with a copy of their employment contracts, the contracts were not attested by the MOADLSA or were missing from workers' files.
- 11 contractors worked with recruitment agents that were not registered with the MOADLSA, did not have contracts with their recruitment agents, or had contracts that fell short of the WW Standards requirements.

Follow-up audit findings

One of the six contract substitution issues was resolved.

Of the two observations where workers felt under pressure to sign documents, one was resolved and the other could not be followed up, as the contractor had not recruited any new workers.

For the remaining non-compliances:

- Offer letters: 70% of issues were closed (38%) or marked as 'progress made' (32%)
- Employment contracts: 73% of issues were closed (56%) or marked as 'progress made' (17%)
- Recruitment agents: 62%¹⁸ of issues were closed (46%) or marked as 'progress made' (15%).

Roadmap impact

The reduction in compliance from 82% to 58% and increase in severity of findings in this area indicate that the SC should increase support to contractors to improve their due diligence processes (Pillar 1 of the Roadmap). In particular, the SC should ensure that contractors commit to pay recruitment agents for their services (in addition to paying for direct recruitment costs). The SC should support contractors in ensuring that all workers receive and understand their offer letters before leaving home, and that the terms of employment described in the offer letters match those described in the employment contract (or are at least not less advantageous).

¹⁸ Figure is rounded to the nearest integer.

E. Wages and allowances

WW Standards requirements

Qatar Labour Law and the WW Standards require contractors to:

- Pay overtime on a regular working day at a premium rate (Article 74).
- Pay workers on a rest day at a premium rate and provide a compensatory day off (Article 75).
- Provide workers with a flight home on an annual basis (WWS 9.7).
- Provide workers with payslips that contain prescribed key content (WWS 10.4).
- Pay workers in accordance with the WPS.¹⁹

Initial audit findings

Impactt found critical non-compliances at three contractors. These relate to contractors manipulating working hour records to conform to the format of WPS entries. In some cases, this was to hide excessive overtime hours (above 52 per month).

Impactt also identified the following non-compliances:

- 5 contractors failed to pay workers on time (in all cases the delay was less than 2 months)
- 12 contractors did not provide workers with payslips, or did not provide payslips that contain all required information
- 12 contractors failed to provide workers with a flight home every year
- 2 contractors did not pay workers the correct overtime premium
- 10 contractors did not provide workers with a day off in lieu when they worked on a rest day
- 3 contractors paid workers part of their wage in cash, rather than through bank transfers.

Compliance rates in this area decreased from 79% in 2016 to 68% in 2017.

Vijay likes that he receives his salary on time every month, so he can send money to his family on a regular basis²⁰.

Mustafa feels that his salary is not sufficient to repay the cost of his loan and provide for his family's food and education back home.²¹

¹⁹ Impactt has interpreted this to mean that data entered into WPS must be accurate and reflect actual hours worked, workers are paid on time, all payment are made through WPS (i.e. through bank transfer and not in cash), and workers are paid for the hours they work.

²⁰ The worker's name has been changed.

²¹ This information was not verified by Impactt. The worker's name has been changed.

Follow-up audit findings

One of the three cases of WPS manipulation was marked as 'progress made' (33%) and the other two remain open.

Contractors were successful at addressing the issues of cash payments (50% closed), delayed payment to workers (40% closed and 20% progress made), and provision of compliant payslips (50% closed and 17% progress made).

Contractors struggled with closing issues related to the provision of time in lieu of work on a rest day (10% closed and 20% progress made) and incorrect rates for overtime work (none closed or progress made). Finally, providing workers with annual flights home remains a challenging issue for contractors, with just 23% of non-compliances closed or marked as progress made. The lack of progress on this issue is an example of the challenges in enforcing the WW Standards in areas where they go beyond Qatar Labour Law (as is the case here).²²

Satisfaction and socio-economic survey results

As part of the worker satisfaction survey, workers at 16 contractors were asked to respond to the statement: "I get paid fairly for the work I do".

The average score (at the time of the initial audit) was 2.5 (on a scale of 0-4), indicating that workers moderately agreed with the statement. Five contractors scored lower than a 2, indicating workers did not agree with the statement, and six contractors scored above a 3, indicating they did.

Roadmap impact

The SC should continue to work with contractors under Pillar 1 of the Roadmap to build their capacity to implement improvements and increase compliance. This will help address the drop in compliance (79% to 68%) and the decrease in close-out rates (40% to 29%). The SC should support contractors in ensuring on-time wage payments. This requires working with main contractors and subcontractors to ensure the timely flow of payments and time-keeping information. Additionally, the SC should support contractors in providing workers with annual leave and airfares (or equivalent monetary compensation) on an annual basis. Finally, the SC should ensure that contractors provide workers with time off in lieu when workers are required to work on a rest day.

F. Working hours, rest and leave

WW Standards requirements

The WW Standards require that contractors follow Qatari law with respect to working hours (WWS 9.8). Qatar's Law No 14 of 2004 stipulates:

- Working hours are a maximum of 8 hours per day and 48 hours per week (Article 73).
- Overtime can be worked up to a maximum of 10 total hours of work per day and shall be compensated at a premium rate (Article 74).
- Workers shall have one rest day per week (Article 75).
- Working hours shall include a minimum of one hour's rest per day (Article 73).

²² Article 9, ILO Convention 132, Holidays with Pay Convention (Revised) 1970. This Convention has not been ratified by Qatar.

Initial audit findings

Impactt identified non-compliances related to high levels of working hours at 13 of 19 contractors. At eight of 19 contractors, these non-compliances were critical, as working hours exceeded 72 per week and overtime exceeded two hours per day. The most extreme case found was:

- 14 hours within a day (4h in excess of limit)
- 402 hours within a month (approx. 90h in excess of limit).

At five contractors, the non-compliances were less severe, as working hours were above the limit of 60 total hours per week, but below 72.

Additional non-compliances include:

- 8 contractors where workers worked an excessive number of consecutive days without a rest day. The most extreme cases were found at one contractor where three workers worked between 124 and 148 consecutive days without a rest day.
- 4 contractors failed to provide workers with the required amount of daily rest breaks.

Impactt identified the following observations:

- 12 contractors did not have an accurate and reliable system to monitor working hours. These contractors did not have records of actual records worked, or, where they did, the records contain errors, lack key information or do not match payroll information. For example, some of the hours recorded are for transportation time or provided to workers as a productivity bonus.

Satisfaction and socio-economic survey results

As part of the worker satisfaction survey, workers at 16 contractors were asked to score these statements relating to working hours:

- "I am happy with my working hours": average score of 3. The lowest-scoring contractor received 1.8; 8 of the 16 (50%) contractors scored at least a 3.
- "I get enough time to rest": average score of 2.9. The lowest-scoring contractor received 1.0; 9 of the 16 (56%) contractors scored at least a 3.

Follow-up audit findings

Contractors were successful in rectifying non-compliances relating to insufficient daily rest breaks, closing 50% and making progress on 25%.

Despite this progress, contractors made limited advances on monitoring and reducing excessive working hours. Robust timekeeping systems are necessary to manage and reduce working hours and enable workers to take the required rest breaks and rest days. However, contractors had only closed 31% and made progress on 23% of the observations raised on monitoring systems. Common weaknesses are: accounting for rest breaks, commuting time and performance bonuses as hours worked.

On excessive working hours, they closed or made progress on 32% of non-compliances. Contractors also struggled with rectifying excessive consecutive working day issues, closing or making progress on only 38% of non-compliances.

Tier 1 and 2 contractors reported that they felt constrained in tackling working hours issues because main contractors dictated the pace of work. The complex nature of these issues requires collaboration between multiple contracting tiers, and may require more time for improvement compared to contractor-specific issues.

Roadmap impact

Working hours and rest days represent a priority topic that will require further efforts from the SC to achieve compliance. The main challenges remain the weakness in monitoring systems and the excessive levels of hours and consecutive working days.

The SC has begun to address these issues. In 2017, it carried out an exhaustive analysis at 14 contractors to understand existing levels of working hours. The SC is currently piloting a new workforce management system, which includes an electronic time and attendance system, across one of its sites, in order to capture and analyse real-time, accurate information. These efforts are commendable, and should be expanded.

The SC should support contractors in foreseeing and preventing peaks in working hours through collaborative project planning and forward labour planning. Where it is not possible to avoid peaks, the SC should ensure that contractors follow international law and good practice.²³ This includes documenting the reasons for the peak, ensuring that workers are provided with additional rest breaks and nourishment, and providing both the stipulated amount of time off in lieu and overtime premiums. In developing policy in this area, the SC should also consult with worker representatives.

G. Accommodation and food

WW Standards requirements

The WW Standards contain two appendices (A and C) that set out detailed accommodation, facilities management and food standards.

Initial audit findings

The accommodation and food sections of the WW Standards contain the highest number of requirements. This partly explains why Impactt found the highest number of non-compliances and observations in these areas, accounting for 23% of all findings. Impactt found issues at all 19 contractors.

The majority of these (78%) are graded as minor non-compliances, indicating that they represent a low risk to workers. The most serious issue identified, and the only one graded as critical, related to a generator that was located too close to the accommodation blocks, representing a fire hazard. Other non-compliances were recorded for insufficient fire marshals, blocked fire exits, failure to conduct fire evacuation drills, and inadequate storage facilities.

The most significant observations related to two cases of workers feeling there was no safe storage for their personal belongings. These were raised under the topic area of Personal Documents. At 8 of 19 contractors, workers reported that they either did not like the food or thought the quality of the food was poor.

²³ ILO Convention 1, *Hours of Work (Industry) Convention, 1919*. This Convention sets conditions under which working hours may exceed the limit of 48 standard working hours per week. The Ethical Trade Initiative (ETI) also stipulates conditions under which working hours may exceed 60 total hours per week.

Karim is unhappy with the quality of the food and ends up buying his own. As a consequence, his living expenses have increased.²⁴

The relatively low severity of the accommodation and food issues highlights the success of the SC's efforts in this area. The SC has requested that contractors house workers at specified highly compliant accommodation sites. As of December 2016, 85% of workers at SC projects live in six highly compliant accommodation sites. Further, the SC has requested that main contractors, where possible, house their subcontractors' workers in the same accommodation site as their own workers. This facilitates access to shared services such as catering and medical care.

Rajjak loves his accommodation. He thinks it is very well equipped and organised, something he has never seen before. His favourite place is the garden because he can freely roam around there at weekends.²⁵

The SC's efforts have contributed to high compliance rates for accommodation and food (89%) and transportation (84%). In addition, worker testimonies suggest that they feel positive about their accommodation. When asked what they like most about their jobs, workers at 15 of the 19 mentioned their accommodation (either in general or particular aspects of it, for example the available facilities), making it the most commonly liked aspect of their work.

Follow-up audit improvement

Through the follow-up audits, Impactt found that the critical issue related to the generator had not been resolved. The SC reports that all workers at this accommodation site were moved to a more compliant site in December 2017.

Contractors had managed to close or make progress on 35% of the remaining issues (including major and minor non-compliances and observations).

Roadmap impact

The relatively high compliance rates are a result of the SC's efforts under Pillar I of the Roadmap. The requirement for contractors to only house workers at highly compliant accommodation sites has proved decisive in achieving progress. The SC should continue with these efforts.

The policy of housing main contractors and subcontractors' workers at the same accommodation site also delivers strong benefits. It helps contractors to streamline the provision of high quality shared services, particularly medical care and food. It can also help contractors and the SC to understand and act on worker feedback through Workers' Welfare Forums, which take place at accommodation sites. Again, the SC should continue implementing this approach.

²⁴ This information was not verified by Impactt. The worker's name has been changed.

²⁵ The worker's name has been changed.

Food remains a common concern cited by workers. In most cases, workers' concerns relate to personal taste rather than quality. The instances of workers reporting quality issues (unbaked bread or uncooked meat, or insects in salads, for example) arose at only 4 of 19 contractors. In 2017, the SC worked with Weill Cornell Medicine - Qatar on a pilot to assess the impact of nutrition on workers' health. The SC should continue its efforts in this area, rolling out the lessons from the pilot across all accommodation sites.

H. Worker representation

WW Standards requirements

The WW Standards require contractors to establish a Workers' Welfare Forum (WWF) at each accommodation site. The forum must:

- Enable workers to raise concerns on any issue without fear of retaliation (WWS 16.1).
- Consist of the contractor's Workers' Welfare Officer and Worker Representatives (WWS 16.2).
- Ensure that Worker Representatives cover all nationalities (at least one representative per nationality) and are elected by workers every six months (WWS 14.1).
- Meet at least once a month (WWS 16.3).

The WW Standards go beyond Qatari labour law in this area, although they fall short of international standards (ILO conventions). By exceeding the requirements of national law, the SC aims to deliver positive change for workers through developing open and trusted communication mechanisms between workers, contractors and the SC. This mirrors the position of organisations such as the Ethical Trading Initiative²⁶, which recommend the development of "parallel means" of worker representation where trade unions are illegal.²⁷

Initial audit findings

Impactt found that 17 of 19 contractors had established WWFs. The percentage of compliant contractors in this area therefore increased from 28% in 2016 to 67% in 2017. This indicates significant progress and reflects the SC's efforts in this area.

The following issues were identified:

- Two contractors had not yet set up a WWF
- Of the remaining 17 contractors that had set up a WWF, 14 of them had appointed representatives that were selected by management rather than elected by workers
- Workers at 11 contractors reported that they were either unaware of their WWF's existence or were not clear about its purpose.

Follow-up audit improvement

The results of the SC's efforts in supporting contractors to set up WWFs are evident in the closure rates: Worker Representation has the highest rate of closure and progress made (71%) of all topic areas in this report.

²⁶ The Ethical Trading Initiative (ETI) is a tri-partite organisation composed of businesses, trade unions and non-governmental organisations. Its vision is "a world where all workers are free from exploitation and discrimination, and enjoy conditions of freedom, security and equity." The ETI has developed a Base Code based on the standards of the ILO.

²⁷ ETI, Base Code Section 2.4 http://s3-eu-west-1.amazonaws.com/www.ethicaltrade.org/files/shared_resources/eti_base_code_english.pdf?ppXz9ivoyynr1uTTo5e.Z5n.ZHaQvQfN, last accessed 14 February 2018.

By the end of the follow-up audits: 12 of 19 contractors had WWFs with elected representatives, three were planning to hold elections before February 2018, and only four contractors did not have elected representatives.

Roadmap impact

The substantial increase in compliance (from 28% to 67%) and the increase in close-out rate (from 35% to 65%) indicate that the SC's efforts had a real impact and mark important progress towards Pillar 2 of the Roadmap.

The SC reports that as of January 2018, over 8,000 workers at all 18 main contractor accommodation sites had elected their own WWF representatives. For some contractors, this was the first time they had held an election of this type. To support them in the process, the SC issued contractors with election guidelines in advance.

The next step in supporting contractors in establishing effective worker representation mechanisms is to promote stronger communication between workers, worker representative and contractors. This starts with facilitating the flow of information from workers to contractors. It also means helping contractors to demonstrate the actions they have taken in response to workers' feedback by communicating any changes clearly to their workforce. The SC reports that it is implementing BWI's advice to provide workers at three projects with minutes of WWF meetings. The SC should roll out this approach to all its other projects.

The SC also reported that it has rolled out the 'nudge unit' to WWFs at four accommodation sites, covering 5,400 workers. Based on the results obtained at these sites, the SC should consider extending this approach to all other accommodation sites.

Worker satisfaction survey

Impactt conducted worker satisfaction surveys with 672 workers, in addition to the standard audit worker interviews, in order to measure how satisfied workers were with their employer and workplace. (See Appendix 4 for an overview of the surveys and more information about the worker satisfaction survey).

The questionnaire uses a scale of 4 to 0, with 4 meaning "I agree fully" and 0 "I don't agree at all". Table 9 below provides an overview of the average worker satisfaction scores, at the time of initial and follow-up audits, across the 16 contractors²⁸ where Impactt conducted the surveys. Impactt surveyed different workers through the initial and follow-up audits.

²⁸ In the first round of audits, the worker satisfaction survey was piloted at two of the five contractors that were audited. For this reason, the survey was not carried out at all 19 contractors that fall within the scope of this report.

	Score – Initial Audit	Score – Follow-up Audit	Change
I get paid fairly for the work I do	2.50	2.51	+0%
I am happy with my working hours	3.01	3.04	+1%
It is easy to take emergency leave	2.95	3.06	+4%
I have realistic targets at work	2.82	3.07	+9%
I get enough time to rest	2.94	2.96	+1%
Income	2.84	2.93	+3%
I am supported by my work to give my best	3.03	2.97	-2%
I have opportunities to get promoted and learn at work	2.48	2.42	-2%
Progression	2.75	2.69	-2%
I feel safe at my workplace	3.21	3.40	+6%
I can get care if I am sick or injured	3.13	3.28	+5%
It is easy to get a problem resolved	2.79	2.70	-3%
I am treated with respect	2.94	2.88	-2%
I always feel listened to	2.70	2.84	+5%
I feel appreciated at my workplace	2.76	2.73	-1%
Respect	2.92	2.97	+2%
Overall	2.86	2.91	+2%

Table 9 – Average worker satisfaction scores

Generally, there was little change in satisfaction levels between the two audits, which was not unexpected. There was usually an interval of around 12 weeks, which is not a substantial amount of time for workers to perceive tangible change, particularly given that most of them have been working in Qatar for several years.

On average, workers are satisfied with their jobs and workplaces (2.91). They feel safe at their workplace (3.40) and that they can receive care in the event of illness or injury (3.28). Workers are, however, less satisfied with their pay (average of 2.51) and opportunities for promotion and upskilling (2.42). Neither of these areas saw improvement in the interval between the initial and follow-up audits (0 and -2% change).

One notable finding is that some workers are satisfied with their working hours and rest time. This may seem counterintuitive, considering their relatively long working hours (both standard hours and in some cases, excessive hours). However, in Impactt's experience, this is common in most countries. Workers tend to be dissatisfied with their pay rather than with their working hours. For most low-skilled workers globally, access to promotion and pay increases are limited. Their only opportunity to earn better wages is often to take on additional working hours (including overtime hours).

Additionally, there is a strong positive correlation (0.7) between contractors' compliance rates on accommodation and food, and their workers' overall satisfaction levels. This highlights the importance of accommodation and food to workers, and suggests that higher accommodation and food standards contribute significantly to workers' overall satisfaction levels.

Finally, Impactt also asked workers if they would recommend their job to friends or family. 90% of workers responded 'no', with the most common explanation being that the work is hard or the climate is hot (67%). This is quite a striking finding, given that satisfaction levels were moderately high (2.9). One possible explanation is that workers are satisfied with their jobs compared to what they would otherwise be doing in their home countries, but they are not satisfied enough to wish the same for their family and/or friends. This is a common predicament experienced by migrant workers. Impactt will continue to monitor their satisfaction closely to understand the effects of the 'Universal Payment' approach and other positive approaches to improving job quality.

Effectiveness of SC audits and comparison with Impactt audits

This section compares the extent to which SC and Impactt audits identify the same priority issues. Overall, 40% of priority issues (severe and/or prevalent non-compliances and observations) were identified by both Impactt and the SC, similar to the level reported in the 2017 Annual Report. It is important to consider that SC and Impactt audits were conducted at different times and with different samples. The comparison is therefore illustrative, not conclusive.

SC audits tend to find more issues in the areas of health insurance, passport retention and contract substitution, whereas Impactt audits found more issues on working hours, rest and leave, and recruitment fees. The results highlight the benefit of operating a multi-tiered audit system.

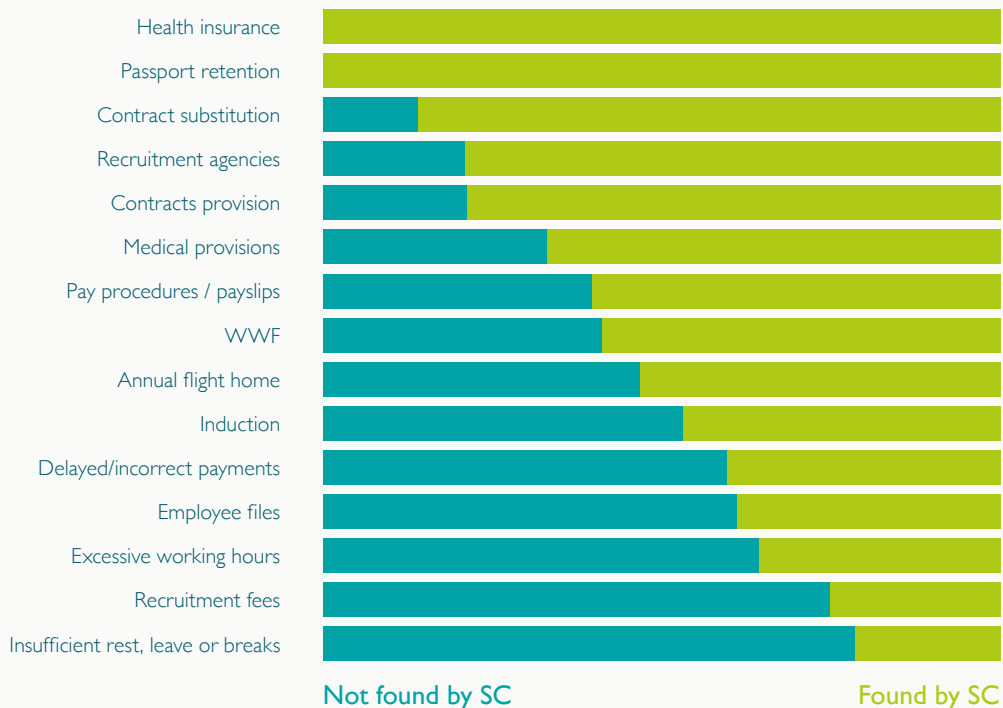


Figure 6 - Consistency in priority findings

Conclusion and Roadmap recommendations for 2018

Impactt commends the SC's efforts during 2017. Whilst some initiatives are in their early stages, Impactt has observed real impacts on workers in the below areas, particularly in those that reflect the Roadmap recommendations set out in the 2017 Annual Report:

- **Recruitment fees**, where 10% of workers at SC projects will benefit from an unprecedented approach to reimbursing recruitment fees.
- **Worker representation**, where the SC's efforts and collaboration through the SC-BWI JWG have enabled 43% of workers at SC projects to elect their representatives and all main contractors to have a functioning WWF at their accommodation.
- **Personal documents**, where the SC's sustained effort meant that none of the 19 contractors audited were systematically breaching the WW Standards requirements.
- **Accommodation**, where the SC's request that contractors house workers in highly compliant sites has led to very high compliance rates.

The SC's efforts are unfolding in a changing legal and political environment. Over the past year, the global community has witnessed a wave of change in Qatar, with landmark labour reforms announced for implementation in 2018 and a technical cooperation agreement with the ILO to support their implementation. In addition, new multi-stakeholder initiatives and partnerships are emerging to tackle the challenges of workers' welfare issues in the construction industry, both in Qatar and in workers' home countries. These improvements and new initiatives create an opportunity for the SC to continue leading the way on the areas in which it excels. They also stand to help strengthen the SC's efforts to tackle areas where progress has been limited.

Taking into account the compliance monitoring findings and the initiatives underway, Impactt recommends the following areas for further work in 2018:

Pillar I - Improve the effectiveness of efforts to drive compliance with the WW Standards

Existing activities

- **Recruitment fees**: Build on the excellent progress made during the year and roll out the "Universal Payment" approach, working with contractors to ensure legacy workers are reimbursed for recruitment fees they may have paid during recruitment, regardless of receipts. Continue working with contractors to prevent new workers from paying recruitment fees.
- **Pre-mobilisation approval of subcontractors**: Continue rolling out and documenting the effectiveness this approach.
- **Workforce management systems**: Complete roll out of workforce management systems across all sites to ensure that working hours are accurately measured and prevent contractors from employing workers without the required documents.
- **Accommodation and food**: Continue requiring contractors to house workers at highly

compliant sites and, where possible, to house main contractor and subcontractor workers at the same accommodation. Impactt also recommends implementing the food and nutrition recommendations from the pilot with Weill Cornell Medicine – Qatar.

Further actions

- **Communication:** Support contractors in improving communication with workers, particularly before arrival and during the on-boarding process, so that workers fully understand their rights and the nature of their jobs.
- **Working hours:** Leveraging the data provided by the workforce management system, analyse root causes of excessive working hours and develop a process to manage unavoidable peaks in working hours, taking into account international law and good practices.

Pillar 2 - Prompt behaviour change in manager-worker interaction

Existing activities

- **Amplify workers' voices:** Continue promoting the anonymous SC Grievance Hotline and complete the roll out of worker sentiment and satisfaction surveys.
- **Ensure that contractors run effective worker representation mechanisms (WWF) and grievance mechanisms:** Continue working with contractors to ensure all worker representatives are elected by workers and that workers see the outcomes of the improvements driven by WWFs.
- **Build worker skills:** Continue to partner with Qatar International Safety Centre (QISC) to build and roll out worker skills training.

Further actions

- **Build management skills:** Work with contractors to upskill people managers (middle managers, supervisors and foremen).
- **WWF:** Leverage BWI experience to build the skills of worker representatives in WWFs.
- **SC Grievance Hotline:** We recommend following best practice by publishing grievances raised and actions taken (anonymised).

Pillar 3 - Collaborate for greater reach and impact

Existing activities

- **SC-BWI JWG:** Continue working with BWI to identify good practices for health and safety and WWFs, and continue rolling out these good practices across all sites.
- **MOADLSA:** Continue working with the MOADLSA to circulate a list of blacklisted Qatari recruitment agents to contractors and escalate non-compliant contractors to the MOADLSA.

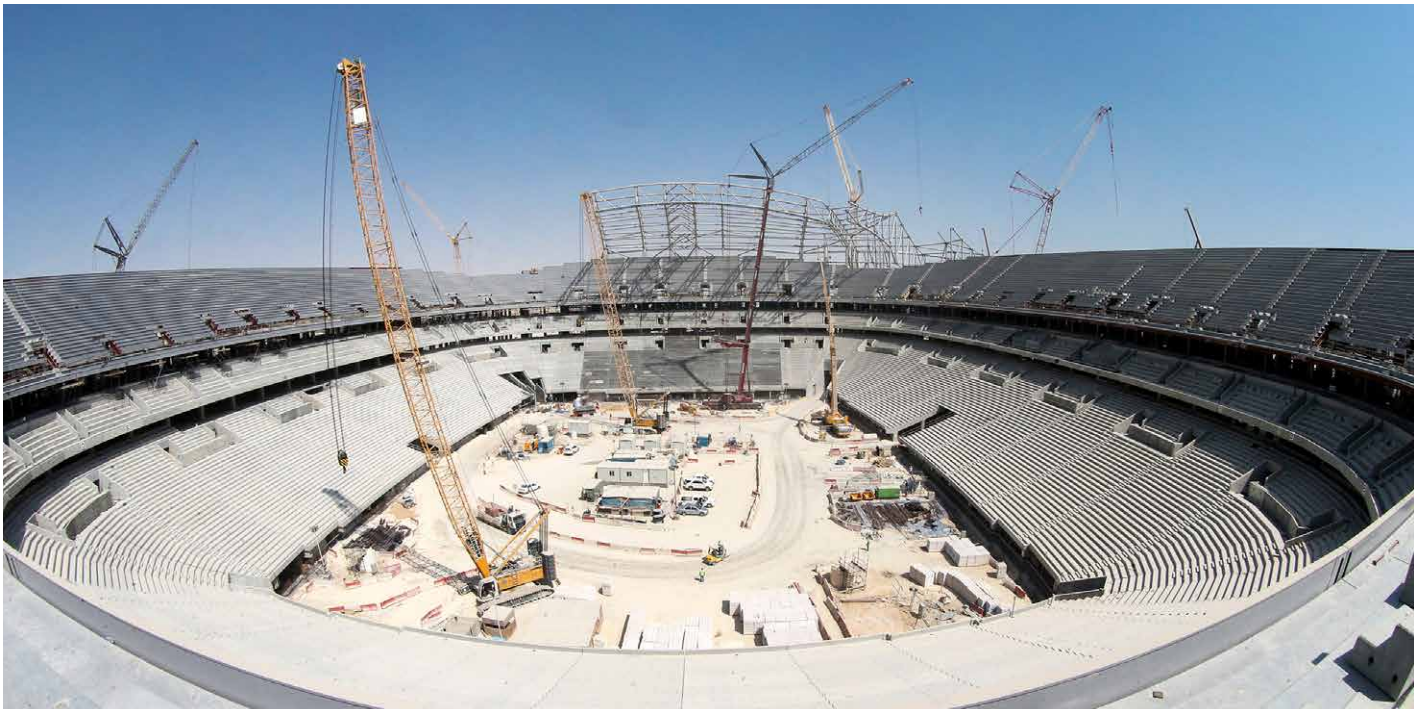
Further actions

- **Multi-stakeholder forums:** Work within existing initiatives to identify solutions to improve the recruitment process in workers' home countries, including finding ways to assess the recruitment practices of agents and sub-agents.
- **International leadership groups:** Engage with international groups at leadership and practitioner levels. In particular, Impactt recommends engaging with stakeholders

Limitations

Impactt's audits findings for this report have the following limitations:

- At 4 contractors, issues related to transportation not verified as buses were not present for inspection.
- At 1 contractor, the accommodation manager was unavailable for interview.
- At three contractors, some workers were unavailable for interview because they were not allowed to leave work or did not want to be interviewed.
- At 1 contractor, interviews were cut short as workers had to leave due to rain.
- At 1 contractor, pay and hours records were not clearly laid out and could only be partially verified. Findings are based on management reports and summary information compiled by HR staff.
- At 1 contractor, Impactt could not review electronic payroll records due to a key member of staff being absent.
- At 1 contractor, compliance on the construction site could only be partially verified due to limited access to parts of the site.
- At 1 contractor, the medical clinic was not accessible for inspection.
- At 1 contractor, the kitchen area was not accessible for inspection due to accommodation rules.
- 1 contractor's office closed early on the day of the audit, leaving limited time for Impactt to review documents.



Appendix 1 – SC Workers' Welfare compliance activities

In 2017, the SC focused on scaling up its compliance activities to match the growing number of workers and contractors that fall within their remit. The number of audits carried out increased by 260% to 1,439; and the number of workers interviewed increased by 80% to 1,568.

Table 10 provides a summary of SC's compliance activities in 2017.

SC key 2017 activities		
Tender stage evaluations of contractors level of compliance against WWS requirements	# of contractors evaluated	68
	Contractors disqualified (%)	25 (36%)
Pre-mobilization approval of all other contracting parties	# of subcontractors requests finalised	149 (out of 194 received)
	# disqualified (%)	17 (12%)
		Audits
Main contractors where the SC carried out an audit	Ethical recruitment	73
	Accommodation	67
	Construction site welfare	54
Tier 1-2 contractors where the SC carried out an audit	Ethical recruitment	472
	Accommodation	180
Workers interviewed (and % of total on SC sites)		1,564 (8%)
NCs/OBs identified by WWD		28,800
NCs rectified by contractors (% of total identified)		19,420 (67%)
Hours spent by WWD on audit activities		Over 10,700
Contractors/subcontractors on the SC WWD Watch-list (new)		81
Contractors/ subcontractors whose work was suspended as part of SC enforcement of non-compliances		35
Contractors/ subcontractors reported to the MOADLSA for critical non-compliances (new)		34
Contractors whose work was suspended as part of SC enforcement of non-compliances		35
Grievances raised on the SC Hotline and closed		Raised: 73 Closed: 43. 10 grievances could not be investigated as there was insufficient information

Table 10 - SC key 2017 activities

Appendix 2 – Impactt's audit approach

Impactt's compliance monitoring methodology for the SC

Impactt developed an independent methodology tailored specifically to assess contractors and subcontractors' compliance against WW Standards and relevant Qatar law. The methodology covers:

- Sampling and auditing of contractors including in-depth worker interviews
- Assessment of the effectiveness of SC audits.

The audit methodology follows international best practice and Impactt's approach of putting worker experience at the centre of the agenda. This approach allows Impactt to test the degree to which the efforts made by contractors and/or the SC result in recognisable improvements for workers on a day-to-day basis.

In order to achieve this:

- Impactt's audit process, interviews, document review and reporting follow the workers' journey from their recruitment in their home country and arrival in Qatar to their everyday working practices to repatriation. At each stage, Impactt aims to identify what management teams want to achieve for the business and workers, how this translates into business practices and/or systems and the degree to which this is recognised by workers.
- Impactt's audit teams comprise a qualified social auditor and a dedicated worker interviewer. Impactt's worker interviewers speak workers' languages and use a mixture of appreciative enquiry and participatory techniques to create an environment of trust. This enables workers to reflect on and share their experiences. Impactt's approach allows workers to tell their personal stories rather than answer a list of compliance questions. This elicits a more detailed response that can provide vital context for audit findings. It also provides insight for contractors on what they need to do to build better bridges with workers and better meet their needs.

Impactt's bespoke methodology enables the SC and contractors to:

- Identify (and then address) workers' welfare risks before they materialise.
- Identify contractors who understand the requirements and demonstrate improvement, and allocate support to those who do not.
- Focus the efforts of the Workers' Welfare Programme on the issues that matter most to workers, in order to make the greatest positive impact on their lives.
- Demonstrate improvements based not only on compliance indicators but also on workers' perspectives and the impact of the project on workers' lives.

Audit structure

The structure of Impactt's audits is:

- Pre-audit written communication and telephone call with each contractor to ensure they understand the audit objectives and process.
- Opening meeting at the contractor's offices with their senior management and operational managers, including human resources, compliance and Workers' Welfare Officer to explain the objectives and procedures of the audit.
- In-depth interviews with management and review of documents to understand the contractor's policies and procedures, and assess compliance with the WW Standards and Qatari law.
- Accommodation visit to assess physical conditions and welfare provisions, and interview workers. Each contractor is contractually responsible for providing accommodation to their workers in line with the WW Standards. In some cases, subcontractors use the same accommodation as their main contractor.
- Site visit to assess workers' welfare facilities and basic safety standards (using the WW Standards checklist) and to interview workers, where safety procedures allowed. In some instances, Impactt's auditors reviewed relevant documentation kept at site offices. Impactt mostly conducted site visits among main contractors, who are responsible for workers' welfare at the construction sites.
- Pre-closing meeting with contractor management to discuss preliminary findings.
- Closing meeting with contractor's senior and middle management, where Impactt's auditor presents the findings, including the classification and severity (see below). At this meeting, Impactt's auditor and the contractor discuss and agree the findings. A representative from the SC and the PWWO typically attend the closing meeting.
- At the end of the audit, Impactt provides the contractor and the SC a written copy of the audit findings. Contractors use this document to create rectification plans for each non-compliance or observation raised.

The audits covered:

- **Due diligence processes:** contractor's self-audits and audits of their supply chain.
- Integration of the WW Standards into business processes: strength of management systems.
- **Compliance with the WW Standards:** based on the requirements in Edition 2 of the WW Standards.

The audits covered general health and safety management practices at accommodation and construction sites, including health and safety inductions for workers. Impactt did not investigate or assess accidents, including worker fatalities at construction sites. This is because Impactt's audits focused on workers' welfare requirements rather than technical health and safety construction standards.

Using the "worker journey" structure, Impactt's auditors began the audit with a review of the contractor's due diligence processes, followed by their processes to recruit and induct workers, working and living conditions, dialogue mechanisms and finally their end of service and repatriation procedures. Evaluating every aspect of the journey is critical, as the issues identified are interrelated and intrinsic to the global labour supply chain.

Appendix 3 – Topic area descriptions

Topic area	Requirements
Contractor self-audits	• Contractor carries out self-audits on a monthly basis • Contractor carries out ad hoc audits of their sub-contractors • Contractor ensures their subcontractors undertake monthly self-audits • Contractor submits to SC required information on a monthly basis.
Treatment	• Contractor treats workers equally and fairly in their selection, employment, training and promotion opportunities • Contractor has written policies on equal opportunities, to prohibit the imposition of additional or financial penalties as a disciplinary measure, to prevent violence, bullying and harassment, to prohibit the exploitation of workers' vulnerabilities, to take disciplinary actions against employees who breach the prescriptions of the WW Standards • Workers are free to move in and out of the accommodation site and to travel to their home country during leave without penalty or threat of termination.
Recruitment fees	• Contractor reimburses workers who provide proof of paying recruitment fees • Contractors pay for all costs of relocating workers to Qatar.
Contracts and administration	• Contractor uses recruitment agents registered with the MOADLSA • Contractor has a written agreement with the recruitment agency which meets WW Standards requirements • Workers receive written offer of employment upon recruitment, the offer of employment is explained to them in a language which they understand, and the workers sign the offer of employment without coercion • Workers receive a MOADLSA-attested employment contract which complies with legal requirements and is explained to workers in a language they understand • The terms in the employment contract are the same or more advantageous than those of the offer of employment • Contractor maintains employee files as required by the WW Standards.
Induction	• Contractor completed a New Starter Checklist for each new worker • Contractor provides an accommodation induction to workers in a language they can understand, which covers the requirements in the WW Standards • Contractor provides workers health and safety training • Contractor provides workers with training and refresher sessions to carry out their jobs.
Personal documents	• Contractor ensures that workers have a valid residence permit, Qatari ID and health card • Workers are in possession of their personal documents • Contractor provides workers with a storage facility.
Construction site H&S	• Contractor provides workers with health insurance or a Hamad card • Contractor pays for medicine, examinations and treatment.

Topic area	Requirements
Wages and allowances	• Contractor pays travel expenses for workers' annual leave • Contractor pays workers in accordance with the Wage Protection System • Deductions from wages are made in accordance with legal requirements • Contractor provides workers with a payslip, as required by the WW Standards • Overtime is paid according to legal requirements • Contractor provides a rest day in lieu when workers work on a rest day.
Working hours, rest and leave	• Contractor complies with legal working hours limits: weekly working hours, summer working hours, Ramadan working hours • Contractor provides legally mandated rest breaks and rest days • Contractor provides legally mandated annual leave, sick leave, bereavement leave and maternity leave • Contractor provides legally mandated public holidays.
Disciplinary procedures	• Contractor has disciplinary policy approved by the MOADLSA and has explained the policy to workers • Deductions for disciplinary purposes comply with legal requirements.
Accommodation and food	• The SC has a detail set of requirements to cover accommodation and food, including: infrastructure, bedrooms, showers, communal areas, dining, communication and laundry.
Transportation	• Requirements related to the transportation of workers from their accommodation to the construction site.
Grievance mechanisms	• Contractor advised workers on avenues to report grievances.
Worker representation	• Contractor appoints a Workers' Welfare Officer • Contractor set up a Workers' Welfare Forum, which meets monthly and has written minutes • There is one Worker Representative by nationality, elected by workers.
End of service procedures	• The contractor pays for repatriation expenses • The contractor pays workers an end-of-service gratuity before they return to their home country.

Table 11 - Impactt's audit structure (topic areas)

Appendix 4 – Additional surveys

Overview of questions in additional worker surveys

Worker satisfaction	Income	• I get paid fairly for the work I do • I am happy with my working hours • It is easy to take emergency leave • I have realistic targets at work • I get enough time to rest.
	Respect	• I feel safe at my workplace • I can get care if I am sick or injured • I always feel listened too • It is easy to get a problem resolved • I am treated with respect • I feel appreciated at my workplace.
	Progression	• I have opportunities to get promoted and learn at work • I am supported by my work to give my best.
Socio-economic	• Why did you come to work here? • Did you pay recruitment fees? How much? • Do you have to serve any loans? • What was the loan for? • How much do you pay each month? • How many family members do you support? • How much of your income is sent home each month? • What is the money use for at home? • What is your biggest expenditure in Qatar each month? • How much would you like to earn per month? • Would you recommend this job to friends or family? Why?	
Recruitment fees	• When did you start work on this SC project site? • Did you come to work for this employer directly from your home country? • Did you pay recruitment fees? How much? When? • Did you pay a lump sum or multiple payments? • Whom did you pay? How much? • How did you pay? Cash? • Do you know what the payments were for? • Did you receive any receipts? • Did the employer ask if you paid recruitment fees? When? • If you had receipt, did you give them to employer? What happened?	

Table 12 – Survey questions

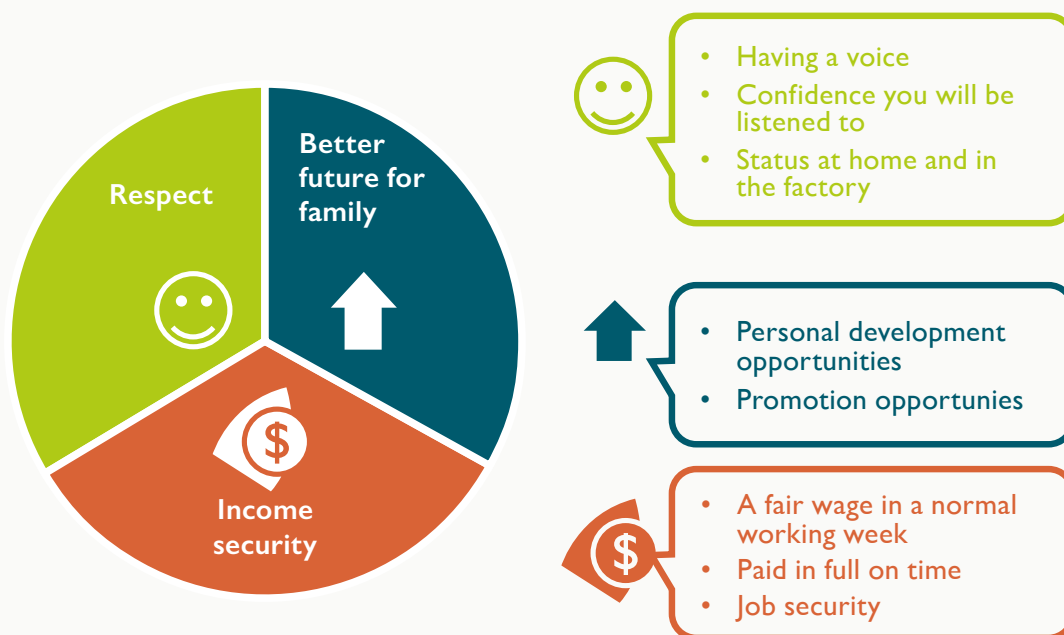
Worker satisfaction survey

In August 2016, Impactt began a pilot surveying worker satisfaction and socio-economic data in addition to standard worker interviews. Impactt rolled this out as an addition to standard worker interviews throughout 2017.

The survey covers the issues that are most important to workers, as identified by Impactt's previous research: income security, respect, and progression for themselves and their family (see Figure 7).

Understanding worker satisfaction has the potential to:

- Provide insight into audit findings - To identify areas where workers have concerns, despite contractors complying with WW Standards requirements. This can be the result of gaps in communication between employers and workers, or can highlight concerns surrounding issues that are not included in compliance requirement checks.
- Measure workers perceptions' of the SC's efforts to improve their welfare - To identify areas where workers recognise and experience the benefits of the SC's efforts and areas where they feel they are not experiencing change.
- Provide a more holistic view of contractor performance - To deliver an additional measure of contractor performance based on workers' day-to-day experiences, in order to help the SC move beyond compliance.



© Impactt Limited 2014

Figure 7 - Impactt's summary of what matters most to workers

It is important to acknowledge some of the limitations of using stakeholder feedback as a proxy for workers' welfare performance. Firstly, workers' responses can be manipulated through coercion or incentives. Secondly, workers may not feel confident in responding openly or may assume that a certain kind of treatment is "normal". Thirdly, worker feedback should not be seen as a replacement of worker dialogue mechanisms (trade unions, WWFs), but rather as a complementary addition. Finally, worker surveys are not suited to assessing compliance with technical requirements. Nevertheless, using worker satisfaction and demographic surveys marks an important departure from the increasingly embattled compliance model towards a more worker centric approach.²⁹

²⁹ The University of Sheffield (2016) 'Ethical audits and the supply chains of global corporations' <http://speri.dept.shef.ac.uk/wp-content/uploads/2016/01/Global-Brief-1-Ethical-Audits-and-the-Supply-Chains-of-Global-Corporations.pdf>, last accessed 14 February 2018.



MAKING WHAT'S
GOOD FOR WORKERS
WORK FOR BUSINESS