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Summary of evidence

- Impactt is an award-winning consultancy, founded in 1997, specialising in ethical trade, labour standards and international development. Over the last 20 years, we have reached 1.5 million workers around the world, in the food, ITC, services and construction sector.
- In 2016, Impactt was appointed external compliance monitor for the Supreme Committee for Delivery & Legacy (the SC), the entity established in 2011 by the State of Qatar to deliver the infrastructure required to host the 2022 FIFA World Cup.
- Since beginning our work as external compliance monitor, Impactt has audited 41 contractors across all tiers of contracting and interviewed 1,434 workers, 30% from India, 28% from Nepal and 24% from Bangladesh. We also published two reports, in 2017 and 2018, detailing our findings and providing recommendations to the SC.
- In addition to the audits for the SC, Impactt has carried out audits in the construction sector in other Middle East countries and the UK and managed the grievance hotline set up by the London Organising Committee of the 2012 Olympic and Paralympic Games for workers producing licensed products.
- Mega Sporting Events (MSE) can bring benefits for the workers engaged in preparing and executing the event, their families and communities and the host country/city. MSE can be transformative in terms of upholding human rights and delivering remedy.
- The rapid mobilisation of workers required by MSEs and the employment of domestic or foreign migrants raises significant risks.
- To maximise the positive benefits (what we call the human rights dividend) and minimise the risks, it is imperative that sports bodies consider human rights during the host selection process, not necessarily looking at current performance, but rather focusing on capacity and willingness to transform.
- To evidence this, host governments should make an unequivocal commitment to closing gaps between domestic law and international law and have in place adequate monitoring mechanisms.
- Bidders should provide workers during planning, preparation and execution with effective avenues to understand their rights, raise grievances, and obtain recourse.
- Hosts should demonstrate their commitment to human rights through verification by trusted external bodies and public “warts and all” reporting.

Why should sports bodies consider human rights risks when selecting a host city/country?

Sports bodies should consider human rights risks when selecting a host city/country because the most important and long-lasting legacy of MSE is the impact on human capital, in the host country and beyond. This includes the impact on those who work directly in the preparation and execution of the event and the communities whose members migrate to work in the preparation and delivery of the event.

If human rights are not examined explicitly during the selection process, there is a significant risk that candidates ultimately win bids at the expense of the human rights of workers. On the positive side, by considering the gaps between international human rights law and the domestic legal framework, and making a concerted effort to close these gaps, host cities and countries can benefit from a human rights dividend.

This human rights dividend manifests in two ways:

- Higher productivity: respecting human rights (in terms of pay and workplace conditions and treatment) contributes to higher job satisfaction which creates a more motivated workforce, delivering higher productivity.
- Better reputation in the international community: MSE can stimulate host cities/countries to demonstrate excellence in human rights on the international stage, delivering higher reputation for both host and sports body.

How can sports bodies integrate human rights into the planning of a sporting event?

- **What processes can they follow, if any, to identify human rights risks?**
- **What processes can they have in place, if any, to mitigate these risks?**

Sports bodies should consider human rights from the outset and ensure that potential hosts' credentials in this area are a central part of bid design and decision-making.

Sports bodies should clearly indicate their interest in human rights and ask bidders for a motivating high level human rights ambition. Sports bodies should not necessarily be swayed by the bidder's current status of human rights, but rather by its willingness to invest in and commitment to deliver significant improvements. In order to test the capability and understanding of the bidder, together with the risks inherent in the proposed bid, sports bodies should ask bidders for information to allow them to:

- Assess the compatibility between local law and international human rights and labour law, in particular the International Labour Organization's Core Conventions on freedom of association and collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in employment and occupation.
- Assess the ability of host country to enforce existing labour laws and regulations.
- Assess the extent to which the MSE will rely on migrant labour. Migrant workers (domestic or foreign) have a number of vulnerabilities (explored below) which requires careful consideration, assessment and mitigation and remediation processes.
- If the MSE relies on migrant labour, investigate worker migration patterns, and the associated regulatory regimes in both labour source and host countries. To do this, it is important for the bid process to include developing a direct understanding of the experience of workers, including meetings and discussions with migrant workers currently in the host country and potential migrants in source countries. Bidders should be able to demonstrate how they plan to manage the migration experience so as to protect the human rights of workers along the migration journey from recruitment to repatriation.
- Assess the legal and practical framework for workers to access grievance mechanisms, for example: the operation of trade unions, hotlines, tribunals and the National Contact Point.

To mitigate risks, sports bodies should:

- Obtain an unequivocal commitment from the host country to close any gaps between domestic and international human rights law.
- Provide support to the host country to bring domestic law in line with international human rights and labour law. For example, this support may be in the form of technical cooperation between the host country and the ILO.
- Request a detailed plan for understanding human rights risk and monitoring compliance across of businesses providing products or services for construction, hosting and decommissioning phases. This should include plans for all tiers of the supply chain and for the production of promotional goods.

Why is it important to plan for legacy from the beginning?

The longest-lasting legacy of a MSE is the way in which the event shapes the people and communities that are touched by it. There are direct impacts, such as the income workers earn and the skills they acquire. There are also indirect impacts, such as the choices that the earned income creates: better education, health and housing for their families. In our interviews with 1,434 workers in Qatar, more than 20% referred to a better future for their families as the main reason they migrated for work.

In order to deliver this legacy, hosts should be asked to articulate a clear human rights ambition in the first phase of the bid process. Subsequently, detailed and thoughtful plans on execution should be required before the bid is awarded. It is vital that the bidders have thought through the complexities of supply chains of goods, services and labour and devised risk, monitoring and remediation strategies, together with their associated costs before award.

Impactt's experience of working on the grievance mechanism for London 2012, as late as March 2012, illustrates the difficulty of integrating human rights retrospectively once construction and production are underway. Whilst the concept was ground-breaking, by the time that stakeholders had been consulted, the process developed and then communicated into the supply base, production was already underway, and many thousands of workers were left without access to recourse. The late start also meant that remediation was not contractually 'part of the deal' for business partners and was therefore not always effective.

What are some of the lessons that can be learned from previous UK hosts? Eg. London 2012? Glasgow 2014?

Impactt managed a hotline set up by the Local Organising Committee of the London 2012 Olympic and Paralympic games for workers producing licensed products. The products were made in China. The hotline was set up in March 2012 and was active for six months.

Below are the key lessons learned through our management of the hotline:

- Set up the grievance mechanisms early.
- Provide different mechanisms (i.e. technologies) for workers to raise grievances: telephone numbers, text messages, social media, etc.
- Provide workers with mechanisms to resolve queries as well as complaints and grievances. Many workers called the hotline with questions about general work entitlements.
- Communicate the hotline clearly, in a language and ways that workers understand, to ensure it is accessible to them.
- Roll out the hotline beyond the first tier of contracting.
- Ensure the mechanism protects worker confidentiality, but also allows for workers to receive feedback on the steps taken following their grievance.

What benefits are there for governments to hosting MSEs? What are the risks?

Benefits for host governments:

- Opportunity to bring domestic law in line with international labour law, with a lasting benefit to domestic and foreign workers beyond and after the MSE.
- Opportunity to use the scrutiny and external pressure that comes with organising a MSE as catalyst to drive improvement and change mind-sets, deriving the human rights dividend.
- Opportunity to support local businesses to improve their practices and find a competitive edge based on robust human rights processes coupled with knowledge and experience of the local market. Along with this, there is opportunity to support the trickling down of good practices from contractors involved in MSE to contractors who are not involved.
- Opportunity to increase the human capital currently in the host country, but also that of future migrant workers. Governments can do this directly: by investing in training and preparatory programmes for would-be migrants, or indirectly through the remittances that migrant workers send home which are used to improve education and health.
- Opportunity to increase human capital in the short term: satisfied workers are more productive, which in our experience increases quality of their work and loyalty to the employer, which reduces costs of hiring and re-training workers.
- Opportunity to collaborate with stakeholders inside and outside the country to innovate in resolving intractable problems, such as recruitment fees.

Below we list three key risks for governments that host MSE:

- Inaction: waiting too late to assess the gaps between international human rights law and local law and being unable to incorporate human rights requirements into the contractual and sourcing framework of the event.
- Deflection: leaving action entirely to other stakeholders, such as the industry; or claiming that the human rights issues are too intractable and complex to resolve within the scope and timeframe of the MSE.
- Objectification: seeing workers solely as a resource that “does not know what they want” or “does not know what is good for them” and excluding them in the assessment of human rights risks and solutions.

In your opinion, what are the most vulnerable positions in sporting supply chains?

Migrant workers: A range of factors migrant workers vulnerable to exploitation. These workers are far from home and depend on their visa/residence permit and employment status to remain in the host country or area, they may lack local support networks and knowledge of the local language, customs or law, and their families rely on them to send money regularly for basic needs. Impactt's 2018 external monitor compliance report for the SC shows that 82% of workers interviewed reported paying an average of USD 1,248 in fees during the recruitment process. To pay these fees, workers often borrow money or take loans. This increases their dependency on their jobs and can leave them in debt bondage. It is also important to mention that the majority of workers are recruited by agents and only come in

contact with their employer after arrival in the host country. This increases the risk of misinformation during the recruitment stage.

Entry-level workers: These workers are recruited to fulfil generalist roles such as helper. They are vulnerable to contract substitution during the recruitment process. They are also at risk of not being provided with avenues to develop and advance in their roles.

Temporary workers: Often temporary workers will be employed by one company and deployed to a number of different roles. This raises the risk that they do not fully benefit from the policies of the site in which they work. It also raises the risk that labour users see temporary workers as not worthy of investment in upskilling and development.

Workers who live in supplier-provided accommodation: Their reliance on their employer for maintenance of living standards and provision of food makes them vulnerable to not being consulted on their needs, or employers assuming they know best. They are also vulnerable to restrictions of freedom of movement as well as restrictions of access to means to communicate with their families.

What are the human rights issues commonly found in sport supply chains?

- **How can these be identified?**
- **What are some of the challenges to dealing with these risks and what can be done to address them?**
- **To what extent can these be exacerbated by a mega-sporting event?**

Unless otherwise stated, in this section draw on our experience auditing construction projects across different countries.

In addition to standard management systems and documentation check, to identify human rights issues in supply chains it is crucial to understand workers' experience. To do this, it is important to create an environment in which workers can openly and in confidence share their views. This is why in each of our audits we have a dedicated worker interview that speaks workers' language, this results in us finding on average 2.4 times more issues than standard audits.

Below we provide a list of the key human rights issues Impacttt has found in *construction* supply chains in the Middle East and the UK, along with key recommendations to address them.

- Contractors lack understanding of due diligence processes and requirements. This limits their ability to engage with human rights assessments and own the implementation of mitigation and remediation steps. To address this challenge, it is important that human rights assessments, mitigation and remediation requirements are built into the contracting process, and that contractors receive clear guidance not only on what requirements they need to satisfy, but also how doing so helps the workers and their businesses.
- Retention of workers' personal documents: often with the purpose of safeguarding them and often ostensibly with workers' agreement (however, this practice restricts workers ability to leave their jobs and therefore constitutes bonded labour). To address this challenge, contractors should provide workers with safe and immediately accessible storage for their personal documents.
- Migrant workers pay recruitment fees: Recruitment fees are endemic in most labour supply chains globally. The vast majority of migrant workers in construction jobs audited by Impacttt report paying fees during their recruitment. In the specific case of workers at SC projects, a survey of 472 workers in 2017 and 2018 shows that 82% of them reported paying an average of USD 1,248 in recruitment fees, many of them having borrowed money or sold assets to find the money. Very few workers were able to produce receipts to facilitate reimbursement. Even in the case of the handful who could produce receipts, these were unofficial and hard to verify. To tackle this problem and ensure remedy for the financial harm suffered by workers, Impacttt and SC together developed the "**Universal Payment**" model. This reverses the burden of proof, in that contractors are required to repay workers if they cannot demonstrate that they paid the costs of recruitment, rather than requiring the worker to produce receipts. SC began piloting this model in January 2018 with impressive results: as at the end of May 2018, over 30 contractors from all tiers of the supply chain have committed to return £6.23 million to more than 6,000 workers. We are verifying progress on a quarterly basis and confirm that payments are reaching workers. At one contractor, the level of overall worker satisfaction increased by 17% since the Universal Payment was rolled out. There is also emerging evidence of spill over into other construction projects, with 2 contractors reporting having implemented the Universal Payment across their workforce, touching 5,300 further workers. Whilst the Universal Payment is only one aspect of tackling modern slavery, its potential as a demand side instrument both remedying harm suffered by workers and stimulating more ethical recruitment is compelling. We strongly recommend that the "Universal Payment" model be further tested and considered as emerging best practice for MSE.
- Deception during recruitment: Workers promised conditions (roles and wages) during the recruitment that fail to materialise when they arrive to the host country. A significant contributing factor is a disconnect between the employer and the agent carrying out the recruitment. In many cases, workers make contact with their employer for

the first time upon arrival at the job-site. Our work indicates that those contractors who recruit workers directly (without the use of recruitment agents) and establish a relationship with workers before the workers leave their countries of origin are less likely to have paid fees, and if they have, the amounts paid are smaller. This was the case for the majority of the 18% of workers interviewed who reported not having paid recruitment fees.

- Poor communication between employers and workers, in particular, lack of adequate worker inductions. This makes it difficult for workers to understand the basic rules of their environment and the sources of support available. To address this issue, the LOC should work with contractors to ensure that worker induction includes information on basic workers' rights and sources of support.
- Excessive working hours and lack of rest days: Often this is coupled with the belief that workers "are here to make money" and "there is nothing else to do if they are not at work." The level of working hours has a strong connection with the quality of the accommodation and opportunities for rest and recreation, as well as with the level of wages. The first step in addressing these challenges is to have systems in place to accurately measure working hours, which in many cases are very poor or non-existent.
- Low pay: In some countries, salaries have stagnated over the last few years, which means that inflation in workers' home countries undermines the purchasing power of workers' salaries. In other cases, workers receive low "basic" salaries and a number of top-up "allowances" or "bonus" which are discretionary and often project-dependent. To address this, it is important to understand the level of a living wage for workers, but also their expectations and needs. For example, workers who borrow money to pay recruitment fees are under significant pressure to send money home.
- Poor disciplinary procedures: Unclear rules and procedures mean that workers may be subject to penalties that they do not understand. Often behavioural issues (repeated absence) are not investigated and instead are punished with deductions from wages. The LOC and contractors should work together to ensure workers receive clear instructions on disciplinary measures. In addition, the LOC should support contractors to develop adequate disciplinary processes that use punishments as a last resort and seek to understand the root causes of workers' behaviours.
- Lack of effective worker representation, freedom of association and collective bargaining. This particularly affects migrant workers who, in some countries, are banned from joining trade unions. It limits the avenues available to workers to raise concerns and work with employers to identify improvement in working conditions.
- Lack of effective grievance mechanisms: Workers are unaware of where to go for help, they lack confidential options and receive limited or no response on the outcomes or any next steps taken as a result of their feedback. As part of developing trust with workers, contractors should provide confidential grievance mechanisms with short feedback loops. Crucial to this is that workers understand what is being done as a result of their feedback.

We believe that MSE can exacerbate these issues to a significant extent. A key contributing factor is the pace and scale of the project: quick mobilisation, intense work, and then quick de-mobilisation. The recruitment of large number of workers over short period of time creates risks and puts significant stress on monitoring and compliance mechanisms.

Can supplier companies effectively run grievance mechanisms and their remedies for all those affected by their activities?

Employers should certainly operate the first line grievance process. This enables them to hear and own issues and implement improvements as a result of workers' feedback. However, workers should always have access to a well-communicated grievance mechanism of second or last resort, run by an independent organisation, perhaps the LOC, in combination with an independent panel (as trialled at London 2012).

The LOC may well have to invest in supporting contractors/suppliers to develop effective "first resort". Key ground rules for contractors in developing such a system include:

- Worker awareness: workers need to be aware of their rights, otherwise they see no reason to use the grievance mechanism.
- Confidence: workers need to be able to raise issues in confidence, without fear of reprisal; hence employers should provide confidential mechanisms in practice but also in form (it is not enough to reassure workers that they will not be punished for raising issues).
- Trust: the mechanism needs to inspire workers' trust, therefore the access points (people or systems) need to be known and trusted by workers.
- Consultation and cultural sensitivity: employers should consult employees when designing grievance mechanisms to find approaches which are culturally sensitive and build trust with workers.

- Turn-around time: response time should be as short as possible.
- Feedback: the employer should provide feedback to workers (individually or collectively as appropriate) on the changes made and steps taken as a result of the feedback.
- Action-focused: employers should ensure that grievance mechanisms lead to change, rather than to explanations in favour of the status quo. Employers should evaluate the effectiveness of grievance mechanisms (for instance complains made vs actions taken) and seek input from workers.
- It is crucial that supplier companies support grievance mechanisms with measurements of worker satisfaction. This can be done via surveys and allows supplier companies to understand how worker satisfaction changes through time and the extent to which grievance mechanisms contribute to higher satisfaction.