



اللجنة العليا
للمشاريع والريث
Supreme Committee
for Delivery & Legacy

Date: 29 May 2020

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Stephen Cockburn
Deputy Director, Global Issues
Amnesty International
1 Easton Street,
London, WC1X 0DW,
United Kingdom

Subject: Response to letter relating to the non-payment of wages to workers employed by Qatar Meta Coats W.L.L. on the Al Bayt Stadium Project

Dear Stephen,

We refer to your letter dated 20 May, relating to the non-payment of wages to workers employed by Qatar Meta Coats W.L.L. (QMC), on the Al Bayt Stadium Project (the Project).

The Supreme Committee for Delivery & Legacy (SC) was made aware of the delayed salary payments in July 2019, as a result of the SC's Workers Welfare Department's (WWD) ethical recruitment audits and workers' interviews – a key component of our robust Workers Welfare Standards (WW Standards). Subsequently, the SC received 19 complaints on the issue via our dedicated and anonymous Grievance Hotline. Since that time, we have been working to find a solution for the affected workers. We strongly agree that they should not be penalised because of their employer's financial restrictions.

By way of background, to date, the WWD has conducted nine ethical recruitment audits of QMC since 2018 (the last being conducted in February 2020). The following critical non-compliances were identified:

1. Significant salary payment delays - QMC did not pay salaries to workers from September 2019 to February 2020.
2. 10 workers had expired Qatar IDs - six were expired for over three months with no renewal initiated by QMC.
3. Healthcare cards expired with no renewal initiated by QMC and no alternative private medical arrangement in place.¹
4. The workers, during interviews, confirmed that they had paid recruitment fees in their home country, but did not have any proof of payment. Despite our efforts, QMC refused to commit to repaying the fees incurred by the workers, under our reimbursement scheme.

¹ Note that in light of the current situation, the Qatari Government has announced that it will provide free medical care to workers who do have active health cards and/or residency permits.



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The SC, together with the Aspire Zone Foundation and GSIC-JV management regularly and diligently followed-up with QMC, particularly on the issue of delayed salary payments. As a consequence of our concerted efforts, the salaries for July and August 2019 were finally paid on 24 October 2019.

In a commitment letter dated 9 February 2020, QMC committed to paying the remaining outstanding salaries by 13 February 2020. Regrettably, they failed to do so, citing deep financial distress as the reason. They were subsequently demobilised from the Project site on 23 February 2020 and placed on the SC's watch list, meaning they are banned from mobilising on any SC project until further notice. In addition, on 8 March 2020, we reported QMC, for a second time, to the Ministry of Administrative Development, Labour and Social Affairs (MoADLSA), having already done so in September 2019. MoADLSA confirmed that there are still pending salary payments owed to QMC workers and had recently informed us that QMC has been forced to make the necessary payments once the banks reopen after the Eid holiday. QMC has also been recently sold to a new owner and MoADLSA is dealing with new ownership on this matter.

The SC implemented other enforcement measures with the main focus being the payment of the outstanding salaries to the affected workers. For example, we suggested that GSIC-JV withhold the remaining payment from QMC and pay the outstanding salaries directly to their workers. However, as you are aware, this proposal was faced with legal and financial barriers. Every solution proposed, and where possible implemented, such as payment suspension; rectification at contractor's cost; blacklisting; and reporting to MoADLSA, was made available to the SC through our WW Standards. To claim that they "*appear to have no real bite*" undermines the impact they have had in managing our supply chain, and we are disappointed you have asserted as such. Isolated instances of egregious non-compliance occur on occasion. In the vast majority of cases, we have a credible track record of reaching a desired outcome. However, in this case, whilst we have been able to rectify some of the issues, we have not yet arrived at an acceptable conclusion. We will continue to pursue the options available to us until the workers have received their outstanding salaries. With that said, it would be disingenuous to ignore the fact that it was the enforcement of the WW Standards which brought the matter to our attention in the first place.

With respect to your question regarding the due diligence check on QMC, the WW Standards are clear when it comes to the processes to be followed for the onboarding of contractors.² This was the case with QMC. As part of our pre-mobilisation due diligence process, QMC provided us with a copy of their recruitment agreement in line with the SC requirements and Qatar Labour Law. The agreement clearly allocates the responsibility of paying the recruitment fees to its management. As you know, SC contractors are only permitted to use recruitment agencies registered with MoADLSA. Furthermore, the contract between the recruitment agent and the contractor must include mandatory clauses that include free recruitment and mobilisation of workers; contractors' responsibility to bear the full cost of recruitment; no retention of workers' personal documentation; and the strict prohibition of using unlicensed brokers/sub-agents.

The SC conducts its own due diligence as detailed above, without exception. As we have reported, in our Annual Progress Reports, we conduct ethical recruitment audits on a quarterly basis, regular

² Note that a vast majority of the workers deployed on the Project site were recruited before QMC was mobilised.



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accommodation inspections, and review contractors' ongoing reporting requirements and management of grievance mechanisms.

QMC's non-compliances of the WW Standards have been listed above. The core reason behind their violations is their precarious financial condition coupled with the irrevocable assignment of its right to receive direct payments from GSIC-JV to a third-party bank, due to their financing arrangements. QMC's management neglected to adhere to its commitments with respect to Workers' Welfare obligations, including payment of outstanding salaries to the workers.

The steps taken by the SC are summarised as follows:

1. The WWD conducted nine ethical recruitment audits of QMC since 2018.
2. The SC reported QMC to GSIC-JV and Aspire for rectification in mid-2019.
3. The SC reported QMC to MoADLSA in September 2019 which resulted in QMC being "administratively blocked" by the MoADLSA until issues were rectified by QMC. The SC again reported QMC to MoADLSA in March 2020, as mentioned above.
4. Joint meetings were conducted with Aspire management, GSIC-JV and QMC management to regularly follow-up and attempt to resolve the issues.
5. QMC management commitment was sought and received on 30 January 2020 to clear all salaries up until December 2019, by no later than 6 February 2020. This deadline lapsed, and a further commitment was given for 13 February, as mentioned above.
6. SC advised GSIC-JV to demobilise QMC due to repeated non-resolution of critical issues, including non-payment of outstanding salaries.
7. QMC was placed on the "watch-list" and cannot be employed on any SC project until further notice.

The SC has engaged in significant efforts to enforce our WW Standards and rectify the issues - over a nine-month period. To claim that the SC "*may be said to be contributing to these adverse human rights impacts by not enforcing the Standards against its contractors and sub-contractors*" is incorrect and demonstrates a lack of understanding as to how our audit and inspection system works. We have not yet brought this issue to a close, but are doing everything in our power to ensure the affected workers receive their salaries.

We have repeatedly asked your organisation to be more expeditious in bringing such issues to our knowledge. On this occasion the SC was aware of the workers' concerns before your letter, however earlier correspondence would have allowed us to work collaboratively in alleviating the workers' justifiable anxieties. We would propose that we schedule regular update calls between the SC and Amnesty International to ensure closer collaboration on such matters in the future.

We trust the information enclosed gives you the answers required and will be fairly reflected and adequately contextualised in your report.

Supreme Committee for Delivery & Legacy



- 1. You indicated that QMC would be forced to pay workers after the Eid holidays. Could you provide clarification on this – is it confirmed that QMC will make the payments, and can you provide a timeline? Will this cover all outstanding salaries to all workers and office staff who are owed money?**

The process of ensuring the payment of all outstanding salaries is undertaken by the Ministry of Administrative Development, Labour and Social Affairs (MoADLSA). We have been informed that they have initiated the process for undertaking legal penalties against QMC for failing to pay the salaries during the agreed upon timeline. The owner has since been detained and has pledged to pay all outstanding salaries starting on Sunday, the 7th of June.

- 2. In relation to your welcome commitment to ‘continue to pursue the options available to us until the workers have received their outstanding salaries,’ could you clarify what the options would be, and when, if QMC again fail to pay the workers in the immediate future?**

Upon demobilisation, QMC was placed on our “watch-list” and cannot be deployed on any SC project until further notice, a step that has proven to be highly effective in the past.

Also, as mentioned, we reported QMC to MoADLSA on two separate occasions since they are the responsible authority when it comes to non-payment of salaries and we will continue to follow-up with them until the matter is satisfactorily resolved.

- 3. Could you clarify what actions were taken, and when, between 23 February (when QMC was demobilized from the Project following its final lapsed deadline on the 13th) and 20 May (when our letter was delivered), in order to seek remedy for the workers?**

We refer you to page 3 of our previous response on this issue.

- 4. In relation to recruitment fees, could you explain what levers the Supreme Committee has to force or encourage companies to participate in the Universal Reimbursement scheme, and what steps can be taken to provide remedy to workers when a company – such as QMC – chooses not to do so?**

The foundation for the success of our scheme is effective collaboration with our contractors. Participation is voluntary and achieved through strong dialogue and negotiation with senior management, that is conducted after assessment of current recruitment practices. To date, 240+ contractors have participated in the scheme. Unfortunately QMC were one of the few contractors on our projects unwilling to participate and were mobilised prior to implementation of the scheme, which was effective post January 2018. In such cases, if a worker is able to prove having paid recruitment fees, then the contractor is obligated to repay them as per the [SC Workers’ Welfare Standards](#).