Tourism Development & Investment Company (TDIC)

Employment Practices Policy (EPP) compliance monitoring report to the Executive Committee
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Executive Summary

Background

Construction in the Middle East region continues to be undertaken at significant scale and volume. Given the extent of this activity and the heavy reliance placed on expatriate workers to support the construction sector, high profile projects in the region continue to be the focus of much attention and scrutiny from local and global Stakeholders.

The Tourism Development & Investment Company (TDIC) was established in 2006 as a Master Developer of major tourism destinations in Abu Dhabi. Its purpose is to support Abu Dhabi’s vision to become a major destination for tourists, businesses and residents.

TDIC is responsible for some of Abu Dhabi’s major projects. One of its largest projects involves the development of specific sites on Saadiyat Island which will house cultural institutions including the Zayed National Museum, the Louvre Abu Dhabi and the Guggenheim Abu Dhabi Museum. It is planned that Saadiyat Island will eventually be home to an estimated 145,000 residents, along with leisure and tourism facilities, and civic and cultural institutions.

In recognition of the importance of the appropriate management of worker welfare issues, in 2009, TDIC developed the Employment Practices Policy (EPP) which sets out the standards which TDIC have to implement and comply with and which TDIC requires its Contractors to adopt in relation to workers’ welfare. The EPP applies to main Contractors engaged by TDIC to work on the development of Saadiyat Island, and, by extension, to any Subcontractors they appoint. The requirements of the EPP are largely based on UAE labour law and, in certain areas, generally accepted labour practices.

2013 was a milestone year on Saadiyat Island, with the completion of significant projects that went live during 2011-2012. As a result, contractors who had participated in the 2012 monitoring programme, who were familiar with the requirements of EPP were demobilised. In January 2013, TDIC awarded contracts to two new main contractors for projects to be completed by 2015.

Scope of the Monitoring Programme

In 2011, PwC was engaged by TDIC to conduct independent monitoring of the implementation of the EPP. The previous annual report detailing the findings of the 2012 monitoring programme was issued in September 2012 and is available on the TDIC website.

In February 2013, TDIC re-appointed PwC to continue its independent monitoring role. The programme included:

- An independent appraisal of TDIC’s implementation of the EPP including TDIC’s response to the 2012 monitoring findings;
- An assessment of the governance, policies and procedures within TDIC that promote EPP implementation; and,
- An independent appraisal of the extent of the EPP implementation by all main contractors and the largest of their sub-contractors working on active projects on the island.

Figure 1: Saadiyat Island (source: TDIC)
Monitoring work included initial monitoring visits which were performed between March and April 2013 and two subsequent follow-up reviews which were carried out in June / July 2013 and August / September 2013 respectively. In October and November 2013, PwC performed further specific monitoring work in relation to workers’ claims of payment of recruitment and relocation fees.

In conducting the Monitoring Programme, PwC was able to draw on over 20 years experience in the area of social compliance monitoring and, more widely, in supporting major public and private sector organisations on corporate responsibility and sustainable development projects. The PwC monitoring team included individuals with previous experience of advising and implementing compliance monitoring programmes. Monitors were full time PwC staff selected on the basis of their knowledge, experience, language skills and cultural background. The team included professionals with appropriate local knowledge and experience supported by sustainability experts drawn from PwC’s global network of firms.

The Monitoring Programme was consistent with the work we carried out last year and consisted of the following activities:

- Interviews with TDIC’s Employment Relations Manager (ERM) and other staff members;
- A review of the revised and enhanced version of the EPP (version 3) dated February 2012;
- A review of EPP related documents maintained by the ERM and review of the implementation plan with respect to remediation of observations reported in 2012 by PwC;
- Formal and informal interviews with workers at the construction sites; and
- Visits to the Saadiyat Accommodation Village (SAV) to review workers living conditions and compliance with standards as mandated by the UAE labour law.

The Monitoring Programme for 2013 was extended to cover Health & Safety (H&S) aspects in more depth including a review of:

- H&S measures followed by contractors on construction sites, and TDIC’s oversight of the adequacy of such measures;
- H&S measures followed at the Saadiyat Accommodation Village (SAV); and,
- Incident and injury reporting arrangements in place within TDIC.

In 2013, PwC interviewed 565 workers (representing 19% of the average monthly worker population on Saadiyat Island during the period of April to September 2013).

During the 2013 monitoring period we noted that several incidents occurred relating to worker unrest:

1. On 19 May 2013, it was reported in the media that workers from one contractor took part in a strike for improved salaries and conditions. The strike was coordinated by workers from across the UAE, and had a minor impact on the workers from that Contractors working on Saadiyat Island.

2. A widely reported incident occurred at the SAV on 20 August 2013. We understand from TDIC that this incident escalated from personal dispute between two individuals into a larger ethnic conflict involving a large number of resident workers within the SAV. Following the incident, in an attempt to reduce the level of tension and defuse the conflict, TDIC agreed with the contractors and subcontractors concerned that a number of workers should be temporarily relocated to accommodation outside the SAV but within an acceptable distance from Saadiyat Island. We understand that these employees have yet to return to the SAV.

These incidents have been subject to investigation by the relevant UAE authorities and were not within the scope of the monitoring programme.

**TDIC’s Responses to the 2012 Monitoring Programme**

Our 2012 annual report provided detailed findings of the monitoring programme along with TDIC’s detailed responses. These findings related to a different (and now demobilised) group of Contractors and Subcontractors and included, but were not limited to, the following:

- 75% of workers interviewed stated that they had paid recruitment fees
- 77% of workers interviewed stated that they had paid relocation costs
- 20% of workers interviewed reported deductions from their salaries; and
- 55% of workers interviewed lived in the SAV.

Following the commencement of the 2012 Monitoring Programme, TDIC undertook a number of corrective actions to strengthen the EPP, including the roll-out of a new enhanced version of the EPP. The revised version of the EPP has been used consistently with Contractors for all projects awarded after March 2012.

**TDIC Response**

In 2013, TDIC has implemented a number of initiatives intended to provide support to workers and to improve overall working and living conditions, including for example:

- A facilities upgrade and maintenance programme for the SAV;
- Enhanced structured and regular H&S site visits and reporting on incidents and injuries; and,
- A worker education and literacy programme including time volunteered by TDIC employees towards enhancing workers welfare through provision of English Language learning programmes.
Results of the 2013 Monitoring Programme

Throughout our monitoring work TDIC and most of the Contractors and Subcontractors were supportive of the EPP and its objectives and facilitated the delivery of the Monitoring Programme. These Contractors and Subcontractors were new to the requirements of the EPP. TDIC worked with us throughout the year to help resolve any issues we did identify in delivering the Monitoring Programme.

Since completion of the 2012 Monitoring Programme, TDIC has made efforts in 2013 to improve worker social welfare on Saadiyat Island and increase the level of compliance by the Contractors with the EPP. As reflected in the detailed findings of this report, performance improvement was noted during the course of the monitoring programme in two areas of the EPP related to Retention of Passports and Workers Accommodation. While improvement has taken place in 2013, efforts are still required to enhance compliance with the other EPP areas.

Findings related to this year’s monitoring programme are summarised in table 1 below (further details along with TDIC’s response are provided in the findings section of this report):

Table 1: Summary of 2013 monitoring results

<table>
<thead>
<tr>
<th></th>
<th>Initial Visit (March - April)</th>
<th>Follow up (July - September)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withholding of passports</td>
<td>52% of workers stated that they retained their passports</td>
<td>100% of workers had free access to their passports</td>
</tr>
<tr>
<td>Recruitment fees</td>
<td>73% informed us that they had paid fees to recruitment agents</td>
<td>86% informed us that they had paid fees to recruitment agents</td>
</tr>
<tr>
<td>Relocation fees</td>
<td>79% of workers informed us that they had paid relocation costs</td>
<td>92% of workers informed us that they had paid relocation costs</td>
</tr>
<tr>
<td>Deduction from wages</td>
<td>75% of workers informed us there were no deductions from their salaries</td>
<td>100% of workers interviewed confirmed that there were no deduction from their salaries</td>
</tr>
<tr>
<td>Residence in SAV</td>
<td>61% of workers interviewed resident in SAV</td>
<td>92% of workers interviewed resident in SAV</td>
</tr>
</tbody>
</table>

Other significant findings from our work along with TDIC’s response included the following:

• A Subcontractor was identified by the monitoring programme as not having paid workers for six months (for periods prior and post to engagement the Subcontractor on TDIC’s project). The monitoring also identified that the same workers were not in possession of their passports. Once TDIC was made aware of the non-compliances, it took immediate action which resulted in the Subcontractor paying the workers (including according to TDIC, workers unconnected with work related to either TDIC or Saadiyat Island). None of the 68 employees interviewed during the subsequent follow up visit reported that their passports were being involuntarily retained by the Subcontractor.

• A specific review of one Contractor and Subcontractor was undertaken to better understand whether relocation costs were paid prior to workers leaving their home countries, non-compliances were identified. Once notified, TDIC requested that subcontractor to be demobilised from the project by the Contractor for failure to comply with the EPP clauses related to payment of recruitment and relocation fees.
**Observations**

By the end of the 2011-2012 monitoring period, TDIC had established an externally recognised position for its development and implementation of the EPP.

During the first half of 2013, a number of key developments occurred at TDIC including the awarding of the Louvre Abu Dhabi contract and mobilisation of new contractors who had not previously been subject to the EPP requirements. TDIC also completed an internal restructuring programme which impacted the Company’s entire operating model as well as the way the EPP, and associated issues like Health and Safety, are managed. TDIC also appointed a new ERM to oversee EPP implementation. These developments, along with the relatively slower pace of construction as compared to the previous years, requiring fewer workers on Saadiyat Island, resulted in a drop in the momentum of EPP performance and limited ability to capitalise on the previous year’s results, which was clearly evident from this year’s initial monitoring results.

However, in the second half of 2013 TDIC re-focused on implementing the requirements of the EPP. We have noted evidence of subcontractors being demobilised due to non-compliance with the EPP requirements and Contractors being asked by TDIC to rectify non-compliances, notably on payment of wages and reimbursement of workers relocation and recruitment fees.

This year’s monitoring programme has again highlighted some ongoing challenges associated with implementing and complying with the EPP. In particular TDIC needs to ensure that there is adequate governance and resource within the ERM function to fully implement and monitor EPP compliance. Also, further work is required to ensure that EPP considerations are fully factored into all future business and commercial decision making processes within TDIC. At the time of finalising this report we became aware of TDIC’s efforts to commence action on our recommendations. We are aware that the CSR committee (previously responsible for oversight of EPP implementation) has been disbanded and that, TDIC’s Executive Committee has taken direct responsibility for the oversight of EPP implementation. TDIC has taken these decisions to strengthen the governance and implementation of the EPP.

**TDIC Response**

The Executive Committee has taken over the responsibilities of the CSR Committee, in order to further strengthen oversight, implementation and transparency with regards to the EPP, which is a core feature in every contract between TDIC and appointed Contractors. This step was taken to ensure that all parties involved within TDIC’s projects would put in place measures to ensure workers’ welfare, ranging from health and safety aspect to protection of wages, among others.

In addition to revising and updating the EPP, TDIC has incorporated stronger clauses in relation to any non-compliance discovered during construction on Saadiyat. This has resulted in action being taken by the Executive Committee including demobilisation and financial penalties to those Contractors and Subcontractors who were found in violation of the EPP in the past year.

TDIC will continue to address any concerns highlighted with regards to any aspect of worker welfare, while seeking to find a solution to the best of our ability, as we are committed to ensuring the use of the construction industry’s best practices for all those involved in the development of our projects.

**Future work**

Based on our experience of working on this monitoring programme, we believe that TDIC’s programme which attempts to address workers welfare issues could be further enhanced by:

1. Enhancing induction and support for new contractors who are not familiar with the EPP;
2. Engaging with other likeminded companies and organisations in the UAE to promote improvements in worker’s welfare across the Middle East, especially to address issues such as payment of recruitment fees and relocation costs;
3. Focusing on improving the quality of H&S reporting by Contractors and Subcontractors to ensure that consistent H&S standards are applied;
4. Conducting monitoring of outsourced functions to assess performance relevant to the EPP implementation and H&S; and
5. Continuing with the improvement programme at the SAV.

Considerations are fully factored into all future business and commercial decision making processes within TDIC. At the time of finalising this report we became aware of TDIC’s efforts to commence action on our recommendations. We are aware that the CSR committee (previously responsible for oversight of EPP implementation) has been disbanded and that, TDIC’s Executive Committee has taken direct responsibility for the oversight of EPP implementation. TDIC has taken these decisions to strengthen the governance and implementation of the EPP.
Findings

This section of the report summarises the results from PwC’s 2013 review of the implementation of the EPP across all material, contracted and live projects ongoing during the monitoring period – The Louvre Abu Dhabi and Marina District Phase 1 ‘A’ Project.

The results have been consolidated from the periods of monitoring visits undertaken by PwC during 2013 and summarised for each area under the EPP (details of clauses relating to these areas are in the latest version of the EPP available on the TDIC website). We have set out our observations on each area, together with the actions TDIC has taken or has planned in response.

On the following page is an outline of the number of workers interviewed, the projects they are working on and where in the world they originate.
Context
The Monitoring Programme included a review of all material contracted and active projects on Saadiyat Island during the period from March to September 2013 and included the Louvre Abu Dhabi and the Marina District Phase 1 ‘A’ projects. Workers employed on the Island originate from a number of countries.

Figure 1: Number of workers engaged in major projects

- 1,935 (65%) workers on The Louvre Abu Dhabi project
- 1,042 (35%) workers on Marina District phase 1 ‘A’ project

Figure 2: Number of workers interviewed

- 250 workers interviewed
- 100 First Review
- 215 First follow up
- 565 Remaining workers population

Figure 3: Country of workers’ origin working on Saadiyat Island projects (Top 6 Countries)

- Nepal
- Bangladesh
- Philippines
- India
- Pakistan
- Sri Lanka
Key monitoring findings

Based on the scope of our monitoring review, we have provided TDIC during the year with detailed initial and follow up monitoring reports on the status of EPP compliance for TDIC and each Contractor and Subcontractor monitored. These reports have been discussed and agreed with the Contractor and TDIC, and include their responses to reported non-compliances. We have summarised the main observations from the monitoring programme below.

Note: for each performance area addressed, a summary of the EPP requirement is included. Please refer to the latest version of the EPP which is available on the TDIC website for more detail.

1. EPP compliance & implementation

In the 2012 report, we made several observations related to TDIC’s implementation of the EPP. These included; the absence of a mechanism by which the ERM could become aware of the awarding of new projects and construction mobilisation, the failure to conduct and document key meetings (ERG Meetings), and the need to incorporate an appropriate penalty mechanism associated with Contractors’ EPP compliance performance.

These issues have largely been resolved in 2013. During our last follow up review in September 2013, we noted that the following findings have now been resolved and are in line with the EPP requirements:

1.1 Awareness of the requirements of the EPP

Our initial monitoring review indicated that awareness of the need to conduct, document or facilitate key meetings relating to EPP implementation and monitoring was low. Whilst there was evidence of Contractors forwarding reports to the ERM on a monthly basis, there was no evidence during our initial visits of the ERM and ERG meetings taking place to discuss these reports.

TDIC Response

In response, TDIC introduced combined Employment Relations Group (ERG) and Work Place Group (WPG) meetings on 2 June 2013 for the Contractors and Subcontractors. The main purpose of the ERG is to ensure effective communication between TDIC and the Contractor with regard to matters related to compliance with the EPP requirements and the application of this policy. The WPG was established by the Contractor and all major Subcontractors to ensure proper communication between the Contractors and their employees.

ERG meeting minutes are being maintained and are distributed promptly to the Contractors and Subcontractors. An ERP has been formally appointed for each project by the ERM. ERG meetings are held on a monthly basis and are attended by the ERP and Designated Employment Relations Practitioner (DERP).

Our follow up review in September 2013 noted that all Contractors and Subcontractors for both projects have signed EPP Compliance Certificates to comply with the requirements of the EPP. All Contractors are now also performing self-assessments to promote compliance with the EPP.

1.2 Communication protocols

Our initial monitoring work highlighted that lines of communication within TDIC should be improved between Departments. For example, the ERM was not informed in a timely manner of the mobilisation of the main Contractor at the Marina District Phase 1 ‘A’ project.

TDIC Response

In response, a formal tracking schedule has now been established and launched. This is updated by the concerned department within TDIC and reviewed on a daily basis by the ERM to determine if any new Contractor has been appointed. The ERM has also participated in Contractors bid evaluation processes for TDIC 2014 projects ensuring EPP requirements are included within Contractors bid responses.
1.3 Penalisation process

We noted that following the results of the review by PwC, a financial penalty may be determined based on Contractor performance. TDIC is in the process of calculating the scores of the Contractors to determine the financial penalties to be levied.

TDIC Response

*TDIC has subsequently established a ‘Penalisation Process’ that is included in the latest version of the Employees Practices Policy.*

TDIC issued the first penalty in middle of August 2013 to one of the contractors and was preparing for second penalty assessments in November 2013.

1.4 Contract signing

During our initial worker interviews in 2013, we noted that concerns were raised by workers on the amount of time workers were allowed to read their employment contracts prior to signing. This applies to workers who were able to sign their employment contract prior to departing their home country and those who did not sign until they arrive to the UAE.

TDIC Response

*All Contractors have been instructed to ensure that workers are given sufficient time to read their contracts prior to signing them. The contracts are now written in the seven main native languages commonly spoken by the workers to ensure that they understand the terms and conditions.*

1.5 Provision of Key EPP Materials

It is TDIC’s responsibility to provide Contractors and Subcontractors with appropriate and detailed EPP induction materials.

During our initial visit we noted that TDIC did not provide Contractors and Subcontractors with key presentation and inductions materials required for the implementation of the EPP, which resulted in further non-compliances with the EPP.

TDIC Response

*In 2013, TDIC made such materials available to Contractors, translated into seven main languages commonly spoken by workers on the construction sites.*
2. Governance around EPP Monitoring and Compliance

Due to recent changes in the governance and operating model of TDIC, during 2013 we observed that the EPP Monitoring and Compliance function was insufficiently resourced within TDIC. The ERM has significant responsibilities and is responsible for monitoring EPP compliance for all Contractors and Subcontractors.

The ERM role and function lacked the appropriate resources to, for example:

- analyse monthly manpower reports received by contractors; and
- test and verify documents related to worker’s salaries.

We observed that there was no adequate system for filing contractor reports from the Contractors and Subcontractors and no adequate review and analysis performed on data filed by Contractors and Subcontractors.

**TDIC Response**

*The Executive Committee is currently in the process of reviewing the resource level of the EPP team with the intention to significantly invest in resourcing the EPP implementation function.*

3. Retention of Passports

**EPP: Contractors and Subcontractors shall not keep or retain the passport of any employee, other than for the purposes of obtaining or renewing a Residency Visa or cancellation of a Residency Visa upon termination of employment.**

In our initial monitoring visit in 2013, 48% of workers interviewed indicated that their passports were retained by the Contractors and they had not been given the option of retaining their passports while 52% of workers reported that they had voluntarily handed their passports to the Contractors and Subcontractors for safe keeping. However, we were unable to corroborate this as no passport handover forms were signed by the workers.

The signing of a ‘Passport Handover Form’ is not strictly in compliance with the requirements of the EPP. However, TDIC has worked with the Contractors to agree a solution where Passports are stored in a safe location on behalf and at the request of workers but only with their written consent to do so. Contractors are required to give each worker free access to their passport whenever they request it.

The follow up visits conducted in the period of June to September 2013 noted a positive improvement with all workers interviewed confirming that their passports were in their possession or that they have voluntarily signed a ‘Passport Handover Form’ to maintain their passports with Contractors for safe-keeping.

**TDIC Response**

*The Contractors at each project have introduced passport handover forms for workers who would like to handover their passports to their respective employes for safe-keeping.*
4. Recruitment fees and relocation costs

EPP: Contractors and Subcontractors are liable for the payment of recruitment fees and all monies to relocate workers to the site, including visa fees, travel/ticket and all monies necessary to assign the employees to the site. Contractors and Subcontractors are required to have formal agreements with recruitment agencies. These agreements should include a clause prohibiting payment of recruitment fees by workers.

% of workers stated that they had paid recruitment fees to agents

% of workers who stated that they had paid relocation costs to agents

In 2013, 14% of workers interviewed informed us that they had not paid fees in cash to recruitment agents in their home countries in order to move to the UAE. Of the remaining 86% of the workers reported above none were able to provide receipts corroborating claims of payment of recruitment fees. 92% of workers interviewed stated that they had paid for their visas and air tickets upon relocation from their home country. None of the workers reported that their payment of these items had been reimbursed by the Contractors.

Of the two main Contractors and three Subcontractors visited, two had written agreements in place with Recruitment Agencies. None of these agreements included a clause prohibiting payment of recruitment fees by the workers. However, during our third review we noted that one of the Contractors had modified the agreement with its agent to comply with the requirements outlined in the EPP and had also prepared a sample recruitment agreement that includes a clause stating prohibition of payment of recruitment fees by workers for future recruits.

Workers reported that it is common practice for recruitment agents in their home countries to charge fees to secure a job overseas. They also informed us that the payment of such fees is in cash and the recruitment agents do not provide a receipt for such fees. It is widely acknowledged that the full resolution of this issue is beyond TDIC’s direct influence and also requires action outside of the UAE.

TDIC Response

TDIC has revised the EPP to clarify that Contractors should reimburse relocation costs and recruitment fees for all employees relocating to the UAE, regardless of whether they were recruited specifically to work on Saadiyat Island. TDIC has also amended the EPP requirement to provide a Preferred Supplier List (PSL) of recruitment Agents. TDIC have attempted to create a PSL, but were unable to do so due to the lack of registration requirements for recruitment Agents within the relevant embassies and regulatory agencies of the countries from which the workers are employed. Accordingly, TDIC now requires Contractors to conduct their own diligence on any recruitment Agents used to recruit workers and to provide a list of these Agents.

TDIC Response

The Subcontractor reviewed was demobilized from site on 17 November 2013 based on a decision taken by the main Contractor due to non-compliance with the EPP.

Following the above results, we performed an additional review in November 2013 for one of the projects to understand whether relocation costs were paid by the Contractor and Subcontractor prior to workers leaving their home countries.
5. Terms of Employment and Site Assignment Agreements

EPP: Workers shall receive and acknowledge receipt of official confirmation of their terms of employment before leaving their country of origin. Furthermore, prior to being assigned to a site, workers should sign a Site Assignment Agreement (SAA) to confirm, amongst other items, that they have not been required to pay recruitment fees to any Agent in respect of gaining employment.

In 2013, 52% of workers interviewed indicated that they did receive official confirmation of their employment in an offer letter before leaving their country of origin. 32% of the workers interviewed reported that they received their contracts of employment prior to arrival at a construction site.

79% of workers interviewed signed the SAA after commencing work. Despite efforts by TDIC and Contractors to translate and explain the SAA in the languages spoken by the workers, 82% of workers interviewed stated that they signed SAA without fully understanding its content.

Improved performance in this area was noted during our follow up reviews. Contractors and Subcontractors had received translated SAA’s from TDIC, which subsequently all workers had signed. During our last follow up review 15% workers had signed the SAA after commencing work at site.

In addition, contracts of employment, translated into languages commonly spoken by workers have been prepared and provided by Contractors and Subcontractors to all workers to ensure that they understand the terms and conditions.

TDIC Response

TDIC believes we have made every effort that is reasonably practicable to communicate the terms of employment and SAA to workers and will continue to do so in the future.

6. Payment of wages

EPP: wages are paid directly and electronically into the bank account of the Employees in UAE currency. No wages shall be paid in cash. The Employer shall not deduct any money from any employees’ wages, except as permitted by law or for repayment of a loan. Deductions shall not exceed 10% of employees’ wages. The Contractor shall also provide Employees with payslips when making salary payments and must provide proof of payment of wages to the ERM.
During the 2013 monitoring visit, 89% of the workers interviewed reported they had received wages paid through the wage protection system (WPS). The remaining 11% were paid in cash.

Four instances were noted where workers were not paid salaries in line with their contract terms. These four instances were reported to the Contractors and appropriate corrective action was taken immediately.

None of the other 565 workers interviewed reported deductions from their salaries for visa fees, medical fees or ATM cards.

However, during our interviews, conducted in November, we noted that Contractors either deducted the Emirates ID card cost from the worker’s salaries or requested the worker pay for this in cash. Workers can not obtain their UAE visa unless they have applied for or renewed their Emirates ID since it is linked to the visa issuance process across the United Arab Emirates.

**TDIC Response**

TDIC issued a non compliance letter to the Contractors to stop the deduction of Emirates ID costs from the workers’ wages and penalties will be levied as per the EPP.

During our initial review in March 2013, we noted one instance where all of the workers interviewed for one Subcontractor informed us that they had not been paid wages for six months, including periods prior and post to the contract award by the main contractor on the TDIC project. The monitoring also identified that the same workers were not in possession of their passports. This issue was immediately reported by the monitoring team to TDIC who took immediate remedial action. The payment of wages was confirmed through a management letter received from the subcontractor and a payroll bank transfer statement, showing that the outstanding payroll amount was settled, with workers receiving their outstanding wages. We have been told that TDIC’s action not only resulted in workers assigned to work on TDIC projects being paid, but rather all workers on the Subcontractor’s payroll were paid all their outstanding dues. In addition, none of the 68 employees interviewed during the follow up visit reported that their passports were being involuntarily retained by the Subcontractor.

**TDIC Response**

Official letters were issued to Contractors enforcing payment of wages to the workers, where the monitoring identified non-payment of wages. A plan was put in place and workers received all their unpaid salaries by June-July 2013. In addition, workers who were not in possession of their passports were given the opportunity to either retain their passports themselves or provide written confirmation to the Subcontractor that they could keep their passport in a safe location on their behalf.

During the initial reviews in 2013, none of the workers interviewed were provided with monthly payslips. However, during the follow up reviews, we noted corrective actions had been taken by all Contractors and Subcontractors. Proof of payment of wages was confirmed by all Contractors and Subcontractors on a monthly basis and payslips provided, although not all payslips contained the information stipulated in the EPP.
7. Accommodation and facilities

EPP: Contractors to house all their workers in the SAV. Any exemption has to be approved by the ERM. Where the Contractor does not utilise the SAV, it will provide accommodation that meets the requirements set by TDIC and by the Ministry of Labour. The EPP states that workers shall have freedom of movement outside SAV and Contractors shall provide employees with free transportation.

The SAV was established in September 2009, and is required to meet the UAE Cabinet Decision No.13 of 2009 which sets minimum standards of living which labour camps must comply with by the year 2014. TDIC has made it mandatory for all workers on Saadiyat Island to stay in the SAV.

During our initial 2013 review, 39% of workers interviewed indicated that they did not live in the SAV. It was also noted that no prior approval was obtained from the TDIC ERM to house the workers at accommodation outside of the SAV.

An improvement was noted in the follow up reviews with all workers interviewed during the second follow up stating that they resided in the SAV. However, during one monitoring review period, an incident occurred at the SAV on 20 August 2013. The incident (which was the subject of external media coverage) reportedly involved a disagreement between two individuals that escalated into an ethnic conflict including a large number of residents the SAV. The investigation of this incident was outside the scope of our work and was subject to investigation by the relevant authorities.

Following the incident, TDIC agreed with, Contractors and Subcontractors to temporarily relocated a number of workers to a nearby accommodation facility within an acceptable distance from the project site. In addition, TDIC provided segregated clusters within the SAV for workers from different ethnic backgrounds.

We are aware that, following the completion of the investigation, a plan was developed by TDIC, the Contractors and the Subcontractors to return these workers to SAV. However, at the date of this report, not all of these workers have been returned to the SAV.

TDIC Response

TDIC believes that it is unacceptable for Contractors and Subcontractors not to return workers to the SAV now that appropriate measures have been put in place to prevent an incident from reoccurring. TDIC will be applying financial penalties to Contractors and Subcontractors who do not return their workers to the SAV.

We have noted that a major enhancement programme is underway to bring SAV in line with the requirements of the Cabinet Decision No.13 of 2009. This is due to be completed by August 2014. The same complaints were also received during reviews conducted last year and the monitoring team were able to verify these observations during their visits to the SAV in both 2012 and 2013.

No worker reported lack of freedom of movement outside the SAV and transport to site to and from the SAV was noted to be free for all workers. Workers are also offered transportation to different locations within the Emirate of Abu Dhabi during weekends.

TDIC Response

TDIC has awarded a contract to the CODE Contracting Company to carry out rectification works for the SAV with Notice to Proceed from 30 June 2013.
8. Health and Safety (H&S)

**EPP:** H&S inductions should be conducted, protective clothing should be provided to workers free of charge, and occupational injuries register should be maintained. H&S instructions should be displayed on notice boards and at least one first aid box shall be provided for every 100 employees.

As a result, notice boards were placed at all construction sites and these contained the relevant and appropriate information stipulated by the EPP. The number of First Aid boxes was increased in line with the number of workers onsite. Occupational Injury registers were also established and workers were provided with regular medical examinations.

During a site visit conducted in September 2013, we noted 35 workers at one project were executing their assigned tasks whilst not wearing their suitable protective clothing provided to them by the contractor.

The clause states that Contractors will provide TDIC with certification from the statutory bodies relating to the safety of tools and machinery and working conditions. It was noted that there are no established mechanisms or processes in place through which TDIC requests and reviews such certifications from the Contractors.

**TDIC Response**

It is the responsibility of the Contractor to ensure such certifications from the statutory bodies relating to the safety of tools and machinery are obtained. However, as part of the prequalification and contract award process, all contractors are required to demonstrate how they ensure all tools and machinery are appropriately certified.

During our monitoring visit to the SAV, we observed that there is no Isolation Room available for patients in the medical centre at the SAV.

**TDIC Response**

Rectification works in line with the requirements of the Cabinet Decision No.13 of 2009 have commenced and will be completed by August 2014.

In 2013, 92% of workers interviewed reported that they had received a H&S induction prior to commencing work at site. The 8% who said that they had not received the H&S induction were all engaged at the same site.

**TDIC Response**

TDIC has since taken corrective action as all workers are required to attend H&S induction prior to commencement of work on site.

During the initial monitoring visits in April 2013, H&S notice boards were absent from a construction area where over 1,000 workers were working. Occupational Injury registers and First Aid boxes were not maintained by all Contractors as required by the EPP.

TDIC responded and resolved this issue by instructing the contractors to take the necessary corrective actions in compliance with the signed construction contract, including the requirements of the EPP.

On reviewing the possession of health insurance cards, we noted that 14% of the workers interviewed did not have insurance cards or had cards that were expired. However, their employers were able to provide proof that medical insurance cover was in place for all the workers.

**TDIC Response**

The health and safety of workers is paramount to TDIC and penalties have been levied on the Contractor concerned for breaching the terms of the EPP.

All workers are covered by health insurance at all times in accordance with the UAE Labour law. Expiry of insurance cards or non-possession of such cards by workers is an administrative matter and does not impair their access to medical facilities as they are still covered by medical insurance.

EPP: As per the UAE Cabinet Decision No.13 of 2009, an Isolation Room for patients should be provided and equipped with all necessary furniture and equipment.

During our monitoring visit to the SAV, we observed that there is no Isolation Room available for patients in the medical centre at the SAV.

**TDIC Response**

Rectification works in line with the requirements of the Cabinet Decision No.13 of 2009 have commenced and will be completed by August 2014.

**TDIC Response**

It is the responsibility of the Contractor to ensure such certifications from the statutory bodies relating to the safety of tools and machinery are obtained. However, as part of the prequalification and contract award process, all contractors are required to demonstrate how they ensure all tools and machinery are appropriately certified.

EPP: As per the EPP, the Contractor shall at all-time provide its Employees with safe working conditions, including safe equipment and will have a health and safety programme in place that meets the requirements of UAE Law. TDIC requires that safety audits, risk assessments and on site visits are regularly conducted. TDIC also requires that all tools and machinery are in safe working condition and are certified by the relevant statutory bodies.
As construction activities on Saadiyat Island begin to increase, it will be critical to have appropriate H&S management resources in place to ensure Project Management Consultants and Contractors are complying with the EPP, the UAE H&S legislation and global H&S good practices. Therefore, TDIC requested that H&S procedures and reporting mechanisms received increased focus during the 2013 review.

Findings associated with this review of H&S are summarised in this section below:

• During April 2013, TDIC undertook a restructuring initiative which resulted in TDIC moving to an outsourced model with respect to maintaining H&S management and monitoring of Contractors and Subcontractors. A third party service provider has been contracted to undertake H&S management and monitoring on TDIC’s behalf.

• Our site monitoring visits to the projects identified inconsistent H&S monthly reporting to the Project Management Consultants (PMCs) responsible for monitoring Contractors’ activities.

• We noted inconsistent reporting, without clear definitions for each Key Performance Indicator (KPI), which reduces TDIC’s ability to assess and compare project performance on H&S issues and prevents the identification of inaccurate reporting.

• The reporting of near misses at construction sites is a continual challenge in the UAE. The number of near misses reported in comparison with major injuries/fatalities at all projects on Saadiyat Island is low (less than 10:1) compared to numbers that might be expected based on international industry wide data for construction sites with good reporting procedures in place.

• TDIC does not currently have a mechanism for rewarding positive H&S behaviours and good performance by Contractors. The site monitoring visits identified that different H&S standards are being applied across the various Saadiyat Island projects.

• Contractor and Subcontractor management indicated a number of challenges on the ongoing management of H&S related issues, for example, the ability to ensure workers wear Personal Protective Equipment (PPE) and provision of H&S information to workers who may be illiterate.

TDIC Response

Although, these findings do not form part of the requirements detailed in the EPP, we plan to work with the newly appointed outsourced H&S provider to address some of these issues.
9. Grievances

EPP: The Call Centre number should be provided to workers during their induction. The EPP requires that all calls, as far as practically possible, should be responded to in the workers’ native languages. Additionally, the Contractor shall ensure all Employees are duly informed of their rights, with regard to the referral of disputes, to the UAE Ministry of Labour and Industrial Action procedures shall be addressed during the Induction Programme. The Contractor shall train its managers and supervisors in the management and implementation of the Industrial Action Handling Guidelines and all relevant aspects of the ER Procedures.

TDIC established a Call Centre in June 2010 with a toll free direct access line which workers can call to raise grievances, report concerns and make suggestions. Calls, as far as practically possible, are attended in the native language of the workers.

During the monitoring period workers made 44 calls to the call centre. A summary record of each call is maintained. Each call is assigned a high, medium or low priority and a note is made to confirm that the issue has been closed out. The 44 calls related to a range of areas including:

- Wages (11 calls)
- The quality of food (7 calls)
- The quality and comfort of accommodation (6 calls)
- Visas (4 calls)
- Worksite condition (3 calls)
- Availability of transport (2 calls)
- Leave entitlement (1 call)
- Health (1 call)
- Overtime (1 call)
- Retention of passport (1 call)
- Discrimination or harassment (1 call)
- Other (1 call)

In 2013, TDIC and the contractors introduced new identification badges for all workers on Saadiyat Island which displayed among other information the TDIC call center number. In addition, we have observed that the call center number has been included in the EPP induction presentation and is displayed on notice boards across the SAV. Despite these initiatives, 57% of the workers interviewed indicated that they were either unaware of the existence of a call centre or unaware of the call centre telephone number.

58% of workers interviewed reported that industrial action procedures were not addressed during the induction programme. In addition, 47% of workers interviewed reported that they were not informed about their rights to the referral of disputes to the UAE Ministry of Labour. We have verified the existence of the referral and industrial action procedures in the EPP induction.

TDIC Response

Workers are informed about the Call Centre, industrial action procedures and their rights to the referral of disputes to the Ministry of Labour during the EPP induction. However, TDIC noted that some workers seem to forget the contents of the induction. As a result, the induction is now delivered in the seven main languages commonly spoken by the workers. In addition, TDIC is also considering the use of videos to make the induction more engaging.
10. Working visas

EPP: Expatriate employees will not be allowed to work on site unless they are in possession of a valid work permit in accordance with UAE labour law.

All workers interviewed during the 2013 Monitoring Programme had valid work permits in accordance with UAE labour law.

11. EPP induction

EPP: Induction should be provided to employees by the Contractor before they commence work on site. The induction document should be in a format approved by the ERM and shall be available in the majority of languages spoken by the workers including Hindi, Bengali, Telugu, Malayalam and Tamil.

During our initial 2013 review we noted that the EPP induction documents used by the Contractors at both projects were only available in English and were not approved by the ERM. In addition, 93% of the workers interviewed had not received EPP induction prior to beginning work at site.

Our follow-up reviews indicated improvement with confirmation that the EPP induction presentation has been translated into the seven common languages spoken by the workers and approved by the ERM. The contents of the induction presentation are verbally explained to the workers and efforts have been made by Contractors to enhance the induction approach and make it more interactive to increase understanding and awareness of the EPP.

29% of the workers interviewed at one project site had received the EPP induction prior to the commencement of work at the construction site.

12. EPP administration

EPP: Major Contractor and Subcontractors shall employ a full time qualified and experienced ERP on the site and shall co-ordinate all Employment Relations (ER) functions. Such ERP appointment shall be approved in writing by the ERM prior to them assuming their duties. Where a Contractor/Subcontractor have less than 300 employees on site, the Contractor will have one of its Senior Managers dedicated and appointed to the ER functions (Designated Employment Relations Practitioner). The ERP and DERP are required to attend a workshop arranged by the client to familiarize them with EPP. The ERP and DERP shall attend the ERG meetings.

During our initial monitoring review in 2013, it was noted that the appointment of the ERP for one project was not formalised or approved by the ERM. In our subsequent reviews we noted that the ERP appointment had been formally approved by the ERM.

Whilst the initial review confirmed that no EPP meeting was carried out between the ERM, the ERP and the DERP, the absence of DERPs in ERG meetings has since been rectified as evidenced in our follow up reviews.
13. Employee personal files

EPP: Contractors and Subcontractors to maintain a file for each employee showing his basic information, wage and adjustments thereto, record of leave, penalties imposed, disciplinary records, grievance records, appraisals, records of medical examinations, occupational injuries and diseases the Employee sustained, and the date and reason for termination of employment. The file shall also contain a copy of the Employee’s Contract of Employment, Site Assignment Agreement, induction records, and skills history, or as otherwise required by the ERM. The EPP also requires the Contractor to keep a record and copies of all Contracts of Employment and the SAAs and these shall be filed in fire-proof cabinets.

Our initial review and subsequent follow up reviews identified several non-compliances in the maintenance of the employee personnel files. During our second follow up review it was noted that the employee personnel files maintained by one Contractor and all Subcontractors did not include all stipulated documents required under the EPP.

In addition, employee personnel files maintained at one project site were found to not be stored in fire-proof cabinets although original copies of major documents including employee personnel files were held at the Head Office.

TDIC Response

TDIC is working with Contractors to ensure that employee personal files contain adequate information and are kept in fire-proof cabinets as per the EPP.

14. Site facilities

EPP: Employees shall be provided with prayer rooms and adequate drinking water and toilets as per Ministerial Regulations.

EPP requires that employees use the designated site entrance, and follow the shortest safe access route when travelling to and leaving from their work areas, in order to comply with all Security procedures. Appointed Security representatives may undertake random testing in respect of the above, in terms of the relevant Security Rules and Regulations.

Project sites visited were not equipped with a prayer room and adequate drinking water and toilet facilities. This topic was given high priority and has been corrected after our initial reviews.
Appendices

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About TDIC and Saadiyat Island
Abu Dhabi is the capital and the largest of the seven UAE Emirates and a key contributor to the UAE’s economic and cultural development. Saadiyat Island, part of Abu Dhabi, is a natural island occupying 27 square kilometres. It is planned that the island will eventually be home to an estimated 145,000 residents along with leisure and tourism facilities, as well as civic and cultural amenities.

TDIC was established in 2006 as a master developer of major tourism destinations in Abu Dhabi. Its purpose is to support Abu Dhabi’s vision to become a leading destination for tourists, businesses and residents.

The company is responsible for some of Abu Dhabi’s major projects. One of these involves the development of specific sites on Saadiyat Island which will house cultural institutions including the Zayed National Museum, the Louvre Abu Dhabi and the Guggenheim Abu Dhabi Museum.

**New projects in 2013**

The Louvre Abu Dhabi project began construction in 2013 and work to date has included completion of the building’s detailed design and the completion of the infrastructure, which encompassed marine, excavation, piling and substructure works.

Other projects worked on in 2013 include the Marina District Phase 1 ‘A’ project which represents the infrastructure works for the New York University Abu Dhabi (NYUAD).
Development and implementation of the EPP

In recognition of the importance of the appropriate management of worker welfare issues, in 2009, TDIC developed the Employment Practices Policy (EPP) which sets out the standards which TDIC have to implement and comply with and which TDIC requires its Contractors to adopt in relation to workers’ welfare. The EPP applies to main Contractors engaged by TDIC to work on the development of Saadiyat Island, and, by extension, to any Subcontractors they appoint. The requirements of the EPP are largely based on UAE labour law and, in certain areas, generally accepted international labour best practices.

The requirements of the EPP are based on UAE labour law and, in certain areas, accepted international labour practices. Details of clauses relating to these areas are available in the latest version of the EPP available on the TDIC website.

Following PwC’s 2012 EPP Monitoring Compliance Programme, TDIC re-appointed PwC in February 2013 to provide continue its role as independent monitor of the implementation of the EPP.

This section of the report provides:

- Further context on the construction projects currently underway on Saadiyat Island and the Contractors and workers involved on these projects; and
- An overview of the monitoring approach taken by PwC.

Figure 4: EPP Implementation Framework

Tourism Development & Investment Company

Figure 4: EPP Implementation Framework
**Contractors and their workers**

During 2013, a number of key developments occurred at TDIC including the awarding of the Louvre Abu Dhabi construction project, and the appointment of a new ERM.

Projects that were live in 2011 and 2012 were completed in the period between June 2012 and June 2013. TDIC awarded contracts in January 2013 to two new main contractors for projects to be completed by 2015. Contractors who had participated in the previous years monitoring were no longer on site due to the completion of their projects.

The EPP was updated in February 2012. With the start of new projects in 2013, new Contractors and Subcontractors needed to become familiar with the implementation requirements of the EPP and incorporate them into their own procedures and systems of work.

Workers were recruited, as in 2012, from a number of different countries, with the top six being India, Bangladesh, Pakistan, Nepal, Sri Lanka and the Philippines.

Each of the main Contractors and their Subcontractors rely on a complex network of Recruitment Agents to recruit the majority of workers required to deliver their projects.

These Recruitment Agents include organisations based in UAE and in the workers’ home countries. The network of Recruitment Agents ranges from formally established entities in the UAE and the workers’ home countries, to friends and family members in their communities. The unregulated system of recruitment brokers in Asia leaves workers and their families vulnerable to potential exploitation.

Through a competitive tendering processes, TDIC has awarded contracts to Contractors to support the construction of projects on Saadiyat Island that TDIC has responsibility for.

In each case a main contractor has been appointed which has overall responsibility for delivering the project. Each main contractor appoints a number of subcontractors to deliver parts of the project. These subcontractors may in turn appoint other subcontractors for completion of specific tasks. As a consequence of this complex contracting supply chain, the number and nature of the subcontractors working on any individual project may vary significantly across the life of the project. In particular towards the completion stage of a project there may be a large number of small subcontractors operating at a site.

As of August 2013, the monthly average number of workers employed by the projects under construction on Saadiyat Island was approximately 2,977 workers (as compared to 13,750 in 2012).

The workers involved in the development of TDIC projects on Saadiyat Island are hired and paid directly by their employers, the contractors and subcontractors commissioned by TDIC to work on these projects.

**Workers welfare issues**

Construction in the Middle East region continues to be undertaken at significant scale and volume. Given the notable extent of this activity and the heavy reliance on expatriate workers, construction projects in the region have, in particular, been the focus of scrutiny and concerns around workers’ welfare.

However, it is important to note that the scope of our monitoring exercise did not include any investigation into why these incidents occurred. These incidents have been subject to investigation by the relevant UAE authorities.

During this monitoring year we have noted that several incidents occurred relating to worker unrest:

1. On 19 May 2013, it was reported in the media that workers from a particular contractor took part in a strike for improved salaries and conditions. The strike was coordinated by workers from across the UAE, and had a minor impact on the workers from that contractor working on Saadiyat Island.

2. A widely reported incident occurred at the SAV on 20 August 2013 during the period of our follow up review. We understand from TDIC that this incident escalated from a personal dispute between two individuals to an ethnic conflict involving a larger number of residents within the SAV. Following the incident it was agreed between TDIC and the Contractors and Subcontractors that a number of workers should be temporarily relocated to accommodation outside the SAV but within an acceptable distance from Saadiyat Island. We understand that these employees have yet to return to the SAV.

**Saadiyat Accommodation Village (source: TDIC)**
The Monitoring Programme
Independent monitoring

In 2011, PwC was engaged by TDIC to conduct independent monitoring of the implementation of the EPP. The previous annual report detailing the findings of the 2011 - 2012 monitoring programme was issued in September 2012 and is available on the TDIC website.

During the 2011 - 2012 Monitoring Programme, PwC carried out initial and follow up monitoring visits of the main Contractors and a sample of eight Subcontractors. This covered four of the major projects under construction on Saadiyat Island at the time. In total, between June 2011 and May 2012, 1,341 workers were interviewed (9% of the total average monthly number of the workers on Saadiyat Island during this period) by PwC.

In February 2013, TDIC re-appointed PwC to continue their independent role to monitor and report on EPP implementation. The 2013 monitoring programme focussed on the main new contractors and three new subcontractors for the two projects currently under construction. The monitoring programme involved interviewing 565 workers (19% of the total average monthly number of workers on the island) during the period between March and September 2013.

The programme included:

- An independent appraisal of TDIC’s implementation of the EPP including TDIC’s response to the 2012 monitoring findings;
- An assessment of the governance, policies and procedures within TDIC that promote EPP implementation and,
- An independent appraisal of two Contractors and three main Subcontractors implementation of the EPP.

In scoping and conducting the monitoring programme, PwC was able to draw on over 20 years’ experience in the area of social compliance monitoring and, more widely, in supporting major public and private sector organisations on corporate responsibility and sustainable development projects.

The PwC monitoring team included individuals with previous experience of advising and implementing compliance monitoring programmes. The dedicated full time PwC monitors were selected on the basis of their knowledge, experience, language skills and cultural background. The team included professionals with appropriate local knowledge and experience supported by sustainability and social welfare experts drawn from PwC’s global network.

PwC was appointed by TDIC to act independently of management by reporting to the TDIC Executive Committee. On a day-to-day basis the PwC team coordinated with TDIC’s Internal Audit Department. PwC had direct access to the TDIC Audit Committee to report instances of non-compliance and any other areas of concern.
Scope of work completed

In the planning phase of the monitoring programme and using our experience of delivering the 2012 programme, we developed:

- The monitoring approach;
- Sampling methodology;
- Monitoring visit protocols;
- Communication plans; and
- Reporting deadlines.

We also reviewed the requirements of the EPP, applicable provisions of the UAE labour law and relevant directives and regulations from Municipalities and other Abu Dhabi Government Agencies to support the development and refinement of the monitoring programme.

The Monitoring Programme for 2013 was extended to cover Health & Safety (H&S) aspects in more depth including a review of:

- H&S measures followed by Contractors on construction sites, and TDIC’s oversight of the adequacy of such measures;
- H&S measures followed at the SAV; and
- Incident and injury reporting mechanisms in place within TDIC.

Our work consisted of the following activities:

- Interviews with TDIC’s ERM and other staff members;
- A review of the EPP (version 3) dated February 2012, documents maintained by the ERM, approvals of the ERPs, letters sent to Contractors and review of the implementation plan with respect to remediation of observations reported in 2012;
- Interviews with workers at the construction sites;
- Interviews with Contractor and Subcontractor management;
- Visits to contractors head offices and document review, including review of the Contractors and subcontractor’s relevant policies and documentation. This included human resource processes and systems providing information on, for example, remuneration, working hours, recruitment, grievance and disciplinary procedures; and,
- A visit to the SAV to review workers living conditions and compliance with standards as mandated by the UAE Labour Law.

Sampling

The Monitoring Programme included a review of all material contracted and active projects on Saadiyat Island during the period from March to September 2013 for the Louvre Abu Dhabi and the Marina District Phase 1 ‘A’ project.

For each project, PwC reviewed EPP implementation for the main Contractor and the largest Subcontractors.

At the Louvre Abu Dhabi project, PwC reviewed additional Subcontractors’ implementation of the EPP considering the total manpower and number of Subcontractors working at site. The number of workers interviewed was based on the criteria shown in the diagram below:

Worker Interview Sampling Approach

![Worker Interview Sampling Approach](image-url)
**Approach to the monitoring visits**

The Monitoring Process involved three monitoring visits. The first set of visits were conducted between March and April 2013 and focused on EPP implementation for the main Contractors and the largest Subcontractors. The second and third visits were conducted between June and September 2013. These visits focused on follow up of issues identified in the previous reviews as well as interviewing additional workers on the site to assess any changes in conditions. A fourth additional visit related to a specific review to better understand whether relocation costs were paid by a contractor and subcontractor prior to workers leaving their home countries.

In addition to the monitoring visits, the monitoring team visited the SAV to review the facility and progress made on implementing remedial actions identified by the 2012 monitoring work relating to the living conditions of the workers.

**Workers interviews**

Workers interviews were the primary source of information for the monitoring team. Wherever practicable, the monitoring team corroborated observations from interviews through document review (for example, employee records held by Contractors/Subcontractors) as well as direct observation (for example, physical observation of accommodation facilities) and also informal discussions with workers during the course of our monitoring visits. However, it is important to note that some of the workers’ statements could not be corroborated. This is particularly the case where it was reported that workers found it necessary to pay recruitment fees and relocation costs.

We consider that the sample of 565 workers interviewed is in line with the workers interview sampling approach defined in the monitoring programme. In preparation for the interviews, the monitoring team obtained the latest manpower report for the project from the Contractor. This provided information on the number of workers on site, their nationality, language spoken and occupation. PwC selected a sample of workers to be interviewed which was provided to the Contractors/Subcontractors only one day in advance or on the same day of the interviews as it is crucial for the success of the monitoring programme that workers should be in a position to respond freely to questions and provide input without interference or intimidation from management.

The sample of workers selected for interview aimed to achieve fair representation from the various nationalities and occupations on the site. Workers selected for interviews included, for example, Masons, Mechanics, Operators, Plumbers, Scaffolders, Steel Fixers, Technicians and Time Keepers. The interviews were conducted at the construction sites offices.
Confidentiality

Neither the management of TDIC nor Contractors or Subcontractors played a role in the selection of workers for the interviews. Interviews were not attended by representatives of the Contractors or Subcontractors or TDIC.

Although the Contractors were aware of the names of workers selected for interview, findings from the interviews were aggregated to prevent attribution to any individual worker.

Language and culture

Recognising the importance of language and cultural issues, interviews were conducted in the workers’ native languages by PwC monitors with the same cultural background. Languages used by workers included: Hindi, Urdu, Punjabi, Bengali, Filipino, English and Malayalam.

Reporting

Each initial and follow up monitoring visit was concluded with a closing meeting conducted jointly by PwC and a TDIC representative with the Contractor’s and Subcontractor’s Senior Management. These meetings provided initial feedback on the results of the monitoring visit. A final report was then prepared, setting out the monitoring teams’ findings.

The monitoring team issued a total of eight reports of which two reports were in relation to TDIC’s implementation of the EPP and the remaining reports were in relation to contractors and subcontractors monitoring visits. The results of the reports are aggregated and summarised in this Annual Report.

Contractors were required by TDIC to respond in writing to the findings within an agreed period.
## Details of Monitoring Program Visits

<table>
<thead>
<tr>
<th>Review Type</th>
<th>Date of Visit</th>
<th>The Louvre Abu Dhabi</th>
<th>Marina District Phase 1 ‘A’</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDIC compliance with EPP</td>
<td>March</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Contractors and Subcontractors first Review</td>
<td>April</td>
<td>50</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>Follow up on TDIC compliance with EPP</td>
<td>July</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Contractors and Subcontractors first follow up</td>
<td>July - August</td>
<td>200</td>
<td>50</td>
<td>250</td>
</tr>
<tr>
<td>Contractors and Subcontractors second follow up</td>
<td>September</td>
<td>165</td>
<td>50</td>
<td>215</td>
</tr>
</tbody>
</table>

**Total Number of Interviews:** 565
## Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent</td>
<td>Any sub agent, person or entity that recruits Employees for Contractors.</td>
</tr>
<tr>
<td>Basic Wages</td>
<td>Monetary consideration given to an Employee in return for his service in terms of his Contract of Employment, which amount is used as a basis from which overtime and benefit calculations are made.</td>
</tr>
<tr>
<td>Contact Centre</td>
<td>The Call Centre established by TDIC in accordance with the EPP.</td>
</tr>
<tr>
<td>Contractor</td>
<td>Any company party to the Main Agreement for Construction works with TDIC, and shall be deemed to include all Subcontractors engaged by the Contractor.</td>
</tr>
<tr>
<td>CSR Committee</td>
<td>Corporate Social Responsibility Committee formed by TDIC to oversee employees’ employment relations practices.</td>
</tr>
<tr>
<td>DER</td>
<td>Director of Employment Relations, appointed by TDIC or any person designated by him to oversee the implementation of the EPP.</td>
</tr>
<tr>
<td>DERP</td>
<td>Designated Employment Relations Practitioner, nominated by the Contractors that do not have an ERP, to ensure that this Policy is implemented and complied with.</td>
</tr>
<tr>
<td>Employee / Worker</td>
<td>All daily, hourly and monthly paid Employees of the Contractor permanently or temporarily assigned to the site by any Contractor.</td>
</tr>
<tr>
<td>ER</td>
<td>Employment Relations, comprising all Employment and Employment Relations policies, practices and procedures of the Contractor to be applied on the site.</td>
</tr>
<tr>
<td>EPP</td>
<td>Employment Practices Policy developed by TDIC to be applied by all its Contractors and Subcontractors.</td>
</tr>
<tr>
<td>ERG</td>
<td>Employment Relations Group, constituted to communicate, promote and coordinate general employment practices in terms of the EPP.</td>
</tr>
<tr>
<td>ERM</td>
<td>Employment Relations Manager, appointed by TDIC to co-ordinate ER policies, practices and procedures of the Contractor. For the purpose of the EPP the ERM reports directly to the DER.</td>
</tr>
<tr>
<td>ERP</td>
<td>Employment Relations Practitioner, appointed by all Major Contractors to ensure that the EPP is implemented and complied with.</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>Group of directors appointed to act on behalf of, and within the powers granted to them by, the board of directors. The Executive Committee is chaired by TDIC’s Managing Director.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Independent</td>
<td>Compliance with the fundamental principles set out in the Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants (“the IESBA Code”). It is not intended to imply that this report is an assurance report, or that PwC has complied with all of the ethical requirements applicable to assurance engagements, as set out in sections 290 and 291 of the IESBA Code.</td>
</tr>
<tr>
<td>Law</td>
<td>Any UAE law, regulation, directive, decree, ministerial decision or order, or guideline issued by the relevant authorities where the work is performed.</td>
</tr>
<tr>
<td>Main Agreement</td>
<td>The agreement between TDIC and the Contractor of which this EPP forms part of.</td>
</tr>
<tr>
<td>Project</td>
<td>Any project commissioned by TDIC on Saadiyat Island.</td>
</tr>
<tr>
<td>PwC</td>
<td>PricewaterhouseCoopers (Abu Dhabi Branch)</td>
</tr>
<tr>
<td>Recruitment Fee</td>
<td>Any recruitment monies or fees payable to an Agent or third party with regard to an Employee’s assignment to the site.</td>
</tr>
<tr>
<td>SAV</td>
<td>Saadiyat Accommodation Village (formerly Saadiyat Construction Village). The village was officially rebranded late 2012 to the new name.</td>
</tr>
<tr>
<td>Service Provider</td>
<td>A Contractor engaged by TDIC to provide services on Saadiyat Island other than Contractors/Subcontractors engaged for construction projects.</td>
</tr>
<tr>
<td>Site</td>
<td>The location, layout and boundaries of the Project as identified in the main agreement. Reference to “site” shall include any place where a Service Provider renders a service to the Client.</td>
</tr>
<tr>
<td>Site Assignment Agreement</td>
<td>The agreement that Contractors are required to enter into with Employees who are assigned to the site.</td>
</tr>
<tr>
<td>Subcontractor</td>
<td>Any third party appointed by a Contractor to perform any part of the Works on the site, and includes any person or entity that supplies labour to the Contractor or subcontractor.</td>
</tr>
<tr>
<td>Temporary Employee</td>
<td>All Employees who are assigned to the site for less than 30 days accumulatively over the duration of the Works.</td>
</tr>
<tr>
<td>TDIC</td>
<td>Tourism Development &amp; Investment Company.</td>
</tr>
<tr>
<td>WPG</td>
<td>Work Place Group which is established by the Contractors and Subcontractors in respect of its Employees in terms of the EPP.</td>
</tr>
<tr>
<td>WPS</td>
<td>The Wage Protection System is an electronic salary transfer system that allows institutions to pay workers’ wages via banks, bureaux de change, and financial institutions approved and authorized to provide the service. The system, developed by the Central Bank of the UAE, allows the Ministry of Labour to create a database that records wage payments in the private sector to guarantee the timely and full payment of agreed-upon wages.</td>
</tr>
</tbody>
</table>
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