



Raising the bar on **promoting worker rights and welfare** in engineering and construction



Progress Report

April 2023

Our mission

Building Responsibly is a group of leading engineering and construction companies working together to raise the bar in promoting the rights and welfare of workers across the industry.

Building Responsibly members and supporters collectively aim to foster and ensure a better working environment for workers in the engineering and construction sector. Doing so will allow us to respond to clients, stakeholders, and regulatory expectations more effectively, and manage a healthier and more productive workforce.

Building Responsibly has a clear vision for the future: to protect and enhance worker rights, dignity and respect in the engineering and construction sector, and further recommended practices for worker rights in the built

environment. We strive to achieve this goal by:

- **Creating and adopting common principles and guidance**, designed by the industry for the industry;
- **Sharing practices, and developing tools and resources** to support the Building Responsibly Principles implementation; and
- **Engaging with our stakeholders** to promote our vision and principles across the industry, including workers, clients, governments, civil society, investors, companies, and international organisations.

The Building Responsibly Worker Welfare Principles

Building Responsibly developed these Principles as recommended practices on worker welfare for the engineering and construction industry. They address key areas of worker vulnerability to raise standards and level the playing field so that competitiveness is not at the expense of the worker. The Principles are available online in Arabic, Chinese, French, Hindi, Japanese, Portuguese and Spanish to facilitate buy-in across geographies.

1. Workers are treated with dignity, respect and fairness

Workers, irrespective of their nationality, gender, ethnicity, social and legal status, race, religion, or other protected status, are treated with dignity, respect, and fairness, and are not subject to harassment, discrimination, abuse, or inhuman or degrading treatment.

2. Workers are free from forced, trafficked, and child labour

Workers are not subject to forced, coerced, trafficked, bonded, child, or involuntary labor of any form.

3. Recruitment practices are ethical, legal, voluntary, and free from discrimination

Workers shall be recruited through ethical and legal means whereby all recruitment shall be free from discrimination and all forms of involuntary labor, slavery, and trafficking.

4. Freedom to change employment is respected

Workers are free to refuse their contract; cancel and change their employment; and, where appropriate, return home travel at the end of their contract should be provided.

5. Working conditions are safe and healthy

Workers have a safe and healthy work environment, subject to a robust health and safety management system that is compliant with all governing health and safety laws and regulations and is aligned with applicable international standards and industry best-practice.

6. Living conditions are safe, clean, and habitable

Workers, when provided with accommodation, have living conditions that are safe, clean, hygienic, and habitable, where consideration is given to physical/mental health.

7. Access to documentation and mobility is unrestricted

Workers have access to passports and personal documentation at all times. Workers shall have freedom of movement outside normal working hours.

8. Wage and benefit agreements are respected

Workers are paid their agreed wages regularly and on time. Workers will receive all benefits to which they are entitled in accordance with contractual arrangements.

9. Worker representation is respected

Workers have the right to freedom of association. In countries where the right to freedom of association is restricted under law, companies should recognize the right of workers to develop alternative means for independent and free association.

10. Grievance mechanisms and access to remedy are readily available

Workers have, and are aware of, the means to report grievances or any activity that is inconsistent with these Principles without fear of retaliation, retribution, or dismissal, and to have them addressed in a prompt, fair, and consistent manner.

Join us

We welcome new members and supporters to join the initiative as we aim to enhance momentum to scale and accelerate progress on worker rights and welfare across engineering and construction.

As in other industries, engineering and construction firms work with complex supply chains that are difficult to track. Some subcontractors are responsible for some of the worst abuses, and problems are exacerbated by inadequate local labor laws and enforcement measures, particularly in both the Gulf and South Asia regions where most migrant workers are recruited.

Creating a caring environment and good worker conditions is an enabler of human performance. Strong evidence shows that this drives engagement, productivity and safety – all of which are crucially important in engineering and construction. With strong worker welfare consideration, companies are able to improve their overall performance, delivering projects on time and within budget. They are also able to deliver projects to a higher quality, attracting the best talent and retaining staff for longer.

The proliferation of legislation on labour rights, including the Modern Slavery Acts and EU Human Rights Due Diligence, highlight a trend toward increasing protection of workers. This trend makes worker protection an issue to which companies should dedicate increasing time and engagement. Investors, governments, customers and other stakeholders increasingly expect companies to demonstrate action on ‘decent work’ as outlined in UN Sustainable Development Goal #8.

There is clear evidence – including growing expectations from a range of sustainability-focused frameworks, standards and ratings agencies, as well as media and investor focus – of increased interest, scrutiny and calls for action on human rights, labour rights and worker welfare.

Join us as we progress on our mission. Membership to Building Responsibly is open to companies of all sizes, operating in all sectors across engineering and construction, as well as their value chains. We also welcome applications from other organizations interested in working with us to promote the rights and welfare of workers, including clients, industry groups, NGOs and international organizations.

To ensure a variety of perspectives and to leverage a range of expertise, Building Responsibly has introduced tiered membership comprising three categories: Board Members, Associate Members and Supporters.

For more information, or to join Building Responsibly, please contact Jessica Witten at jwitten@bsr.org or Philippe Fonta at pfonta@bsr.org.

Case study: How Multiplex identified labour risks within high risk, hard-to-reach trades

Multiplex is an international construction contractor operating in Australia, the UK, Canada and the Middle East. Its mission is to make all workers on its projects feel valued by ensuring site culture and practices align with the company’s ambitions.

Dry liners are a trade group the firm identified as having higher risks of labour exploitation and indicators of modern slavery. The task was to reduce these risks.

Multiplex had previously conducted worker interviews as part of its Ethical Labour Management System. The focus was now to build on this and overcome some specific challenges to collecting more detailed worker sentiment data.

The firm decided to use Worker Feedback Club’s worker sentiment data collection solution and data analysis service to improve the worker consultation process.

Sentiment data was gathered confidentially from 59 dry liners – from apprentices to supervisors – drawn from three supply chain partners. Participants were selected at random to ensure the sample was representative. Data collection questions were translated into workers’ native language to improve accessibility and ensure the quality and integrity of the sentiment data. Quantitative data was collated into a data dashboard to visualise the differences between sites and see the range of responses. The qualitative data was analysed to generate key insights and develop a picture of the labour practices and worker challenges on each site.

Multiplex was able to understand the experiences of high risk, hard-to-reach workers on three major projects in just three weeks. The results were shared with senior management at Multiplex and with supply chain partners – and together they used the results to inform their Ethical Labour and Modern Slavery strategies, which they will implement throughout the next ten years.



15 Board & Associate Members



1M+ employees



120+ countries of operation

Member tools and support

WORKER WELFARE PRINCIPLES & GUIDANCE

Worker Welfare Principles

The Worker Welfare Principles are a set of 10 principles that serve as global best practice recommendations on worker welfare for the engineering and construction industry. They have been developed by practitioners in the sector with the review and support of external stakeholders. They are available in Arabic, Chinese, French, Hindi, Japanese, Portuguese, and Spanish

Guidance Notes

The Notes are intended to support the practical application of the worker welfare principles. They offer a discussion on the potential issues and challenges faced by the industry on each of the ten Principles and suggest good practice options for their implementation. They are available in Arabic, Chinese, French, Hindi, Japanese, Portuguese, and Spanish.

COMMITMENT Worker Welfare Principles Self-Assessment

This self-assessment tool enables businesses/projects to conduct a preliminary gap analysis against the Worker Welfare Principles. Each Worker Welfare Principle is broken down in key management systems expectations that can be ranked from 'forming' to 'established'

OVERSIGHT Pre-Qualification Assessment (PQA) of Subcontractors and Suppliers

Based on a short guided questionnaire, the PQA of subcontractors and suppliers is designed to help operational teams and procurement staff responsible for implementing subcontractor and supplier due diligence processes, identify risks of worker welfare challenges among their potential partners.

Suppliers and Subcontractors Performance Management Indicators

The Suppliers and Subcontractors Performance Management Indicators is a tool designed help Building Responsibly members monitor quickly and easily the performance of their suppliers and subcontractors in the areas covered by our ten Worker Welfare Principles

TRAINING Ipieca/BR Labor Rights Training

The aim of this online labor rights training developed by Ipieca in collaboration with Building Responsibly is to provide key information on labor rights for operational staff in the oil, gas and energy industry. The training relies on reading guidance, videos, quizzes and links to guidance and other materials.

Training for Procurement Staff

This classroom style training for procurement is made up of 25 training slides designed to raise general awareness of procurement colleagues about Building Responsibly and worker welfare, and equip them with the knowledge to identify red flags and what good looks in their daily job, as well as how to use or embed the Building Responsibly Pre-Qualification Assessment.

REPORTING Grievance mechanism benchmark and Guidance

Building on Building Responsibly Guidance note 10, the grievance mechanism benchmark and guidance is designed to help companies understand how to develop and operationalize practically systems that allow workers to raise complaints and management to manage them effectively

ENGAGEMENT Business Case Brief

This Business Case Brief was developed by industry-leading companies – in dialogue with experts from academia, civil society, government, and corporate law – to look at the increasing array of stakeholder and regulatory drivers that create a robust case for companies to implement responsible human rights policies and practices.

Members Case Studies

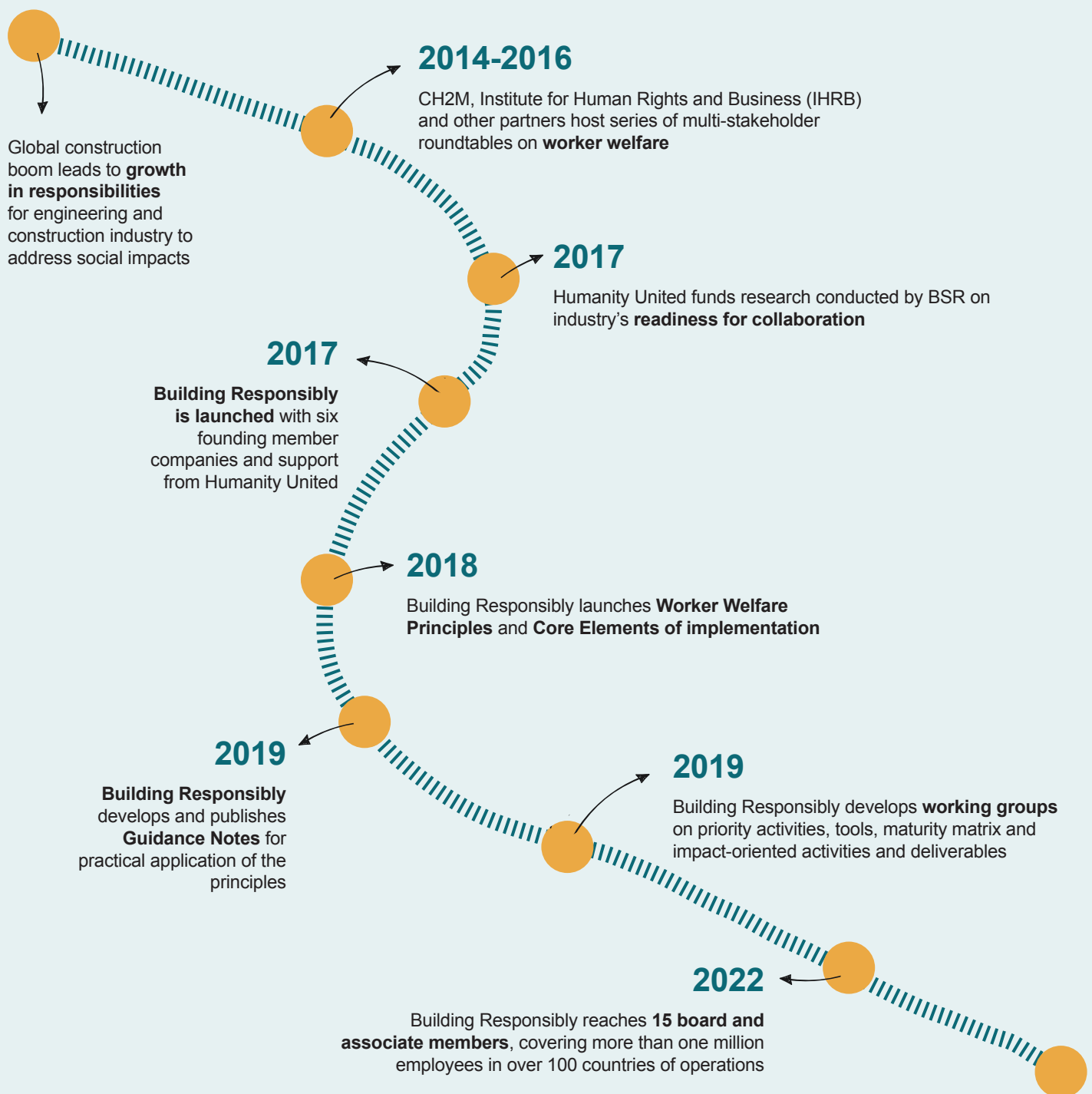
The Case Studies illustrate a company's practical application of Building Responsibly Principles. They provides non-exhaustive information on the challenges faced by the company, and practical examples of the strategy and solutions put in place to address the issues in a specific context.

ILO Labor Fact Sheets

The ILO Labor Law factsheets provide a review of existing laws and regulations pertaining to the employment of migrant workers in Middle Eastern countries and have been written by the International Labour Organization Regional Fair Migration in the Middle East Project with support from DLA Piper.

Timeline of progress

L launched in February 2017 by six industry-leading engineering and construction companies, Building Responsibly is a global, business-led coalition committed to promoting the rights and welfare of workers. Since 2017, the collaboration has made significant progress to accelerate and advocate workers' rights throughout engineering and construction. This timeline highlights the key moments and activities in Building Responsibly's short history.



Where are we now?

As Building Responsibly enters into its seventh year of operation, the initiative continues to promote worker welfare through its Principles and Guidance Notes which it hopes will be the sector's reference framework. Together, we are focused on improving practices by peer learning and sharing, problem solving and advocacy.

Overall, we are working hard to increase visibility of Building Responsibly by showcasing our members' efforts on worker welfare issues. By increasing the initiative's global presence, building strategic partnerships with relevant stakeholders, and leveraging the power of the collective, we aim to grow and strengthen our membership.



Key 2022 activities

Stakeholder engagement and learning

- 1 in-person stakeholder roundtable held in London, focused on worker voice. 50+ stakeholders attended
- Contractor network group calls held on EU Draft Corporate Sustainability Due Diligence Directive and member tools for human rights due diligence and the ILO migrant workers regulatory briefings
- Website refresh and LinkedIn posts

New tools

- Several training tools launched, including Worker Welfare training, training for procurement teams and a technical video about risk assessment
- Supplier management benchmark
- Operational site-level grievance resource presentation

Communication

- Communication Strategy launched
- Outreach to attract new members commenced
- 2 Q&A Member Profiles published
- 2 Peer Learning Sessions conducted
- 21 internal meetings
- 250+ stakeholders contacted
- 5 external group meetings
- 3 new supporters – IOGP, Ipieca and Owens Corning
- 14,000 page views, with 7,300 unique visitors – a 12% increase on the previous year

Highlight

Stakeholder Roundtable and Bi-Annual Members Meeting

Building Responsibly held two days of in-person member meetings and its annual Stakeholder Roundtable on worker welfare in London. Discussions ranged far and wide, but reoccurring themes included worker voice, effective grievance mechanisms and the need for shared ownership on worker welfare across the construction and engineering ecosystem – from investors and clients to subcontractors.

On Day 1, we heard from a range of members and supporters on best practices and practical challenges related to worker welfare implementation at a global corporate or site level. Each company introduced specific programmes or tools that can be used to enhance worker welfare in operations and the value chain.

On Day 2 we invited stakeholders from across engineering and construction, including investors, companies, civil society and unions to join the conversation on worker welfare. Linnea Wikström (BWI – GLOBAL UNION – Building and Wood Workers' International), Matthew Roberts (GMB) and Hannah Newcomb (Stronger Together), spoke about the challenges that construction workers are facing in a post-Covid-19, crisis-ridden world, and highlighted possible solutions. These included the recognition of trade unions and incorporating survivors' input to strengthen workers' voice in the industry.



Where are we now?

Member snapshots

Selected examples of progress made, and key activities carried out, by individual member organisations:

Bechtel

With such a large global supply chain, Bechtel continues to review the methods it uses to identify, screen, award, and monitor suppliers for modern slavery, trafficking and worker welfare risks. The company's assessments continue to highlight a higher risk of modern slavery or human trafficking in suppliers by looking at country risk from several respected sources and for commodities which have been shown to have the highest risks, including goods or services for civil works, electrical works, structural/steel works, and freight. This risk assessment is then tailored for specific projects based on the type of goods and services purchased on that project and the countries in which those goods and services are purchased.



Chiyoda

To ensure adherence to human rights and workers' welfare requirements, Chiyoda explains its expectations to all partners, conducts due diligence checks on potential and current partners and partners with those who meet its expectations and supports those with potential who have an interest in improving their systems and processes. Chiyoda includes KPIs in work execution agreements, and audit compliance to agree on requirements throughout the lifecycle of projects. In addition, for day-to-day site activities and specific needs/challenges on projects, the firm has human rights ambassadors, worker welfare champions, and psychological counseling services. Multiple forms of communication are put in place, scheduled leadership listening tours are arranged and workers are trained and directed to share concerns or issues they may have. Grievance reporting and management mechanisms are established and feedback to the respective worker(s) is ensured.

Fluor

Fluor's suppliers and contractors are required to understand and comply with its Business Conduct and Ethics Expectations for Suppliers and Contractors (Supplier Expectations) and with the Building Responsibly Worker Welfare Principles. The firm requires adherence to its Supplier Expectations in its contract terms and conditions, and non-compliance can lead to sanctions up to and including termination. Fluor's suppliers and contractors are also expected to hold their suppliers to these same high standards.

JGC

The company has a four-pillar approach to worker welfare, which includes Health, Safety and Environment, Incident & Injury Free, Employee Welfare as well as Respect and Care. The company acknowledges the importance of mental health impacts in the engineering and construction industry and stresses that, while conditions differ across operations in different regions, it is an issue that needs attention all over the world.

Multiplex

Multiplex's worker welfare programme is part of the organisation's ten-year road map, the Social Equity Strategy. It has launched a Worker Feedback Club Pilot as part of its approach to auditing, and has recently established an interactive dashboard which tracks the number of agency workers, non-UK workers and self-employed workers in its supply chain.

Saipem

Saipem has introduced a system for identifying and assessing human and labour rights (HLR) risks at an operational level. The HLRs Risk Register, updated annually, identifies and assesses the risks the company may generate, through its operations or business relationships, may generate – and defines adequate mitigation actions.

In 2022, the firm focused on high-risk countries for human and labour rights, and it will expand this approach to all operating areas in the following years.

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SBM Offshore

SBM Offshore's long-term target is to fully embed human rights and social performance within its business undertakings. In 2022, Human Rights screening resulted in 99.6% of suppliers signing the SBM Offshore Supply Chain Charter, which contains a commitment to the Building Responsibly Worker Welfare commitments. Meanwhile, seven new human rights due diligence assessments were completed at construction yards where it has ongoing activities.

Subsea7

Subsea7 is implementing a programme designed to assess and manage human rights risks within its own operations and its supply chain, taking a risk-based approach and focusing on the risks which have been identified as having potentially the most egregious impact, namely child labour, and slavery and trafficking. This should enable the firm to assess and mitigate risks further down the supply chain sooner.

Tecnimont

The company continues to focus on guaranteeing high standards for human rights and all social aspects for both its own employees and subcontractors inside its construction sites and external accommodation used for living. This is done through the selection and pre-qualification of subcontractors using the SupplHi system to assess capability to comply with international social standards. Tecnimont has also established a welfare committee in each site involving management and workers representative, and schedules dedicated monthly audits for social and human rights issues, among other things.

Technip Energies

The firm is working on developing processes to evaluate the implementation of human rights and workers welfare requirements by its subcontractors during the execution of the work. In some instances, a set of KPIs aimed at monitoring the

human rights performance of the subcontractors during operations has been developed and integrated to the contractual requirements.

TechnipFMC

TechnipFMC's Code of Business Conduct and Human Rights Standard sets out human rights principles to ensure that its operations are executed in compliance with its foundational beliefs of respect and integrity. The company has implemented annual training for all employees on its Code of Business Conduct, and is developing a suite of trainings covering human rights and worker welfare. Also, its suppliers are requested to comply with integrity principles and are subject to due diligence checks at various stages of the supplier lifecycle. In 2021, TechnipFMC launched its ESG Scorecard to showcase sustainable goals to achieve over a three-year period. As part of this, the company has been working to effectively audit its 100 highest-risk suppliers, including conducting due diligence

reviews, along with desk audits and on-site audits based on risk assessment.

VINCI

Besides its human rights due diligence tool used to assess its subsidiaries, VINCI also shared with the members its approach to better preventing social risks and illegal work in subcontracting in France. The three-step approach is based on a data analysis and social risk mapping as well as a full assessment of existing prevention measures. The goal is to build a comprehensive approach from policy level to monitoring means according to the risk profile of the subcontractors. For most risky subcontractors, VINCI also builds a toolkit on social audits on sites and regularly organizes trainings of internal auditors. The audit entails the management of its subcontractors by the worksite and the subcontractors' practices. VINCI's human rights approach and actions are further developed in its vigilance plan which is publicly available.

Wood plc

The organization has made strong progress against its goals on worker welfare established in 2021: 1) Ensure 100% of Wood labour suppliers sign up to, and comply with, the BR Principles by 2025; and 2) Ensure 100% of Wood suppliers have BR Principles embedded into their supply chains by 2030. The business has recently revised its Supplier Code of Conduct to integrate BR Principles into its supplier process and launched a new support hub on Wood's online sustainability hub.

Worley

Worley maintains its focus on fostering a safe and inclusive work environment for people across global projects and in its operations centre. It has continually strengthened its governance and operational controls to reinforce a culture of acting lawfully, ethically, and responsibly. The Supply Chain Code of Conduct sets out a stringent set of minimum ethical expectations for suppliers and contractors with regards to labour and workplace management, with Building Responsibly's Principles at its core.

Where are we now? Progress made by our Working Groups

Pilot Implementation



- Held **five working group meetings** attended by more than ten participants each time
- Developed comprehensive **presentation of BR tools**
- Developed a **video training** of supplier Self Assessment Questionnaire (SAQ)
- Conducted **workshop on grievance mechanisms** (featuring ILO)
- Piloted **worker welfare training** with JGC
- Participated in a **presentation about EU Due Diligence and compliance obligations**

Key activities

- Finalization of **2021 tools**, including procurement training, grievance mechanism benchmark and supplier KPIs)
- **Guidance on grievance mechanisms**
- **Exploration of additional tools** to be developed

Long-Term Goals Framework



- Relevant stakeholders (Shell, Humanity United, and ILO) **reviewed all three levels** of goals and provided feedback
- Three levels of member expectations (Essential, Desired and Leadership) for three pillars finalised after the **integration of Stakeholders' and members' comments**

Key activities

- Finalization of the **Long-Term Goals Framework**
- Coordination of **review sessions** with external stakeholders
- **Peer learning sessions** will be held in 2023 around the framework

Communication



- Conducted **two Peer Learning sessions**. In March 2022, VINCI held a session on the VINCI-ILO fair recruitment pilot project in the construction sector. In September 2022, Bechtel shared its experience of developing and conducting risk assessment tools for modern slavery in the supply chain, and Wood PLC walked through its external disclosures and promotion of Building Responsibly. Overall feedback for the meeting was very positive
- Developed and posted two member **Q+A profiles** on the **website and LinkedIn pages**, and finalized the **one-pager** about Building Responsibly, ready to share at conferences and other speaking events

Key activities

- Support with the creation and management of the **communications strategy**, including the drafting and publishing of associated materials / activities in direct liaison with appointed third-party provider
- Outputs include the internal and external **newsletter**, external **website updates**, one-pager 'about Building Responsibly', and member Q+A profiles

What comes next?

Building Responsibly's Goals and Objectives

The Scope of Work for Building Responsibly strives to balance members aims and ambitions with budget constraints and it proposes to streamline activities and increase members' involvement. As discussed at the Bi-Annual Members meeting and agreed by the Steering Committee, Building Responsibly will focus on regional engagement, peer learning, implementation support and membership. Our ambitions include:

- **Expand Building Responsibly's reach and impact** geographically through outreach, recruitment and engagement on the ground
- **Strengthen peer-learning** on challenges, best practices

and solutions through dedicated peer learning calls and benchmarking activities

- **Grow membership** to drive impact and raise the bar on worker welfare in the engineering and construction industry
- **Put the Worker Welfare Principles into action** by exploring the potential for a pilot project and other implementation efforts, including additional tools
- **Continue engaging key partnerships** that could help make the Building Responsibly Principles the industry reference

The prominence of worker welfare, human rights and labour rights issues shows no sign of waning.

The BBC, among many other news media outlets, highlighted significant human rights abuses in Qatar ahead of the football World Cup in late 2022. Meanwhile, the UN has published the OHCHR Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China, finding significant human rights abuses in the region.

Ensuring workers are safe, well and are treated with dignity and respect is an increasingly important matter. The heightening compliance requirements pose a significant risk to companies who do not take measures to ensure worker wellbeing. In this context, companies across engineering and construction have an opportunity to collaborate with peers to take action that prioritises and strengthens worker wellbeing.

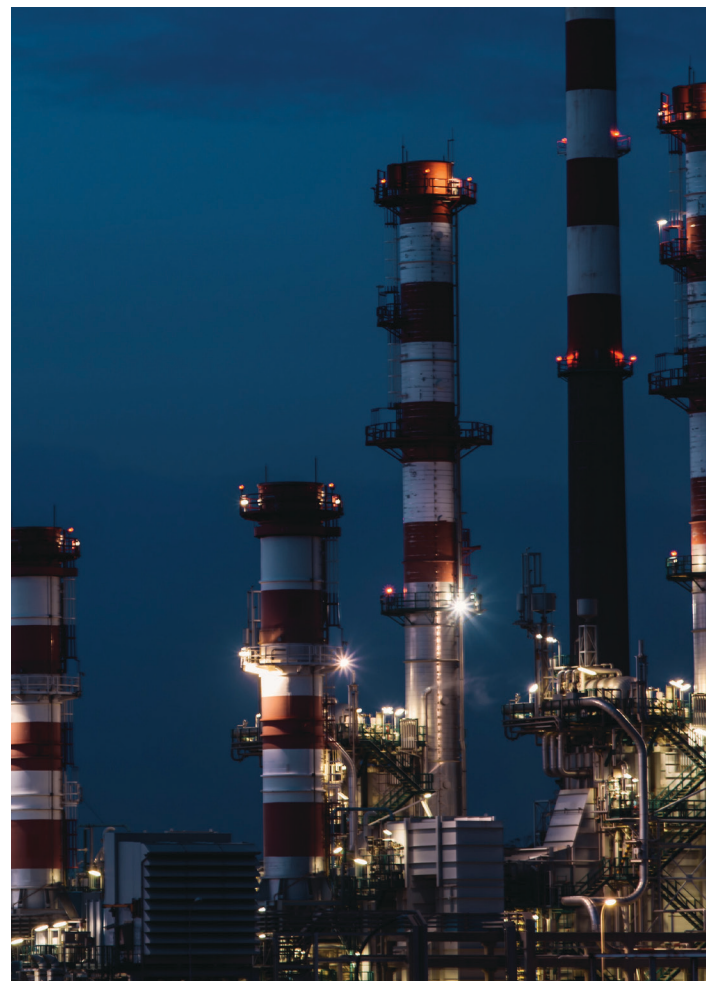
Over the past couple of years, countries around the world have been engaged in the process of passing legislation that focuses on supply chain transparency and traceability for the purpose of securing human rights and worker welfare. Incoming regulation includes:

- **EU Conflict Minerals Rule**, effective January 1, 2021
- **Norwegian Transparency Act**, effective July 1, 2022
- **Uyghur Forced Labor Prevention Act**, effective June 21, 2022
- **German Supply Chain Law (LkSG)**, effective starting January 1, 2023

Companies will also need to keep an eye on:

- **EU Ban on Imports Produced Using Modern Slavery**
- **EU Corporate Sustainability Due Diligence Directive**
- Amendment to (and strengthening of) the **UK Modern Slavery Act**
- **Fighting Against Forced Labour and Child Labour in Supply Chains Act** (Canada)

Building Responsibly will help monitor these trends and will inform its members and beyond to scale and accelerate the improvement of worker welfare.





For more information visit
www.building-responsibly.org

Our Board Members are:



Our Associate Members are:



Our Supporters are:



Secretariat:

