

# COMMUNICATION ON PROGRESS

*Period Covering 2012*



Qatar Building Company (QBC)  
P.O. Box 1985  
Doha, Qatar

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UN Global Compact  
Two United Nations Plaza  
New York, NY 10017

**Enclosed:** 10 pages (*incl. cover*)

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**DATE:** March 12, 2013**REF:** QBC/2013/UN1001**SUBJ:** Statement of Continued Support

Dear Mr. Secretary-General:

I am pleased to confirm that Qatar Building Company (QBC) continues to support the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of QBC, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

QBC will continue to make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress annually according to the Global Compact (COP) policy.

With our recently launched QBC CSR Program, we are working diligently to be a beacon of corporate citizenship in the private sector, and especially in our industry.

Sincerely yours,

**Mr. Ali M.T. Mustafawi***Managing Director*

## HUMAN RIGHTS PRINCIPLES

Businesses should...

1. ...support and respect the protection of internationally proclaimed human rights;
2. ...make sure that they are not complicit in human rights abuses.

### PRACTICAL ACTIONS:

The Health and Safety of our employees is of utmost importance in our organizational culture and our industry. As such, we take great measures to respect human values: we have made it a central theme throughout our Integrated Management System (IMS); incorporated into our new mission statement; and chosen it to be one of the three pillars of our CSR program.

Our IMS contains several policies that address Human Rights issues, including those regarding pregnancy, illness, health, safety, compassionate leaves, grievances, discrimination, harassment, and much more. We strictly abide by national labour laws, providing generous end-of-service benefits, considerable paid annual leave on-time salary payments, annual round-trip tickets for expatriate staff, and salary brackets regardless of gender. QBC's mission statement revolves around five principle goals, one of which is "To uphold the highest standards of Quality, Health, Safety, and Human Values for all team members."

As civil engineering contractors, construction material producers, and heavy equipment traders, QBC requires the utmost attention to healthy and safe working conditions on site and at our plants. Our Health & Safety Initiative enacts various measures throughout every department. The aim is to maintain and enhance the health and safety of its employees, prevent incidents of occupational injuries, eliminate the chances of injury recurrence, and ensure overall welfare of staff. QHSE budget almost doubled in 2012, to update twenty-three (23) Standard Operating Procedures (SOPs) and provide a series of new measures, including but not limited to:

#### INCENTIVES

- Monthly individual "Safety Awards"
- Team awards for zero LTI<sup>1</sup> milestones
- "Good Practices" in Safety Walk Reports

<sup>1</sup> Loss Time Incidents

### **EDUCATION / AWARENESS CAMPAIGNS**

- Sponsorships of various educational events
- Monthly children comic strips
- Daily promotion of "Target: Zero"
- New signage and emergency plans

### **IMPROVED PRACTICES**

- Morning safety talks in several languages
- Monthly safety walks identifying potential hazards
- Systems ensuring 100% availability for PPE compliance
- Yearly medical checkups for all labourers
- On-site nurse at all times
- Full-time doctor for all labour workers
- Higher frequency of safety rounds for both QHSE Manager & site HSE officers
- Fire wardens & first aiders at all locations
- Increased security

### **INVESTMENT in PERSONNEL**

- Creation and appointment of QHSE Manager position at head office
- Renovated on-site rest shelters, drinking facilities, and permanent housing
- Air-conditioned buses for labour transportation
- Translators available for required materials
- Translations under creation for all required materials
- Regular safety trainings
- Updated safety gear, equipment, medical kits
- Daily catering

### **FEEDBACK MECHANISMS**

- New & improved registry forms
- Enhanced data analysis
- Improved notice boards
- Anonymous reporting of non-compliances
- Site and office Suggestion Boxes
- Monthly committee meetings with Top Management to report on performance, employee concerns, and other safety-related issues

To create better mental health, cultivate channels of stress relief, and strengthen team relations between all staff members, QBC holds several sports tournaments every year as well as fun events. Sports tournaments include soccer, volleyball, and bowling. QBC is also sensitive to multiple religious holidays, and even reduces working hours during periods of fasting. Finally, QBC Management is entitled to an additional three (3) paid vacations days per year.

## MEASUREMENT OF OUTCOMES:

The impact of the initiative may be measured by our achievements. First and foremost, our new working environment is indeed safer and healthier. LTIs and accident frequency rates have dropped significantly, with zero fatalities. For example, despite almost 3 million more man hours in 2012 (from 2011), QBC achieved a remarkable 35.04% improvement in its accident frequency rate. Seven internal milestone awards were issued.

Our team succeeded in earning BS OHSAS 18001:2007<sup>2</sup> Certification in record time—and on the first audit. Meeting international standards has raised employee morale, productivity, and efficiency. QBC also placed 2<sup>nd</sup> for *Construction Weekly's* Health and Safety Initiative of the Year (2012). Our staff has an enhanced sense of accomplishment and team spirit through new activities, increased recognition, and incentive programs. Finally, we have achieved new milestones on the most challenging jobs, exceeding our original objectives.

Additionally, during our audit, we were honoured to receive this feedback:

“The genuine concern for their employees was very evident... it was refreshing and rewarding to have been associated with a company such as QBC who really do want to make a difference.”

**Mr. Jack Mollison**  
*Head of Certification*  
Quality Austria

QBC had no incidents of Human Rights violation since our participation in the UN Global Compact.

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<sup>2</sup>The international series of the British Standard for Occupational Health and Safety Assessment Series.

## LABOUR PRINCIPLES

Businesses should uphold the freedom of association and the effective recognition of...

3. ...the right to collective bargaining;
4. ...the elimination of all forms of forced and compulsory labour;
5. ...the effective abolition of child labour;
6. ...the elimination of discrimination in respect of employment and occupation.

### PRACTICAL ACTIONS:

QBC strictly follows and is bound by all labour laws issued by the State of Qatar. Any violations of these laws may be freely reported directly to Qatar's Ministry of Labour for proper investigation.

Collaboration with recruitment agencies that have broken QBC policies is banned. QBC recruits employees from abroad using agencies that specialize in recruitment and have reputations for lawful adherence. Human Resources Department has personnel dedicated to ensure adherence to labour principles, including minimum age requirements, fair and equitable recruitment, maximum weekly work hours on site, healthy-choice daily meals from 3<sup>rd</sup>-party catering services, and much more.

QBC cultivates employee diversity through recruitment processes that seek personnel with different backgrounds, education, cultures and career paths. With rewarding salary policies that include the most competitive compensation in the region's industry, we foster fairness, talent and employee dialogue. All new employees are provided with clear job descriptions and commit to an employee-specific Employment Agreement to protect both the employee and the company. In 2013, an updated HR & Personnel Manual about Employee and Labour Rights will be released and available to all company employees in both English and Arabic.

### MEASUREMENT OF OUTCOMES:

QBC employs almost 5,000 personnel, comprising over 38 nationalities, 21 religions, and 45 native languages. The age of QBC employees ranges from 20 to 65 years. The female:male ratio is much lower than we prefer, but common in our industry as labour

workers on site is male-dominated, per Qatar Labour Law. The ratio is only slightly better—approximately 5%—for office staff, so HR is working on creative ways to attract more female team members, especially at managerial levels. Next year, QBC also hopes to publish the updated HR & Personnel Manual in Hindi.

There have been no records of non-compliance with Qatar Labour Law or incidents of violation of the Labour principles in the Global Compact. No complaints have been received for late salary payments and/or missed end-of-service benefits. Actually, QBC received several notices of congratulations for exemplary feedback from the Ministry of Labour.

## ENVIRONMENT PRINCIPLES

Businesses should...

7. ...support a precautionary approach to environmental challenges;
8. ...undertake initiatives to promote greater environmental responsibility;
9. ...encourage the development and diffusion of environmentally friendly technologies.

### **PRACTICAL ACTIONS:**

Environmental issues were attended to in 2012 more than ever before in QBC's 41-year history. Environment was established as one of the three pillars for the "QBC Cares" social responsibility program and came to the top of the agenda in our core business strategy, besides Health, Safety, and Quality.

A series of new eco-initiatives were launched in 2012, including but not limited to:

#### **NEW OBJECTIVES (for 2013)**

- 10% reduction in energy consumption at all QBC offices
- 10% reduction in water consumption at all QBC offices

#### **EVENTS for the ENVIRONMENT**

- Company-wide Tree Planting Day
- Company-wide Earth Hour participation
- Beach Clean-Up Day

### **“GREENING” the SUPPLY CHAIN**

- Priority given to eco-friendly alternatives
- Marketing and giveaway items with eco-friendly

### **“GREENING” CORE BUSINESS ACTIVITIES**

- New & improved registry forms
- Training of all Project Managers in Qatar Sustainability Assessment System (“QSAS”)
- New dust control measures during construction
- On-site waste segregation
- Sustainable landscaping, when possible
- Newest technologies when expanding our equipment fleet
- Exceptional maintenance of machines

### **SPONSORSHIPS of ECO-EVENTS**

- Gold Sponsor of 10<sup>th</sup> Gulf Water Conference
- Gold Sponsor of *Engineer’s Day* “Appropriate Climate” (Sustainable Dev. Summit)

### **NEW MEASURES**

- Recycling program at all QBC administration offices
- QBC Eco-Workshops at Primary Schools
- Organizational member of the Qatar Green Building Council (QGBC)
- Appointment of QHSE Manager at head office

### **ECO-AWARENESS CAMPAIGNS**

- Educational signs over faucets to encourage conservation of water
- Educational signs over light switches to encourage conservation of energy
- Educational signs over copiers and printers to encourage minimization of waste

## **MEASUREMENT OF OUTCOMES:**

We are quite pleased with the outcomes of our environmental endeavours. To name just a few: every project site incorporated solar energy as part of their energy sources; three (3) landscaping projects incorporated native plants to preserve local biodiversity and reduce the need for high levels of water consumption in landscape maintenance; five (5) QBC locations turned off all non-essential lights and equipment (indoors and outdoors) in support of the worldwide Earth Hour 2012 effort; six (6) schools were given “environmental” workshops, which received great acclaim from QGBC and in the media; one (1) sister company participated in their municipality’s Beach Clean-up Day on their own accord; and over 40% of supplies ordered for the Marketing Department were sourced from eco-friendly materials.

Moreover, QBC Tree Planting Day was a great success with over 200 native trees and selected flowers planted to create a beautiful garden at the Police Training Headquarters in Dukhail, by over 100 volunteer QBC employees. This was declared an annual event for the company, and QBC has committed to helping plant over 1 million trees by the end of 2013.

Another 2012 achievement includes the ISO 14001:2004 certification of our Environmental Management System (EMS).

Finally, QBC saved a remarkable 20.22% reduction in water consumption at its head offices.

## ANTI-CORRUPTION PRINCIPLES

Businesses should...

**10.** ...work against corruption in all its forms, including extortion and bribery.

### **PRACTICAL ACTIONS:**

QBC has a zero-tolerance policy to corruption. In 2012, a separate policy addressing anti-corruption was issued and distributed to all staff, with additional copies available via soft copy. All new staff hires receive a copy and the policy is reviewed in orientation. An Investigation Committee was also formed as a special unit directly supervised by the Vice Chairman, which conducts routine inquiries on all company decision-makers.

Company culture cultivates ethical behaviour and transparency, reducing conflicts of interest internal to the company and with external stakeholders. Any breach of company corruption policies result is strict disciplinary action, including termination of employment (in the case of employee) or termination of contracts (in the case of supplier). Such incidents are duly recorded according to internal procedures and reported to the Ministry of Labour.

To stay abreast of anti-corruption issues, the Group's Legal Counsel Team attends the corruption seminar given by the Ministry of Labour every year. Next year, QBC will provide quarterly awareness trainings to staff, which managers at all levels are required to attend at least once a year.

Additional measures were taken and a few routine procedures were also updated, including but not limited to:

**FINANCIAL TRANSACTION PROCEDURES**

- Several levels of approval for payments
- New standard payment terms with all vendors
- Maintaining accurate records in new Archive system

**AUDITING PRACTICES**

- Nine (9) additional staff trained as internal auditors
- Each month certain departments/divisions/SBUs are selected for internal audits

**SUPPLIER / VENDOR / SUB-CONTRACTOR RELATIONS**

- Required approval process
- Registered in “QBC approved vendor list”

**TRANSPARENCY MEASURES**

- Annual Management Review Meeting—corruption issues on agenda
- All fraud and corruption reports shared to Board of Directors
- Vendor approval procedures available to public

**MEASUREMENT OF OUTCOMES:**

In 2012, no new reports of internal suspicious activity were reported; no incidents of alleged corruption were filed by third parties; two internal reports from the previous year were handled in adherence to the new policies and corrective actions were executed; one company was permanently removed from approved vendor list.

According to an official in the Qatar Labour Department, QBC’s internal Investigation Committee is the *first of its kind* in Qatar.

QBC’s reputation is stronger than ever as a leading local company and corporate model in Qatar’s infrastructure industry.