



Key steps for carrying out an on-site labour rights assessment

Quick reference tool for the oil and gas industry

Social
responsibility

LABOUR RIGHTS SERIES
Guidance 2 tool

Advancing environmental
and social performance
across oil and gas

www.ipieca.org

© IPIECA 2019 All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior consent of IPIECA.

This publication has been developed to support the implementation of IPIECA's mission and vision. While every effort has been made to ensure the accuracy of the information, it is intended to provide general guidance only. It is not designed to provide legal or other advice, nor should it be relied upon as a substitute for appropriate technical expertise or professional advice. All attempts have been made to ensure that the information is correct at the date of publication. This publication does not constitute a mandatory commitment which members of IPIECA are obliged to adopt. The views and conclusions expressed herein do not necessarily reflect the views of all IPIECA members or the individuals, companies and institutions that contributed to this publication.

While reasonable precautions have been taken to ensure that the information contained in this publication is accurate and timely, this publication is distributed without warranty of any kind, express or implied. IPIECA neither endorses nor accepts responsibility for the content or availability of any website referred to, or linked to, in this publication. The responsibility for the interpretation and use of this publication lies with the user and in no event will IPIECA or any of its members past, present or future regardless of their negligence, assume liability for any foreseeable or unforeseeable use made thereof, which liability is hereby excluded. Consequently, such use is at the recipient's own risk on the basis that any use by the recipient constitutes agreement to the terms of this disclaimer. This disclaimer should be construed in accordance with English law.

Acknowledgements

Special thanks go to the practitioners from the IPIECA membership, and to the various external stakeholders, all of whom generously contributed their time, experiences and expertise to the preparation of this guidance.

Key steps for carrying out an on-site labour rights assessment

Quick reference tool for the oil and gas industry

Contents

Background	3
Overview	4
Key steps for carrying out a labour rights assessment	5
Preparation	6
Examination	7
Engagement with management	8
Engagement with workers	9
Reflection	10
Notes	11

Background

This quick reference tool is one component of a series of practical guidance and tools which constitute part of IPIECA's Company and Supply Chain Labour Rights Project.

Company and supply chain labour rights issues are complex and multifaceted, covering, for example, forced labour and human trafficking, freedom of movement, worker grievance mechanisms, supplier and subcontractor management, working hours and pay, health and safety and welfare principles, etc. There is strong interest from external stakeholders such as governments, non-governmental organizations (NGOs), the media and investors, in knowing more about what companies are doing in this area, as well as an evolving regulatory context.

The Company and Supply Chain Labour Rights Project is part of IPIECA's broader Business and Human Rights Project and focuses on the contracted workforce that the oil and gas industry relies on to develop and conduct large-scale operations. It addresses the potential human rights impacts and issues that may occur through business relationships, particularly in the industry supply chain. The project aims to:

- enable the industry to more effectively identify, prevent and mitigate labour rights risks and impacts within projects, operations and supply chains;
- inform stakeholders of the industry's collective commitment and efforts to respect labour rights; and
- support the industry in anticipating emerging trends and challenges.

The initial focus has been on the construction of large projects in sensitive geographies with vulnerable workforces, in particular with respect to the rights of the site-based workforce, i.e. those employed by contractors and their subcontractors.

This phase of the project includes publication of the following complementary guidance and tools:

- **Responsible recruitment and employment:** a guidance document covering considerations on responsible recruitment and employment in the oil and gas industry. The document outlines key labour rights issues to be addressed during a project life cycle, and identifies risks, emerging good practice and considerations for effective management.
- **Labour rights assessment:** guidance on the design and implementation of an on-site labour rights assessment, outlining approaches for conducting an on-site audit and assessment of contractors following contract commencement. The document also provides examples from oil and gas companies and other industries.
- **Worker grievance mechanisms:** guidance on developing and implementing effective worker grievance mechanisms across oil and gas workplaces and project sites. The document provides examples of good practices from IPIECA members and other industries, that have enabled workers to speak up and have their concerns acknowledged and addressed.

- **Key steps for carrying out an on-site labour rights assessment** (this document): a quick reference tool based on the comprehensive *Labour rights assessment* guidance document and *Labour rights assessment toolkit*.

- **Labour rights assessment toolkit:** a detailed set of tools for comprehensive on-site labour rights assessments (Microsoft™ Excel® spreadsheet format).

The complete set of guidance documents and tools can be downloaded from the IPIECA website at: <http://www.ipieca.org/resources/good-practice/company-and-supply-chain-labour-rights-guidance/>

Overview

This quick reference tool is designed to help practitioners in the oil and gas sector carry out a basic check of site-level conditions to identify whether general risks of labour rights issues are occurring at a project or supplier site. It is based on the more detailed *Labour rights assessment* guidance document and the associated *Labour rights assessment toolkit*, which describe how to carry out a full on-site labour rights assessment.

It is important to note that the instructions provided in this tool should not be considered as a substitute for a more comprehensive on-site labour rights assessment. If any risks or issues are identified through the use of this tool, the company should consider carrying out more detailed investigations to confirm any such findings and determine an appropriate response.

This tool is aimed at practitioners who are based on (or who regularly visit) project sites in a monitoring or assessment role, but who may have little or no knowledge of key labour issues and what to look for.

To make the best use of this tool, it is important that the user reads it before visiting the site. Ideally, users should carry a printed copy or have the document available in electronic form on a mobile device, so that it is quickly and easily available when needed. For each activity, it is recommended that the user follows the instructions and makes notes.

To get the most from a site visit and to improve the quality of the observations made, it is important to read the section on *Preparation* on page 4 as this provides instructions on how to recognize the most likely potential labour issues.

References to the *Labour rights assessment* guidance document and the more detailed *Labour rights assessment toolkit* are included throughout this tool to provide additional support if more detailed information is required.

Where potential issues are identified, the user should raise these with his/her relevant Social Performance lead.

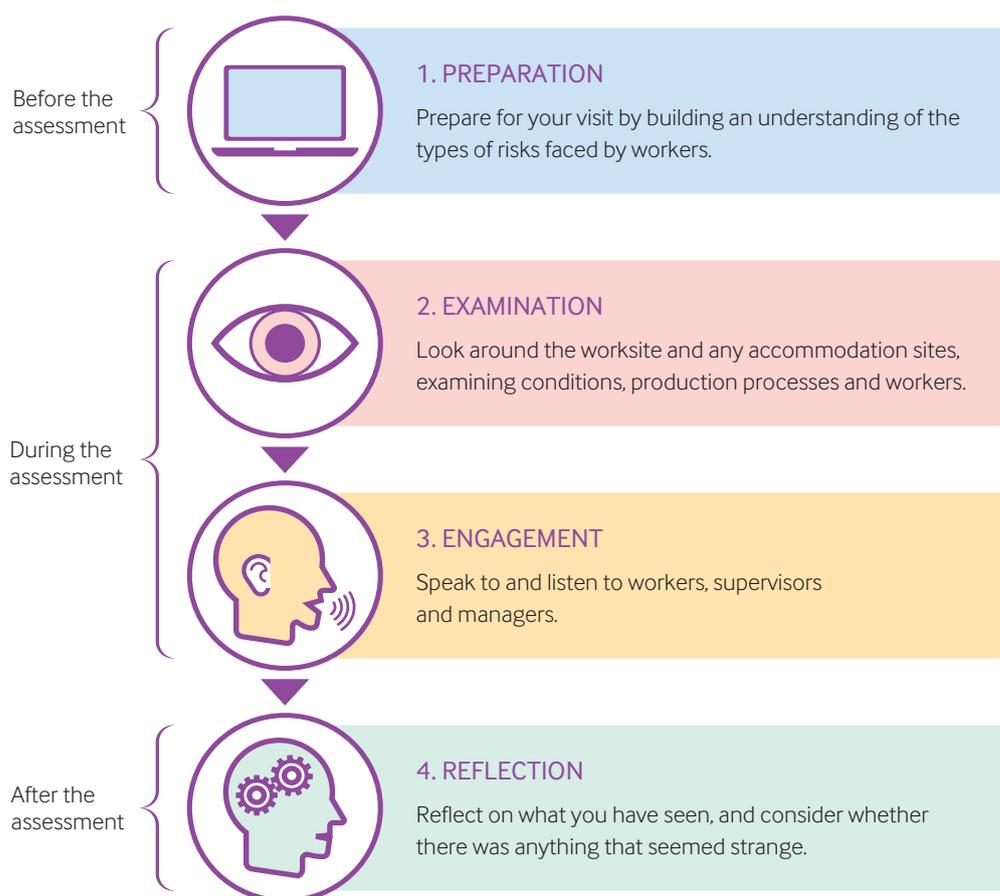
Key steps for carrying out a labour rights assessment

There are four key steps to carrying out a labour rights assessment (see Figure 1):

- preparation;
- examination;
- engagement with management and workers; and
- reflection.

The following pages present the considerations that a visiting practitioner should bear in mind, together with key questions that should be asked, in relation to each of these steps when visiting a site. If it is not possible to cover everything listed in this tool, the user should aim to cover as much as possible.

Figure 1 The four key steps to carrying out a labour rights assessment





Preparation

Where possible, try to do some preparation before going on-site and conducting the assessment. This will help when trying to determine whether there are any potential labour risks or issues. It is useful to be familiar with your company's code of conduct, and any specific

policies on labour standards or human rights which may be relevant to the site being assessed. If possible, it is also worth looking at the service contract in place with the site so that you are familiar with the expectations for labour management that have been agreed.

Useful sources of information to help build an understanding of different types of issues

Sources of general information about labour rights risks and issues that you may encounter

- Desk research on legal and practical risks in a country and sector using the US Department of State Country Human Rights Reports or resources on the Business and Human Rights Resource Centre website.
- ILO reports on country laws/ratifications.
- IPECA's guidance on *Responsible recruitment and employment*.

Sources of more specific information about the site/company being assessed

- Any recent labour assessment/survey outcomes that are available.
- Any pre-screening, pre-contract information about contractors on the site.
- Speak with colleagues who may have knowledge of the site, or operations in that region.

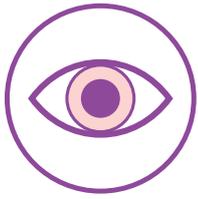
Questions to ask when preparing and reviewing information

QUESTIONS

CONSIDERATIONS

Are there (or are there likely to be) any vulnerable worker groups on this project site?	Vulnerable groups include large numbers of low-skilled workers, migrant workers (both legal and illegal), and workers from minority groups.
Are there many layers of subcontracting on the project?	Higher levels of subcontracting will reduce the likelihood of your company labour standards being upheld or implemented and will reduce your visibility of the lower tier subcontractors' practices.
Does national labour law and enforcement not provide adequate protections to workers?	Inadequate legal protections may mean that workers' rights are less likely to be upheld/comply with the standards set on that project. Additionally, where there are issues with national labour inspectorates or the general enforcement of labour laws, the risks faced by workers are likely to be greater.
Are there known labour issues in the region where the site is located?	There may be issues associated with the type of work or sector in the region or country where the assessed site is located. Having a clear overview of what these issues are can help to provide a better understanding of workplace dynamics, and potentially pick up on labour rights issues.

REFERENCE See Section 2 of the *Labour rights assessment* guidance document for more detailed information on how to prepare for a labour rights assessment.



Examination

It may be that a walkaround and inspection of the project site will already be part of your planned visit (to examine the quality of work or health and safety practices). If it is not, consider asking for a guided tour of the working areas.

Whatever the reason for your visit, and during your walk around the site, be observant and note how workers and managers behave, both independently and in their

interactions with each other, as this can be useful to help build a picture of potential labour issues on the site.

The key things to look for also apply broadly to any worker accommodation sites you may visit.

Questions to ask when walking around the site

QUESTIONS	EXAMPLES OF WHAT TO LOOK FOR
Are workers engaged when you speak with them? Do they speak freely with you and others? Are they happy to talk to you?	Workers who are vulnerable to exploitative labour practices may act as though instructed by others, allow others to respond for them, be distrustful of you and others in authority, and/or demonstrate fear or anxiety.
How healthy do workers look? Are the overall conditions safe and hygienic?	Vulnerable workers may exhibit signs of being overly tired/undernourished, show visible signs of injury from assault, wear clothes that are inappropriate for the job, or be unclear about the rules, e.g. the need to wear appropriate personal protective equipment (PPE).
Do there appear to be unnecessary controls on worker movement, beyond reasonable security and health and safety controls?	More vulnerable workers may be unable to move freely and/or leave the site without their employer. On some manufacturing and accommodation sites, workers may be locked in.
Are workers treated respectfully?	If management speak in a derogatory manner about their workers, particularly those from different demographic groups (such as women, minority groups, etc.), this may be a sign that these workers are being treated in a discriminatory manner.

REFERENCE See page 24 of the *Labour rights assessment* guidance document on how to carry out a site tour.



Engagement with management

During your visit to the site it is likely that you will have good opportunities to speak with management and supervisory staff.

This can help to get a broad overview of the management team’s capacity to manage labour issues and to identify their main systems for managing labour.

It is useful to try to engage with individuals responsible for the management of workforce relations (i.e. human resources) and subcontractor management (i.e. procurement).

Questions to ask when engaging with the management and supervisory staff

QUESTIONS	EXAMPLES OF WHAT TO LOOK FOR
How does the management communicate with the workers on-site?	The lack of a clear channel of communication with workers may increase the risk of minor problems on the worksite escalating to more serious issues, and may also mean that serious issues go unidentified. This can apply both to directly-employed and indirectly-employed workers. Relevant channels of communication could be informal meetings with groups of workers and/or elected worker representatives, or worker grievance mechanisms.
How are third-party workers hired?	Management that lack an understanding of how agency or contractor workers are recruited, or who lack systems to manage this process, may signal that workers have been subjected to unethical recruitment practices—particularly where low-skilled migrant workers are involved.
How does the management monitor the employment practices of subcontractors?	<p>Procurement teams that are unsure of who is responsible for implementing project standards on labour, or where there are no obvious controls in place to ensure that contractors are upholding the standards, would suggest that there may be issues with the way these workers are employed.</p> <p>Such controls could include having oversight of the subcontractors’ management systems, monitoring their wage payments, having a grievance mechanism open to their workers, speaking with their workers and having clear reporting processes in place.</p>

REFERENCES See *Opening meetings* and *Management interviews* on pages 23 and 25, respectively, in the *Labour rights assessment* guidance document for more details on how to engage with management.

Also see Tools 2.1 to 3.5 in the *Labour rights assessment toolkit* for questions that management can be asked, and details of how to evaluate their responses.



Engagement with workers

During a site visit, you may be given the opportunity to engage with workers, including those in lower-skilled positions.

This can help you to gain a deeper insight into working conditions and any issues from the perspective of the workers. It is important that you try to select the workers you want to speak to without guidance from managers, and also try to speak to them away from the company of the management if this is possible.

Try to select a range of different worker groups to talk to. Where managers are present, note that workers are likely to be less comfortable about giving honest answers. If an interpreter is being used, ensure that they are not a representative of the company you are visiting.

When you introduce yourself, explain the reasons for your visit and that anything said in the conversation will be confidential.

Questions to ask when engaging with workers

QUESTIONS	EXAMPLES OF WHAT TO LOOK FOR
How did the worker(s) find their job(s)?	Workers that are hired informally and/or through intermediaries—especially migrant workers—are at higher risk of having been subjected to unethical recruitment practices.
How do workers tell management about any problems they may have?	Where workers do not know about how to raise a concern, or state that there is no way of doing so, this can signal that workers are vulnerable to poor employment practices. This can apply both to directly-employed and indirectly-employed workers. Relevant channels of communication could be informal meetings with groups of workers and/or elected worker representatives, or worker grievance mechanisms.
Do people stay here long, and why do they leave?	If workers are prevented from leaving until their contract expires this would signal a major red flag. Alternatively, if there is high turnover, it may signal that the employment practices of management are having a negative impact on working conditions.
What are the workers' favourite things, and worst things, about their jobs?	The aim of this question is simply to help you build a picture of some non-contentious good and bad practices on the site.

REFERENCES

For guidance on questions about other topics (e.g. child labour, wages, hours, etc.) refer to the resources below. Note that getting an accurate response from workers may be difficult as these topics can be sensitive.

For detailed guidance on how to interview workers see *Worker interviews* (page 28) and Appendices 6 & 7 in the *Labour rights assessment* guidance document.

For questions to be asked in a worker interview, including guidance on how to interpret workers' responses, see Tool 5.1 in the *Labour rights assessment toolkit*.



Reflection

After visiting the site, or at the end of each day spent on-site, it is worth taking some time to review your notes and think about what you have observed.

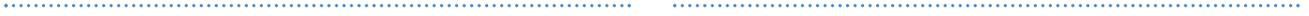
In the table of questions below, answer 'yes' or 'no' against each question, as appropriate, and note down any thoughts.

It is essential that you contact your relevant social performance/human rights lead and explain your concerns if you:

- answer 'no' to any of the questions in the table;
- consider that there are discrepancies between the practices at the assessed site and your company standards/code of conduct; and/or
- think you may have identified specific issues which are not covered here.

Questions to ask when reviewing what you have seen and learnt on-site

QUESTIONS	YES / NO
Do you have the impression that there are adequate management systems in place?	<i>Note down your thoughts</i>
Is it clear how all workers are employed, and does the management have good oversight of this process?	
Do you get the impression that workers were happy to talk to you?	
Are workers happy with the way they are treated and with their management's practices?	



A series of 20 horizontal solid black lines, evenly spaced, providing a template for handwritten notes.



A series of 20 horizontal solid lines providing a space for writing notes.



IPIECA is the global oil and gas industry association for advancing environmental and social performance. It develops, shares and promotes good practice and knowledge through industry collaboration. IPIECA convenes a large portion of the global oil and gas industry across the value chain and is the industry's principal channel of communication with the United Nations.

Through its member-led groups and executive leadership, IPIECA brings together the collective expertise of oil and gas companies and associations. Its unique position within the industry enables its members to contribute effectively to the sustainable development agenda.

MEMBERS

AIP	Equinor	Pemex	Shell
AMEXHI	ExxonMobil	Pepanz	SNH
Anadarko	Fuels Europe	Petrobras	Total
API	Halliburton	Petronas	Tullow Oil
APPEA	Hess	Petrotrin	UKPIA
ARA	Husky Energy	PTTEP	VNPI
ARPEL	IBP	Qatar Petroleum	Wintershall
Baker Hughes	INPEX	Repsol	WLPGA
Bechtel	IOGP	Sapia	Woodside
BHP	JPEC	Saudi Aramco	WPC
BP	Kosmos	Schlumberger	
Canadian Fuels Association	Libya NOC		
CAPP	Marathon Oil		
Cheniere	Noble Energy		
Chevron	Norsk olje & gass		
CNOOC	Oil & Gas UK		
CNOOC Nexen	Oil Search		
ConocoPhillips	Olie Gas Danmark		
Concawe	OMV		
Encana	Occidental		
Eni	PAJ		
	PDO		



www.ipieca.org

14th Floor, City Tower
40 Basinghall Street
London EC2V 5DE
United Kingdom

Telephone: +44 (0)20 7633 2388
Facsimile: +44 (0)20 7633 2389

E-mail: info@ipieca.org