

# Accelerating Transport and Trade Connectivity in Eastern South Asia (ACCESS) Project, Bhutan

## Gelephu-Tareythang Road

Appendix P: Labor Management Procedures

PREPARED FOR



Department of Surface Transport (DoST),  
Ministry of Infrastructure and Transport,  
Royal Government of Bhutan

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## Contents

1.1.	Number of Project Workers .....	4
1.1.1	Direct Workers - Contracted .....	5
1.1.2	Direct Workers – Government Appointed .....	5
1.1.3	Contracted Workers.....	5
1.1.4	Primary Supply Workers .....	5
1.1.5	Community Workers.....	5
1.2.	Characteristics of Project Workers .....	5
1.3.	Timing of Labor Requirements.....	6
1.3.1	Direct Workers .....	6
1.3.2	Contracted Workers.....	6
1.3.3	Community Workers.....	6
2.	Assessment of Key Potential Labor Risks .....	7
2.1.	Key Labor Risks .....	7
3.	Brief Overview of Labor Legislation: Terms and Conditions .....	9
3.1.	World Bank ESS2 Labor and Working Conditions .....	9
3.2.	International Labor Organization .....	9
3.3.	National Labor Legislation and its key relevant aspects.....	9
3.3.1	The Constitution of the Kingdom of Bhutan.....	9
3.3.2	Labor and Employment Act of Bhutan 2007.....	10
3.3.3	Regulation on Foreign Workers Management, 2022 .....	10
3.3.4	Regulation on Working Conditions, 2022 .....	11
4.	Brief Overview of Labor Legislation: Occupational Health and Safety (OHS) .....	12
4.1.	Regulation on Occupational Health and Safety for Construction Industry, 2022 .....	12
4.2.	Regulation on Occupational Health, Safety and Welfare, 2022 .....	12
4.3.	World Bank EHS Guidelines .....	12
5.	Responsible Staff .....	13
5.1.	PMU Responsibilities .....	13
5.2.	Contractor Responsibilities.....	13
6.	Policies and Procedures .....	16
6.1.	Recruitment .....	17
6.1.1	Key Principles of Recruitment.....	17
6.1.2	Procedure .....	17
6.2.	Termination of employment.....	18
6.2.1	General.....	18
6.2.2	Voluntary and Involuntary Termination .....	18
6.2.3	Massive layoffs and demobilization .....	18
6.3.	Occupational, Health and Safety .....	19

## Labor Management Procedures

6.4.	Workers' Code of Conduct .....	20
6.5.	Workers' Accommodation .....	20
6.6.	Human Elephant Conflict .....	21
7.	Age of Employment .....	23
8.	Terms and Conditions .....	24
8.1.	Contract of employment.....	24
8.2.	Terms and conditions of work.....	24
8.3.	Compensation and benefits.....	24
8.4.	Wages and deductions.....	24
8.5.	Overtime and Payment.....	25
8.6.	Rest Periods and Breaks.....	25
8.7.	Daily and Weekly Rest Periods.....	25
8.8.	Leave .....	25
8.9.	Fringe Benefits.....	26
9.	Workers Grievance Redress Mechanism .....	27
9.1.	Workers GRM Principles .....	27
9.2.	Workers GRM Process .....	28
9.2.1	GBV/SEA/SH Related Grievances .....	30
10.	Contractor Management .....	31
11.	Community Workers .....	33
12.	Primary Supply Workers .....	33
	Annex A – Worker's Grievance Form .....	34
	Annex B – Written Particulars of Employment.....	35
	Annex C – Guidance and Outline for a Code of Conduct.....	36
	Annex D – Guidelines for Engaging Voluntary Labor .....	41

These Labor Management Procedures (LMP) have been prepared as per the requirements of the World Bank’s Environmental and Social Framework (ESF), Environmental and Social Standard 2 (ESS2) on Labor and Working Conditions. ESS2 defines “project workers” as including:

1. Direct workers – people employed or engaged directly by the Borrower to work on project activities
2. Contracted workers – people employed or engaged through third parties (contractors, subcontractors, brokers, agents, or intermediaries) to perform work related to the core functions of the project
3. Primary supply workers – people employed or engaged by the Borrower’s primary suppliers (suppliers who directly provide goods and materials essential to the core functions of the project)
4. Community workers – people voluntarily employed or engaged in providing community labor in a number of different circumstances.

This LMP applies to all types of project workers to be engaged by the Project, whether full-time, part-time, temporary, seasonal, or migrant workers.

### 1.1. Number of Project Workers

The Project will involve direct, contracted, primary supply and community workers. An overview of estimate project workers is provided in the table below. This information will be updated immediately following Project effectiveness.

**Table 1 Summary of Estimate Project Workers**

<i>Type of Workers</i>	<i>Entity</i>	<i>Estimate Number of Staff</i>
<b>Direct Workers - Contracted</b> (staff who will be contracted by the project)	DoST PMU	Consultants Full Time – 7 Consultants Part Time – 2
<b>Direct Workers - Government Appointed</b> (government staff who will provide services for the project, but will be employed and paid through their existing government contracts)	DoST PMU	Govt Appointed Staff - 18
	DoFPS Implementation Team	Govt Appointed Staff - 14
<b>Contracted Workers</b> (people employed or engaged through third parties to perform work related to core functions of the project, regardless of location)	Supervision Engineer	Firm with 22 positions
	Contractors	3 Firms with 2500 labor
<b>Primary Supply Workers</b> (people employed or engaged by primary suppliers who, on an ongoing basis, provide directly to the project goods or materials)	GT Road Construction	Firms will provide machinery and materials to the contractors. The number of primary supply workers is currently not known.
	Biodiversity Net Gain Strategy	

essential for the core functions of the project.)		At appraisal stage the number of primary supply workers is not known.
<b>Community Workers</b> (people voluntarily employed or engaged in providing community labor for the project)	Community workers will be employed for the implementation of the Biodiversity Net Gain Strategy under Component 2	Number of community workers is not known at appraisal stage.

### 1.1.1 Direct Workers - Contracted

Under Component 2, DoST PMU’s contracted staff will include Project Coordinator, 2 Procurement Specialists, Environment Specialist, Social Specialist, Gender/GBV Specialist, Geotechnical Specialist, Structural Engineer and International Procurement consultant.

### 1.1.2 Direct Workers – Government Appointed

The project will also use Government Appointed staff who will provide services to the project under their existing government contracts.

For G-T Road, DoST PMU’s government appointed staff will include Project Director, Finance Officer, Environmental Officer, OHS Officer, Gender Officer, Biodiversity Officer, Procurement Focal, Geotechnical Specialist and Structural Engineer. Government appointed staff shall remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project. ESS2 will not apply to such government workers, except for provisions on occupational health and safety and GBV/SEA/SH proportionate to the potential risks and impacts of the project to such persons.

### 1.1.3 Contracted Workers

For G-T Road, the project will have a Supervision Engineer with 22 positions, and three construction contractors with approximately 2500 staff and labor at peak levels.

### 1.1.4 Primary Supply Workers

For G-T Road, the contractors will engage primary supply workers for procurement of materials and equipment. As procurement of these inputs will be done on an on-demand basis, numbers of primary supply workers are not known at appraisal stage.

### 1.1.5 Community Workers

For G-T road construction, community workers will not be engaged. However, for the for the implementation of the Biodiversity Net Gain Strategy under Component 2, the community workers will be engaged. These community workers may be employed for clearing of vegetation and rehabilitation of watering holes, as well as voluntary services to build fences. Applicable ESS2 requirements for community workers will include provisions on child and forced labor, occupational health and safety, and terms and conditions of employment.

## 1.2. Characteristics of Project Workers

The Project will engage both male and female workers, with a mix of skilled, unskilled, and professional workers. Staff for the PMUs and implementation teams will be primarily hired

from within Bhutan, with some technical experts and consultants may be hired internationally.

For the construction of the GT Road , the size of the construction workforce is expected to fluctuate based on the timing and type of activities to be undertaken. At peak, the construction workforce is expected to reach about 2,500 workers, of which 600 to 700 workers are expected to be skilled labor, and 1,400-1,800 unskilled labor. The workforce will consist of a mix of workers from: (i) the project area, (ii) elsewhere in Bhutan, and (iii) from abroad. It is anticipated that approximately 900 labor will be from Bhutan, while the bulk of the workers will be sourced from India, due to the Project's proximity to the Indian border.

### **1.3. Timing of Labor Requirements**

#### **1.3.1 Direct Workers**

Direct workers of the PMUs and Implementation Teams (contracted and government appointed) will be engaged throughout the life of the project. Additional direct workers, under Component 1 will be engaged on an on-demand basis as needed during project implementation.

#### **1.3.2 Contracted Workers**

The Project will employ contractors for activities related to construction, . The contracted entities will hire contracted workers based on the needs of the relevant activities. Under Component 2, staff of Supervision Engineer will remain throughout the construction period.

#### **1.3.3 Community Workers**

Community workers will be engaged for the implementation of the Biodiversity Net Gain Strategy. The exact timing of these workers is not known at appraisal stage. This LMP will be updated with additional information immediately after project effectiveness.

## 2. Assessment of Key Potential Labor Risks

### 2.1. Key Labor Risks

Potential labor related risks of the project include the following:

- Accidents, injuries or other health and safety risks, which can arise from inappropriate working conditions, such as excessive working hours and insufficient breaks
- Potential for discriminatory practices to occur in the hiring and dismissal processes.
- Potential for discrimination against workers that join unions (or other similar organizations) or take part in collective bargaining.
- Inappropriate or delayed payments to workers. This can include unfair wages.
- Inappropriate or excessive working hours. This can include a lack of management or oversight of overtime work, a lack of sufficient breaks, and limited or no access to public holidays and various forms of leave (e.g. parental leave, annual leave, sick leave).
- Risk of association with contractors (e.g. service contracts) or third parties (e.g. recruitment agents) not adhering to relevant laws and international standards and guidance. This includes a risk of associating with contractors and third parties linked to Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH).

Construction works on the GT Road will have the following risks. These risks and mitigation measures are elaborated in the project ESIA<sup>1</sup>.

- Occupational health and safety risks at project sites due to mobile equipment and working at height, working with hazardous materials, driving, earthworks, and other construction activities. Accidents resulting in injuries or fatalities remain a possibility. The rate of accidents will be dependent on the consciousness and cautiousness of personnel regarding the specific hazards of the work in which they are involved.
- A number of chemicals/ hazardous materials will also be used, stored and handled during the construction phase, such as diesel oil, hydraulic fluid, and paint. If handled and stored inappropriately, these chemicals can cause serious injuries.
- Potential employment of children and forced or bonded labor. This risk is often higher for vulnerable groups (e.g. migrant workers). According to the World Bank ESS-2, the minimum age for non-hazardous work is 14 years old, unless national law specifies a higher age. A child over the minimum age and under the age of 18 will not be employed or engaged in connection with the Project in a manner that is likely to be hazardous. According to the Labor and Employment Act of Bhutan of 2007, the minimum age of children to work is 13 and the children in the age group of 13 to 17

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<sup>1</sup> Detailed descriptions of risks and mitigation measures are presented in the G-T Road ESIA

years are allowed to work in restaurants and other services provided they are not exposed to any hazardous conditions.

- Labor influx: Construction works at the project site are expected to induce influx of workers to project communities in search of work and other project benefits. Labor-influx in localized settings may increase demand and overwhelm local facilities (e.g., water, electricity, housing, food, health services etc), pose sexual exploitation, abuse, and harassment (SEA/SH) risks to host communities. Labor influx may also result in conflicts between local communities and project workers, which may be related to religious, cultural, or ethnic differences, or based on competition for local resources.
- The anticipated large-scale labor influx of both skilled and unskilled workers will significantly alter local social dynamics, increasing the risks of sexual exploitation, abuse, and harassment, particularly for women, adolescent girls, children, and other vulnerable groups.
- Sexual Exploitation, Abuse and Harassment (SEA/SH): The anticipated large-scale labor influx of both skilled and unskilled workers will significantly alter local social dynamics, increasing the risks of SEA/SH, particularly for women, adolescent girls, children, and other vulnerable groups. The potential for coerced transactional relationships, sexual exploitation, and abuse increases when migrating workers interact with economically vulnerable communities without structured oversight and preventive measures. The standalone SEA/SH Action Plan will be implemented along with this LMP to address SEA/SH risks.

Engagement of community workers for the implementation of the net gain strategy of the BMP under Component 2 will carry the following additional risks:

- Occupational health and safety related to working in areas with higher risks of elephant raids.
- Child labor and forced labor.
- Harassment and exploitation, especially where the work is voluntary.
- Risks of GBV and SEA/SH.



### **3. Brief Overview of Labor Legislation: Terms and Conditions**

This chapter provides an overview of labor legislation in Bhutan relevant to the ACCESS project.

#### **3.1. World Bank ESS2 Labor and Working Conditions**

This Standard obliges the Project to develop and implement written Labor Management Procedures applicable to the Project (this document).

These procedures set out the way in which Project workers will be managed, in accordance with the requirements of national laws. ESS2 applies to project workers including fulltime, part-time, temporary, seasonal and migrant workers.

The key objectives of the World Bank's ESS2 are to:

- Promote safety and health at work.
- Promote fair treatment, non-discrimination and equal opportunity for project workers.
- Secure protection of project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers, as appropriate.
- Prevent the use of all forms of forced labor and child labor.
- Support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law; and
- Provide project workers with accessible means to raise workplace concerns.

Where government staff is working in connection with the project (whether fulltime or part-time), they will remain subject to the terms and conditions of their existing employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project.

#### **3.2. International Labor Organization**

Bhutan is not a member of International Labor Organization. Although detailed groundwork has been conducted since the 10th Five Year Plan for Bhutan's membership to the International Labor Organization (ILO) no progress has been made since and Bhutan remains as an observer. Therefore, ILO standards are not used in Bhutan. However, considering the WB requirements, the ILO standards (inc. in terms of working conditions, employment and accommodation) need to be met by the Project.

#### **3.3. National Labor Legislation and its key relevant aspects**

##### **3.3.1 The Constitution of the Kingdom of Bhutan**

The Constitution is the supreme law of the country. Within the Constitution there are Articles and Sections that touch upon labor and employment issues such as: (i) the right to equal pay

for work of equal value; (ii) right to freedom of peaceful assembly and freedom of association; (iii) right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay; (iv) the right to fair and reasonable remuneration for one's work; (v) eliminate all forms of discrimination and exploitation against women including trafficking, prostitution, abuse, violence, harassment and intimidation at work in both public and private spheres; and (vi) ensure that the child is protected against all forms of discrimination and exploitation including trafficking, prostitution, abuse, violence, degrading treatment and economic exploitation.

### **3.3.2 Labor and Employment Act of Bhutan 2007.**

The Labor and Employment Act governing employment and working conditions was enacted by the National Assembly of Bhutan during its 86th Session, on 4.1.2007. The Act acknowledges that the well-being of workers contributes to the Gross National Happiness and that workers play a crucial role in the development of the Kingdom, therefore it is essential that their welfare is promoted and protected through a fair and just labor administration system suitable for Bhutan. Section 6 of the Labor and Employment Act of the Kingdom of Bhutan 2007 clearly states that no person shall make use of, cause or permit any form of forced or compulsory labor that is extracted from any person under the menace of any penalty and for which the person has not offered himself or herself voluntarily. The Labor and Employment Act, 2007, also prohibits sexual harassment, and the Regulation on Working Conditions, 2012, looks into appropriate and safe conditions at the workplace.

This legislation is monitored and enforced by the Labor Administration under the Ministry of Industry, Commerce and Employment that is responsible for (a) employment promotion; (b) labor protection; (c) labor relations; (d) vocational education and training; and (e) occupational standards setting and certification. The Head of the Secretariat of the Ministry is the Chief Labor Administrator under him/her is the Labor Relations Officer and the Labor Inspector. The labor Inspector monitors and enforces the Act by investigating and when necessary, taking action in accordance with the Act and regulations to deal with alleged contraventions of the Act. The Labor Inspector, with prior authority of the Chief Labor Administrator may inspect and investigate during regular working hours and other reasonable times and within reasonable limits and in a reasonable manner, any such place of employment and all pertinent conditions, structures, machines, apparatus, devices, equipment and materials therein, and to question privately any such employer, owner, operator, agent or employee if the Labor Inspector believes that conditions likely to endanger employees exist. If a Labor Inspector is of the opinion that at the workplace there is occurring or may occur an activity which involves or will involve an immediate risk to the health and safety of any person, the inspector shall specify the reason for that opinion. The consequences of violating the Act shall be guilty of an offence which shall be: (a) paying a fine depending on the severity of the violation; (b) a misdemeanor; or (c) if aggravated circumstances exist, a felony of the fourth degree.

### **3.3.3 Regulation on Foreign Workers Management, 2022**

The purpose of this Regulation is to; (1) Establish standards and procedures in accordance with the Labor and Employment Act of Bhutan, 2007; and (2) Ensure just and fair recruitment process, management, deployment, repatriation, and working conditions at the

workplace. This Regulation applies to any person recruiting or involved in recruiting foreigners and foreign workers in Bhutan.

According to this regulation any foreigner seeking employment in Bhutan should have attained the age of 18 years and above. Any foreigner approved to work in Bhutan shall be issued with a work permit. The work permit shall be issued by a competent authority. The validity of the work permit shall be approved for a maximum period of one year at a time. The work permit may be renewed on a case-by-case basis.

#### **3.3.4 Regulation on Working Conditions, 2022**

This Regulation pertains to employment conditions and is necessary to implement the provisions of the Labor and Employment Act of Bhutan effectively. The main thrust of the efforts has been to incorporate and adopt international best practices in labor administration as well as updating them in line with the changes in relevant national laws. With the implementation of this Regulation, all the provisions of the Labor and Employment Act of Bhutan 2007 come in full enforcement.

According to Regulations on Working Conditions, 2022, a person below the age of 18 years is prohibited from working on construction sites. The risk of child labor in this project will be mitigated through certification of laborers' age. This will be done by using legally recognized documents such as the National Identity Card, Birth Certificate, or Health Card. Further, awareness activities will be conducted among the communities to sensitize them on the prohibition and negative impacts of child labor.

## **4. Brief Overview of Labor Legislation: Occupational Health and Safety (OHS)**

### **4.1. Regulation on Occupational Health and Safety for Construction Industry, 2022**

This Regulation contains all the legal requirements and clearly prescribes procedures and standards, which is comprehensive and easy to implement at construction sites, and is in keeping with the international practices. The government recognizes the fact that a separate health and safety legislation, beside the general Regulation on OHS and Welfare, is vitally important for the construction industry to protect construction employees from workplace hazards, no matter how low the risk is.

Through this Regulation the Ministry encourages every employer to develop and operate their own work safety and health plans/programs and prevent construction accidents and injuries and to reduce and ultimately eliminate the associated hazards and risks.

### **4.2. Regulation on Occupational Health, Safety and Welfare, 2022**

Through this Regulation the government emphasizes the promotion of a healthy and safe workplace for the development of a sustainable safety culture within enterprises and beyond. Accidents and work-related diseases are mostly caused either by negligence or due to the absence of simple safety gears, safety measures and safety drills. The safety of employees has been an area where the government wants to adopt a zero tolerance. With this Regulation in place, the government hopes to reduce accidents and occupational disease in the workplaces irrespective of the type and nature of an industry. This Regulation supersedes the “General Rules and Regulation on Occupational Health and Safety in Construction, Manufacturing, Mining, and Service Industries, 2006”.

Section 498 under Regulation on Occupational Health, Safety and Welfare, 2022, states that the employer shall insure all employees with an authorized financial institution to ensure that all types and levels of compensation prescribed in this regulation are covered by an insurance policy. However, this does not apply to those employers holding Micro Trade business licenses. The agreed premium shall be paid by the employer and shall not be deducted from the employee’s wage/salary. In the event an employer fails to pay the premium on time and the Insurer is not liable for the compensation, the employer shall pay all compensations liable under this regulation.

The employer or the insurer shall pay compensation to the dependents of an employee who dies as a result of injury or occupational disease arising out of and in the course of employment.

### **4.3. World Bank EHS Guidelines**

The World Bank Group (WBG) has guidelines for Environment, Health, & Safety (EHS) that serve as useful references for general issues as well as sector specific activities. Projects financed by the WBG are expected to comply with this guideline as required by the policies and the standards. The EHS Guidelines are mainly on occupational health and safety, community health and safety as well as on construction and decommissioning.

## **5. Responsible Staff**

### **5.1. PMU Responsibilities**

Overall responsibility for managing the G-T Road construction lies with the DoST PMU, including aspects of implementing the Labor Management Procedures, particularly ensuring that contractors under the project adhere to the LMP requirements. Contractors will subsequently be responsible for managing their activities with contract/activity specific LMPs, the implementation of which will be supervised by the PMUs on a regular basis.

The environment, OHS, social and gender officers and the consultants at the PMUs will implement and monitor the provisions of this LMP as follows:

- Verifying adherence to the LMP and OHS requirements for Project workers. In the case of contracted workers, this will involve including in bidding documents and agreements signed with contractors, the specific terms as per this LMP.
- Upholding commitments to all categories of project workers, as outlined in this LMP and other relevant safeguard instruments
- Overseeing training for project workers and contractors
- Monitoring for potential labor related risks that were not identified during project preparation
- Developing and implementing grievance mechanisms for project workers, and ensuring that grievances are handled quickly and appropriately
- Ensuring that project workers are properly informed of the grievance mechanism
- Maintaining records of recruitment and employment, including age verification of hired workers
- Providing induction and regular training to project workers on OHS issues
- Providing training on implementation of the LMP to contractor's OHS specialists and focal persons
- Reporting to the World Bank on labor and OHS performance, and of any incidents or accidents involving project workers.

### **5.2. Contractor Responsibilities**

The Project will engage party contractors for construction and implementation activities. Contractors will be responsible for implementation of the LMP within their respective activities.

All contractors involved in project implementation will engage an OHS specialists and OHS inspectors for each construction site. The contractor's OHS staff will be supervised by the Supervision Engineer's and PMU' environmental and social specialists, and will be responsible for ensuring day-to-day compliance with OHS policies, providing trainings to contracted workers, and maintaining records of incidents or accidents. Minor incidents will

be reported to the DoST PMU on a monthly basis, while serious incidents will be reported immediately.

Contractors will keep records of employment and other records relevant to compliance with the requirements defined in this LMP. The PMUs may at any time request contractors for these records, and will do so at minimum on a monthly basis. Contractors may be required to take immediate remedial actions if instructed by the PMUs.

Contracted workers are entitled to use the labor GRM, as described in this LMP. Contractors will ensure that all contracted workers are informed and trained on the GRM and are provided with refresher trainings periodically.

Conditions related to the implementation of the LMP will be included in all contracts with third parties. Contractors will be required to pass down these conditions to contracted workers by ensuring that all workers sign a Code of Conduct for Workers. An indicative code of conduct is provided in Annex A – Worker’s Grievance Form

Worker Grievance Form			
Grievance reference number (to be filled in at time of registration):			
Contact details (maybe submitted anonymously)	Name(s):		
	Address:		
	Telephone:		
	Email:		
Details from identify card ( <i>not mandatory</i> )			
How would you prefer to be contacted (check one)	By mail/post: <input type="checkbox"/>	By phone: <input type="checkbox"/>	By email <input type="checkbox"/>
Preferred language	<input type="checkbox"/> Dzongkha	<input type="checkbox"/> English	<input type="checkbox"/> Hindi/Nepali
Provide details of your grievance. Please describe the problem, who it happened to, when and where it happened, how many times, etc. Describe in as much detail as possible.			
What is your suggested resolution for the grievance, if you have one? Is there something you would like your employer or another party/person to do to solve the problem?			
How was this form submitted to the project?	Website <input type="checkbox"/>	email <input type="checkbox"/>	By hand <input type="checkbox"/>
	In person <input type="checkbox"/>	By telephone <input type="checkbox"/>	Other(specify) <input type="checkbox"/>

Who filled out this form (if not the person named)	Name and contact details:		
Signature			
Name of person assigned responsibility			
Resolution (including appeals)	Short description of resolution	Accepted? (Y/N)	Acknowledgement signature by
1 <sup>st</sup> proposed solution			
2 <sup>nd</sup> proposed solution			
3 <sup>rd</sup> proposed solution			

## Annex B – Written Particulars of Employment

- Name of Employer
2. Name of Employee
  3. Date Employment began
  4. Wage and Method of Calculation
  5. Interval at which wages are paid
  6. Normal Hours of work
  7. Short description of employee’s work
  8. Probation Period
  9. Annual Leave Entitlement
  10. Paid Public Holiday
  11. Payment during sickness
  12. Maternity Leave (if employee female)
  13. Nursing Break Entitlement (for female employee)
  14. Notice employee entitled to receive
  15. Notice employer required to give
  16. Code of Conduct to be signed by each worker
  17. Any other matter either party wishes to include

**Notes:**

- (a) An employee is free to join a worker’s association, which is recognized by the undertaking. The address of the Workers Association is: .....
- (b) The grievance procedure and disciplinary procedure in this undertaking requires to be followed when a grievance arises or disciplinary action that needs to be taken.....

Date: \_\_\_\_\_

Employer Name \_\_\_\_\_

Employer Representative Name \_\_\_\_\_

Employer Representative Signature \_\_\_\_\_

Witness Name \_\_\_\_\_

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Witness Signature

---

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Employee Name

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Employee Signature

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---

Witness Name

---

Witness Signature

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## **Annex C – Guidance and Outline for a Code of Conduct**

### **Guidance for Code of Conduct**

A satisfactory code of conduct will contain obligations on all project workers (including sub-contractors) that are suitable to address the following issues, as a minimum. Additional obligations may be added to respond to particular concerns and situations.

The Code of Conduct will be written in plain language and signed by each worker to indicate that they have:

- Received a copy of the code;
- Had the code explained to them;
- Acknowledged that adherence to this Code of Conduct is a condition of employment; and
- Understood that violations of the Code can result in serious consequences, up to and including dismissal, or referral to legal authorities.
- A copy of the CoC shall be displayed in a location easily accessible to the community and project affected people. Contractors shall address the risk of gender-based violence, through:
  - Mandatory training and awareness raising for the workforce about refraining from unacceptable conduct toward local community members, specifically women. Training may be repeated.
  - Informing workers about national laws that make sexual harassment and gender-based violence a punishable offence which is prosecuted.
  - Adopting a policy to cooperate with law enforcement agencies in investigating complaints about gender-based violence and SEA/SH.

The Contractor will conduct awareness raising and training activities to ensure that workers abide by the Code of Conduct. The Contractor will also ensure that project-affected local communities are aware of the Code of Conduct and enable them to report any concerns or non-compliance.

The issues to be addressed include:

- Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor laws and regulations.
- Non-Discrimination. No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on



the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

- Compliance with applicable health and safety requirements, including wearing prescribed personal protective equipment (PPE), preventing avoidable accidents and a duty to report conditions or practices that pose a safety hazard or threaten the environment.
- Child Labor. No person shall be employed under the age of 18 for any construction works.
- Forced Labor. There shall be no use of forced labor, including bonded laborer other forms of forced labor.
- Sexual harassment. Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Prohibit use of language or behaviour, in particular towards women or children, that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate.
- Gender-based Violence or SEA/SH. The prohibition of the exchange of money, employment, goods, or services for sex, including sexual favours or other forms of humiliating, degrading or exploitative behaviour, including sexual relations with local community members.
- Hours of work. Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual.
- Compensation. Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with illegal requirements on wages, and provide any fringe benefits required by law or contract.
- Interactions with community members should be based on an attitude of respect and non-discrimination.
- Prohibit the use of illegal substances.
- Sanitation requirements. To ensure workers use specified sanitary facilities provided by their employer and not open areas.
- Avoidance of conflicts of interest. Such that benefits, contracts, or employment, or any sort of preferential treatment or favours, are not provided to any person with whom there is a financial, family, or personal connection.
- Respecting reasonable work instructions. Including regarding environmental and social norms.
- Protection and proper use of property. To prohibit theft, carelessness or waste.
- Duty to report violations of this Code.
- No retaliation against workers who report violations of the Code, if that report is made in good faith

Note that a more and specific Code of Conduct for GBV-SEA/SH will be prepared and implemented as per the requirements of the SEA/SH Action Plan.

A draft WCC is presented below as part of the ESMP, which will be detailed and complemented where required during the preparation of ESHS specifications for Contractors. The final document will be attached to the bidding documentation to be accepted and signed by the CC. The WCC will be endorsed by each worker as a component of their work contract and presented to all workers during compulsory induction training. The WCC will be posted on key information panels

distributed in the Project sites. The timing of application of the WCC covers the construction period and will be adjusted for the operation period.

**Table C-1. Workers Code of Conduct**

#	Issue or Risk	Action
1	Disrespect to community members by workers visiting villages	<p>The procedures for all workers to follow when entering a village for the first time:</p> <ul style="list-style-type: none"> <li>• All visits to villages must be discussed beforehand with the Supervision Engineer E&amp;S staff, who can advise on correct protocols as per the Stakeholder Engagement Plan (SEP).</li> <li>• Always ask to meet/speak with the chief, village elders and family heads who are mostly men upon entering a village for the first time.</li> <li>• Always seek advice from the chiefs and village elders for clear instructions on local customs.</li> <li>• The procedures for all workers to follow when greeting and talking to the members of the local community:</li> <li>• Do not criticize someone openly but always call the person aside and talk to him or her separately to avoid any ill feelings.</li> <li>• When shaking hands avoid a strong hand press, hug, directly facing each other, or other close body contact as it is culturally not traditional.</li> <li>• Avoid talking loudly to village people in the presence of others. Socially and culturally appropriate behaviours are expected when in contact with local people:</li> <li>• Wear decent clothes upon entering a local village especially clothes that cover the thighs, chest and upper arms and are not revealing.</li> <li>• Alcohol is not allowed to be taken into local villages by Project employees.</li> <li>• Ask first if you want to see anything in the village.</li> <li>• Avoid using obscene words and disrespectful gestures in public (including in the workplace and in the colonies).</li> <li>• Respect the rights of all people to observe Saturdays and Sundays as traditional days of rest.</li> </ul>
2	Impacts to historical or cultural heritage	<p>Disturbance to any architectural, historical or cultural heritage feature or artefact is prohibited. The procedure to follow in the event of a chance find is as follows:</p> <ul style="list-style-type: none"> <li>• Workers who come across any human remains/cultural artefacts will not touch or destroy it.</li> <li>• Construction activities with potential to damage or destroy cultural heritage will be stopped.</li> <li>• The find will be reported to the Construction Manager who will report the incident and inform Supervision Engineer and PMU accordingly.</li> <li>• The procedures in SEP will be followed to notify affected stakeholders in the community and relevant authorities, as appropriate, before further actions are taken.</li> <li>• An appropriate response will be followed as per Cultural Heritage Management Plan. This may involve scientific examination and/or cultural rituals and compensation agreement. Additional actions will be carried out to protect the rest of the site if it is to be preserved (e.g. demarking or fencing the site if culturally appropriate).</li> </ul>
3	Nuisances or disturbances	<p>Workers will not cause nuisance and/or disturbances in, or near the local communities, or within the colonies. The following nuisances, disruptive behaviours are not permitted:</p> <ul style="list-style-type: none"> <li>• Use of threatening or abusive language.</li> <li>• Behaviour that is uncontrolled, violent, disorderly, indecent, offensive or threatening.</li> <li>• Behaviour that causes a substantial, unreasonable annoyance, disruption or conflict.</li> <li>• Wilful damage to property.</li> </ul>
4	Impact to flora, fauna & habitat	<p>To avoid or minimise potential impacts to the environment, workers are not permitted to:</p>

## Labor Management Procedures

#	Issue or Risk	Action
		<ul style="list-style-type: none"> <li>• Cut, damage or remove vegetation except where approved as part of the project construction.</li> <li>• Collect plants or firewood, or light a fire.</li> <li>• Burn waste or cleared vegetation.</li> <li>• Wash vehicles, machinery, equipment, tools or clothes in local waterways (including streams, creeks and rivers).</li> <li>• Harm, capture or poach wildlife including fish</li> <li>• Keep caged animals (including birds) or remove wildlife from the project area.</li> <li>• Enter natural habitat/forest areas except where required for project purposes.</li> <li>• Take or pick product (including but not limited to flowers, plants, fruits) from a village, garden, along the access roads.</li> </ul>
5	Workers unfit for work	<p>The use of drugs, alcohol, tobacco and betel nut is strictly prohibited. Compliance will be monitored through random testing and disciplinary action will be taken for non-compliance. Relevant actions are as follows:</p> <ul style="list-style-type: none"> <li>• All workers are prohibited from consuming illicit drugs. Any workers found to possess illicit substances, and/or consuming illicit substances will be subject to disciplinary action up to and including contract termination.</li> <li>• All workers are prohibited from consuming alcohol during working hours and working while under the influence of alcohol. Alcohol is not permitted in the colonies, site office or anywhere within construction sites. Labor Management Procedures. Workers may also be requested to take a breath alcohol test at the discretion of the CC or OE ESHS Manager, Colony Manager or Security Manager (subcontractor).</li> <li>• Only medically prescribed drugs are permitted to be consumed by workers. Workers using medically prescribed drugs may be required to produce a medical certificate stating that they are fit for work or specifying any restrictions.</li> <li>• Smoking will only be permitted in designated smoking areas during work breaks. National regulation prohibiting smoking may be enforced again.</li> <li>• Chewing of betel nuts is strictly prohibited during working hours and anywhere on the Project site.</li> <li>• Littering is strictly prohibited. This includes disposal of cigarette butts and spitting of betel nut stain.</li> <li>• Drugs and alcohol may not be consumed in the workplace, while driving vehicles, while using access roads, while staying in the colonies or in local communities.</li> <li>• Under no circumstances are workers to visit any night club, bar or similar establishment that sells alcohol that may be established within the Project area or near the colonies.</li> </ul>
6	Safety concern with firearms	<p>The use and possession of firearms, including but not limited to commercial and homemade guns, revolvers, pistols, rifles, air rifles and shotguns, and associated ammunition, is prohibited within the Project premises.</p>
7	Misuse of vehicles	<ul style="list-style-type: none"> <li>• The WCC is supported by the requirements of the Traffic Management Plan. Expected behaviour includes (but is not limited to) following set speed limits, wearing seatbelts, being appropriately licensed to drive in Bhutan, using light signals, watching for animals and pedestrians on or near the roads, and being fit for work.</li> <li>• Workers and visitors will adhere to all speed limits defined in the Traffic Management Plan including a maximum 20 km/hr limit when passing villages or pedestrians.</li> <li>• The transport of passengers is addressed in Traffic Management Plan. Workers, when using a Project vehicle, will not be permitted to pick up anyone who is not an employee of the Project, except in case of an emergency. Should this occur, workers will be required to file an incident report documenting the event.</li> </ul>

#	Issue or Risk	Action
8	Safety of workers	<ul style="list-style-type: none"> <li>The WCC is supported by the requirements of the Occupational Health and Safety Plan which outlines expectations of workers with regard to safety for themselves and others.</li> <li>All workers are expected to wear culturally appropriate and work-appropriate clothing (e.g. PPE), and maintain standards of personal hygiene at all times.</li> </ul>
9	Inappropriate waste disposal	<ul style="list-style-type: none"> <li>The WCC is supported by the requirements of the Waste Management Plan.</li> <li>Workers are not permitted to dispose of waste (litter, rubbish, construction waste/rubble, human waste, liquid waste, etc.) in unauthorised areas.</li> <li>Nuisance behaviours such as urination outside of designated facilities and indiscriminate spitting (including betel nut stain) is not permitted.</li> </ul>
10	Training for understanding of expectations	<p>Training requirements for workers are detailed in ESHS Training for Construction Workers Plan.</p> <p>All workers will undergo a site induction before participating in construction activities. This will cover expectations including (but not limited to) site rules, risk register, permit to work, how to report incidents and observations, work contract content, hours of work, behaviour towards other workers and during contact with local villagers, gender awareness and local customs and traditions.</p>
11	Sexual harassment, abuse and exploitation	<ul style="list-style-type: none"> <li>Any form of sexual exploitation, including paying for sex, sex trafficking, prostitution, etc. is strictly prohibited.</li> <li>The following deviant and/or criminal behaviours will be subject to instant dismissal and reported to the authorities: – sexual and other assault (including bullying) or threat of assault; – sexual harassment (including catcalling and whistling) and sexual violence; and – any other illegal or criminal behaviour as depicted within the RGoB Criminal Law as being an offence punishable by Law.</li> <li>Refer to Labor Management Procedures and SEA/SH Action Plan for procedures.</li> </ul>
12	Worker misconduct	<p>Disciplinary action and/or termination of employment may occur when a worker continually displays unsatisfactory conduct or misconduct. Details are provided in Labor Management Plan. Workers engaging in illegal / criminal activity (including but not limited to sexual assault/harassment, assault, threat of assault, violence, theft, consuming illicit substances, etc) will be instantly dismissed and reported to the authorities.</p>

**Table C-2. Workers Code of Conduct Monitoring Requirements**

	Topic	Description	Performance Indicator	Responsibility
1	Compliance with Workers Code of Conduct	Behaviour of workers is monitored against expectations within the WCC. Monitoring of behaviour to be undertaken by the CC Construction Manager, CC Camp Manager and CC Security Manager (and subordinate staff) and raised to CC Human Resources as required. Potential serious misconduct (drug, alcohol, unsafe driving etc.) shall be raised with PMU/SE during routine weekly Project meetings.	Records of misconduct, disciplinary actions and terminations maintained by CC	CC HR Manager
1	Community grievances associated with worker behaviour	Monitoring and reporting as per Grievance Redress Mechanism. Reported as per the CC ESHS weekly report Reports	Zero (0) grievances related to worker behaviour or misconduct raised each month.	CC ESHS Manager PMU E&S Unit

## Annex D – Guidelines for Engaging Voluntary Labor

The World Bank Environment and Social Framework (ESF) Environmental and Social Standard Two (ESS2) Labor and Working Conditions (ESS2) states that:

- “Work is on a voluntary basis when it is done with the free and informed consent of a worker. Such consent must exist through out the employment relationship and the worker must have the possibility to revoke freely given consent. In particular, there can be no “voluntary offer” under threat or other circumstances of restriction of deceit. To assess the authenticity of a free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been carried out, either by an act of the authorities or by an employer’s practice6.” The PIU will put in place measures to ensure that any labor offered is voluntary and given of free will and informed consent.
- Will be “fully informed” of the terms and conditions of the voluntary contribution of Labor. “Fully informed” means that the owner has complete information regarding the proposed activity and its impacts, the Labor requirements and his or her rights to compensation should others be receiving compensation for same work under the project.
- “Free will” means that the owner can reject the possibility of offering his or her Labor with no fear or reprisal or any sanction.
- The project staff will ensure that all potential volunteers to the project are aware of the conditions under which voluntary Labor is acceptable.
- Will be informed that they have the right to withdraw the voluntary Labor offer at any time without fear to threat or reprisal from the community or project.
- Potential volunteers are provided with sufficient time to consider his or her offer of voluntary labor.
- The person is still entitled to benefit from the project activities whether they offer voluntary Labor or not
- The PMU will verify that voluntary donations are indeed voluntary by requesting potential volunteers will affirm in writing that they are volunteering of their own free will and/or confirm in a presence of a trusted source (e.g. local administration official, church member or community group member) that participation is voluntary.

The PMU will ensure that all types of Labor are aware of the grievance redress mechanism for workers paid and voluntary and how to access it, including anonymously..

Contractors involved in construction activities will be required to prepare and implement an activity-specific LMP.

**Table 2 Key Responsible Staff and Responsibility for GT Road Construction – DoST PMU**

<i>Responsible Agencies/Staff</i>	<i>Roles and Responsibilities</i>
Project Director/Coordinator	Overall responsibility to ensure implementation of the LMP
Environment Officer, OHS Officer, Social Officer, Gender Officer	<ul style="list-style-type: none"> <li>• Implementing these labor management procedures.</li> <li>• Ensuring that contractors comply with LMP.</li> </ul>

	<ul style="list-style-type: none"> <li>Monitoring to verify that contractors are meeting labor and OH&amp;S obligations toward contracted and subcontracted workers as required by Bhutanese legislation and ESS2.</li> <li>Monitoring contractors and subcontractors.</li> <li>Monitoring compliance with occupational health and safety standards at all workplaces in line with the national occupational health and safety legislation.</li> <li>Monitoring and implement training on LMP and OHS for project workers.</li> <li>Ensuring that the grievance redress mechanism for project workers is established and implemented and that workers are informed of its purpose and how to use it.</li> <li>Have a system for regular monitoring and reporting on labor and occupational safety and health performance.</li> <li>Monitoring implementation of the Worker Code of Conduct.</li> <li>Support training of workers on CoC, Workers GRM, SEA/SH, etc.</li> <li>Tracking and reporting on workers' GRM</li> </ul>
Supervision Engineer	<ul style="list-style-type: none"> <li>To ensure contractor compliance</li> <li>Incorporate labor-related requirements into procurement of works and suppliers</li> <li>Engagement and management of contractors</li> <li>Conduct health and safety induction to contractors and workers</li> <li>Ensure that the workers' GRM is implemented</li> </ul>
Contractors Occupational Health and Safety Specialists Social Specialists Gender/GBV Specialist	<ul style="list-style-type: none"> <li>Comply with the requirements of the national legislation and these LMP and reflect all requirements in agreements with sub-contractors and suppliers.</li> <li>Maintain records of recruitment and employment process of contracted workers.</li> <li>Communicate clearly job description and employment conditions to contracted workers.</li> <li>Have a system for regular review and reporting on labor, and occupational safety and health performance.</li> <li>Ensure that all contractor and subcontractor workers understand and sign the Code of Conduct prior to the commencement of works, and supervise compliance with the Code.</li> <li>Undertake audits on supply chain workers.</li> <li>Plan and implement contract-specific labor management plans</li> <li>Coordinate toolbox meetings focused on health and safety, SEA/SH, etc .</li> <li>Report on OHS performance to PMU on monthly basis</li> <li>Tracking and responding to workers' grievances</li> </ul>

## **6. Policies and Procedures**

This section outlines the main policies and procedures to be followed during Project implementation. This section will be updated and amended as required, after construction and services contracts have been awarded.

The following measures will be implemented by all IAs to ensure fair treatment of all employees:

- Recruitment procedures will be transparent, public and non-discriminatory, and open with respect to ethnicity, religion, sexuality, disability or gender.
- Clear job descriptions will be provided in advance of recruitment and will explain the skills required for each post.
- All workers will have written contracts describing terms and conditions of work and will have the contents explained to them. Workers will sign the employment contract.
- Employees will be informed at least one month before their expected release date of the coming termination.
- Depending on the origin of the employer and employee, employment terms and conditions will be communicated in a language that is understandable to both parties.
- In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulty understanding the documentation.

IAs will incorporate standardized E&S clauses in the tender documentation and contract documents, in order for potential bidders to be aware of environmental and social performance requirements that will be expected from them.

For construction activities, as a core contractual requirement, the contractors are required to ensure all documentation related to environmental and social management, including the LMP, is available for inspection at any time by PMU DoST. In the contractual arrangements each project worker must be clearly defined in accordance with national law.

Under no circumstances will the IAs, contractors, suppliers or sub-contractors engage in forced labor. Forced labor includes bonded labor, excessive limitations of freedom of movement, excessive notice periods, retaining the worker's identity or other government-issued documents or personal belonging, imposition of recruitment or employment fees payable at the commencement of employment, loss or delay of wages that impede the workers' right to end employment within their legal rights, substantial or inappropriate fines, physical punishment, use of security or other personnel to force or extract work from project workers, or other restrictions that compel a project worker to work in a non-voluntary basis.

## **6.1. Recruitment**

### **6.1.1 Key Principles of Recruitment**

#### ***No discrimination***

An employer and an employment agent shall not discriminate against employees or job applicants for vacancies in connection with recruitment, dismissal, transfer, training and demotion (Chapter 1, section 11 Labor and Employment Act of Bhutan 2007).

#### ***Equal pay for equal work***

An employer shall not discriminate against an employee with regard to wages and working conditions. Discrimination regarding pay conditions takes place in the case of failure to give equal pay for equal work or work of equal value (Section 12 and 13, chapter 1 of the Act).

#### ***Preferential recruitment***

Preferential employment will be given to (in order): Project Affected Persons, members of the community in the Project area, Bhutanese nationals.

Employment of foreigners shall be permitted for the occupations against which Bhutanese are either not available or not willing to work.

#### ***Structured recruitment***

Recruitment will be managed through recruitment centres established by the employers in the project area.

Recruitment at the gate (of the camp / construction sites) is prohibited.

### **6.1.2 Procedure**

#### ***Job description and vacancy announcement***

Every vacancy shall be advertised irrespective of positions through mainstream media or any other social media (chapter 6, section 84, Regulations on Working Conditions, 2022). If there is no eligible candidate, the employer shall announce the time extension of another minimum of 5 working days for more candidates to submit application.

#### ***Skill evaluation and engagement***

The employer or any person recruiting foreign workers in the professional categories shall submit the required documents for validation by the approving authorities. The employer or any person recruiting foreign workers in the skilled and semi-skilled categories shall ensure that they undergo skills testing as deemed necessary (chapter 2, sections 22 and 23, Regulation on Foreign Workers Management 2022).

#### ***Probation period***

A contract of employment of one year or more may contain a period of probation of a maximum of 180 days within which period either party may terminate the contract by giving the other party notice of 7 days. An employer shall not require an employee to repeat a



probationary period in relation to the same work or materially similar work (section 72 and 73 of the Labor Act).

### ***Selection period***

Candidates shall be selected through a recruitment committee. The committee shall set the selection criteria before selection process. A person with disabilities shall be provided with equal opportunities and enabling environment (Chapter 6, section 91, 92, and 93, Regulation on Working Conditions, 2022).

## **6.2. Termination of employment**

### **6.2.1 General**

The following process should be followed in case of performance management and termination of employment of a Project worker:

- Informal and/or verbal warning.
- Explanation and first written warning.
- Final written warning.
- Termination of employment

An employer shall ensure that a contract of employment with an employee specifies a notice period for the termination of the contract of not less than 30 days (section 68, chapter 5 of the labor act).

In case of wrongful dismissal, the burden of proving the existence of a valid reason for the termination shall rest on the employer (section 95, chapter 5 of the Act).

### **6.2.2 Voluntary and Involuntary Termination**

Any party to a contract of employment may at any time give to the other party a notice in writing of his or her intention to terminate the contract. This may be done without waiting for the end of the notice period, by paying a sum equal to the basic rate of pay, which the employee would have earned during the notice period. (Chapter 5, section 82 and 83 of the Labor Act)

Any party to a contract of employment may at any time give to the other party a notice in writing of his or her intention to terminate the contract. This may be done without waiting for the end of the notice period, by paying a sum equal to the basic rate of pay, which the employee would have earned during the notice period. (Chapter 5, section 82 and 83 of the Labor Act)

### **6.2.3 Massive layoffs and demobilization**

At the conclusion of the construction period, there will likely be massive layoff and demobilisation of workers (typically involving more than 100 employees). There is nothing specific on “massive layoffs and demobilization” in Bhutanese Labor Laws and Legislation. If the reasons for massive layoffs and demobilization are not unlawful the contractors will be required to prepare retrenchment procedure.

### **6.3. Occupational, Health and Safety**

For road construction under Component 2, PMU DoST's E&S Unit will ensure OHS at the workplace. The Supervision Engineer will have a Senior OHS Specialist, supported by Junior OHS Specialists designated with ensuring OHS requirements are met in construction activities including the following:

- Identify potential hazards.
- In collaboration with the contractor, investigate the cause of accidents at the workplace.
- Inspect the workplace including construction activities, plant and machinery, with a view to ascertaining the safety and health of employees.
- Accompany an inspector while that inspector is carrying out the inspector's duties in the workplace,
- Attend meetings of the safety and health committee to which that safety and health representative is a member.
- Make recommendations to the PMU DoST in respect of safety and health matters affecting employees, through a safety and health committee.
- Where there is no safety and health committee, the OHS Specialists shall make recommendations directly to the PMU Dost in respect to any safety and health matters affecting the workers.

Furthermore, the Contractors should develop and implement an Occupational Health and Safety (OHS) Management Plan and should hire suitable staff for implementation of the plan. The plan will include the following:

- Hazard identification and assessment;
- Identification and provision of personal protective equipment (PPE) to all concerned workers;
- Pre-employment screening protocols for all employees including contractors and sub-contractors which will include medical checks appropriate to World Health Organization's (WHO) recommendations, the individual's country of origin and vaccinations;
- Workers will be provided with primary health care (including access to a General Practitioner (GP) if required) and basic first aid at all worksites;
- Regular medical check-ups and centralized medical treatment for all workers of the Project (including contractors and sub-contractors) will be provided; and
- Workforce, including contractors and sub-contractors, will be provided with health awareness training (and refreshers), including hazardous works, a significant briefing of hygiene practices (such as hand washing), implementation of educational outreach to increase awareness of major communicable disease and how to protect against infection and about transmission routes and the symptoms of the communicable diseases of concerns (including STIs).

Contractors' contracts and the associated management plan(s) will specify that monitoring be undertaken by contractors and suppliers and will establish the right for the Project to

monitor and audit the performance of all contractors and sub-contractors. Contractors' contracts will also specify that the same standards will be met by their sub-contractors and suppliers. As part of the contractor and supplier selection process, the Project will take into consideration performance of prospective contractors with regard to workers' health and safety as outlined in national law, international standards and internal policies and procedures.

The Project should also develop and implement its own Emergency Preparedness and Response Plan (EPRP) and require all appointed contractors establish their own EPRP or adopt the Project's.

#### 6.4. Workers' Code of Conduct

The Project aims to ensure that project workers are protected under the World Bank's ESS2 in the light of the local laws and they are facilitated to get their basic rights at the workplace and beyond. At the same time, the project also expects that workers are loyal to the cause, work with commitment in order to ensure that project objectives are realized in the requisite timeline. All project workers are expected to abide by the code of conduct provided in Annex A – Worker's Grievance Form

Worker Grievance Form			
Grievance reference number (to be filled in at time of registration):			
Contact details (maybe submitted anonymously)	Name(s):		
	Address:		
	Telephone:		
	Email:		
Details from identify card ( <i>not mandatory</i> )			
How would you prefer to be contacted (check one)	By mail/post: <input type="checkbox"/>	By phone: <input type="checkbox"/>	By email <input type="checkbox"/>
Preferred language	<input type="checkbox"/> Dzongkha	<input type="checkbox"/> English	<input type="checkbox"/> Hindi/Nepali
Provide details of your grievance. Please describe the problem, who it happened to, when and where it happened, how many times, etc. Describe in as much detail as possible.			
What is your suggested resolution for the grievance, if you have one? Is there something you would like your employer or another party/person to do to solve the problem?			

How was this form submitted to the project?	Website <input type="checkbox"/>	email <input type="checkbox"/>	By hand <input type="checkbox"/>
	In person <input type="checkbox"/>	By telephone <input type="checkbox"/>	Other(specify) <input type="checkbox"/>
Who filled out this form (if not the person named)	Name and contact details:		
Signature			
Name of person assigned responsibility			
Resolution (including appeals)	Short description of resolution	Accepted? (Y/N)	Acknowledgement signature by
1 <sup>st</sup> proposed solution			
2 <sup>nd</sup> proposed solution			
3 <sup>rd</sup> proposed solution			

## Annex B – Written Particulars of Employment

Name of Employer

2. Name of Employee
3. Date Employment began
4. Wage and Method of Calculation
5. Interval at which wages are paid
6. Normal Hours of work
7. Short description of employee’s work
8. Probation Period
9. Annual Leave Entitlement
10. Paid Public Holiday
11. Payment during sickness
12. Maternity Leave (if employee female)
13. Nursing Break Entitlement (for female employee)
14. Notice employee entitled to receive
15. Notice employer required to give
16. Code of Conduct to be signed by each worker
17. Any other matter either party wishes to include

**Notes:**

- (a) An employee is free to join a worker’s association, which is recognized by the undertaking. The address of the Workers Association is: .....
- (b) The grievance procedure and disciplinary procedure in this undertaking requires to be followed when a grievance arises or disciplinary action that needs to be taken.....

Date:

Employer Name

---

Employer Representative Name

Employer Representative Signature

Witness Name

Witness Signature

---

Employee Name

Employee Signature

Witness Name

Witness Signature

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## **Annex C – Guidance and Outline for a Code of Conduct**

### **Guidance for Code of Conduct**

A satisfactory code of conduct will contain obligations on all project workers (including sub-contractors) that are suitable to address the following issues, as a minimum. Additional obligations may be added to respond to particular concerns and situations.

The Code of Conduct will be written in plain language and signed by each worker to indicate that they have:

- Received a copy of the code;
- Had the code explained to them;
- Acknowledged that adherence to this Code of Conduct is a condition of employment; and
- Understood that violations of the Code can result in serious consequences, up to and including dismissal, or referral to legal authorities.
- A copy of the CoC shall be displayed in a location easily accessible to the community and project affected people. Contractors shall address the risk of gender-based violence, through:
  - Mandatory training and awareness raising for the workforce about refraining from unacceptable conduct toward local community members, specifically women. Training may be repeated.
  - Informing workers about national laws that make sexual harassment and gender-based violence a punishable offence which is prosecuted.
  - Adopting a policy to cooperate with law enforcement agencies in investigating complaints about gender-based violence and SEA/SH.

The Contractor will conduct awareness raising and training activities to ensure that workers abide by the Code of Conduct. The Contractor will also ensure that project-affected local communities are aware of the Code of Conduct and enable them to report any concerns or non-compliance.

The issues to be addressed include:

- Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor laws and regulations.
- Non-Discrimination. No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.
- Compliance with applicable health and safety requirements, including wearing prescribed personal protective equipment (PPE), preventing avoidable accidents and a duty to report conditions or practices that pose a safety hazard or threaten the environment.
- Child Labor. No person shall be employed under the age of 18 for any construction works.
- Forced Labor. There shall be no use of forced labor, including bonded laborer other forms of forced labor.
- Sexual harassment. Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Prohibit use of language or behaviour, in particular towards women or children, that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate.
- Gender-based Violence or SEA/SH. The prohibition of the exchange of money, employment, goods, or services for sex, including sexual favours or other forms of humiliating, degrading or exploitative behaviour, including sexual relations with local community members.
- Hours of work. Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual.
- Compensation. Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with illegal requirements on wages, and provide any fringe benefits required by law or contract.
- Interactions with community members should be based on an attitude of respect and non-discrimination.
- Prohibit the use of illegal substances.
- Sanitation requirements. To ensure workers use specified sanitary facilities provided by their employer and not open areas.
- Avoidance of conflicts of interest. Such that benefits, contracts, or employment, or any sort of preferential treatment or favours, are not provided to any person with whom there is a financial, family, or personal connection.
- Respecting reasonable work instructions. Including regarding environmental and social norms.
- Protection and proper use of property. To prohibit theft, carelessness or waste.
- Duty to report violations of this Code.
- No retaliation against workers who report violations of the Code, if that report is made in good faith

Note that a more and specific Code of Conduct for GBV-SEA/SH will be prepared and implemented as per the requirements of the SEA/SH Action Plan.

A draft WCC is presented below as part of the ESMP, which will be detailed and complemented where required during the preparation of ESHS specifications for Contractors. The final document will be attached to the bidding documentation to be accepted and signed by the CC. The WCC will be endorsed by each worker as a component of their work contract and presented to all workers during compulsory induction training. The WCC will be posted on key information panels distributed in the Project sites. The timing of application of the WCC covers the construction period and will be adjusted for the operation period.

**Table C-1. Workers Code of Conduct**

#	Issue or Risk	Action
1	Disrespect to community members by workers visiting villages	<p>The procedures for all workers to follow when entering a village for the first time:</p> <ul style="list-style-type: none"> <li>• All visits to villages must be discussed beforehand with the Supervision Engineer E&amp;S staff, who can advise on correct protocols as per the Stakeholder Engagement Plan (SEP).</li> <li>• Always ask to meet/speak with the chief, village elders and family heads who are mostly men upon entering a village for the first time.</li> <li>• Always seek advice from the chiefs and village elders for clear instructions on local customs.</li> <li>• The procedures for all workers to follow when greeting and talking to the members of the local community:</li> <li>• Do not criticize someone openly but always call the person aside and talk to him or her separately to avoid any ill feelings.</li> <li>• When shaking hands avoid a strong hand press, hug, directly facing each other, or other close body contact as it is culturally not traditional.</li> <li>• Avoid talking loudly to village people in the presence of others. Socially and culturally appropriate behaviours are expected when in contact with local people:</li> <li>• Wear decent clothes upon entering a local village especially clothes that cover the thighs, chest and upper arms and are not revealing.</li> <li>• Alcohol is not allowed to be taken into local villages by Project employees.</li> <li>• Ask first if you want to see anything in the village.</li> <li>• Avoid using obscene words and disrespectful gestures in public (including in the workplace and in the colonies).</li> <li>• Respect the rights of all people to observe Saturdays and Sundays as traditional days of rest.</li> </ul>
2	Impacts to historical or cultural heritage	<p>Disturbance to any architectural, historical or cultural heritage feature or artefact is prohibited. The procedure to follow in the event of a chance find is as follows:</p> <ul style="list-style-type: none"> <li>• Workers who come across any human remains/cultural artefacts will not touch or destroy it.</li> <li>• Construction activities with potential to damage or destroy cultural heritage will be stopped.</li> <li>• The find will be reported to the Construction Manager who will report the incident and inform Supervision Engineer and PMU accordingly.</li> <li>• The procedures in SEP will be followed to notify affected stakeholders in the community and relevant authorities, as appropriate, before further actions are taken.</li> <li>• An appropriate response will be followed as per Cultural Heritage Management Plan. This may involve scientific examination and/or cultural rituals and compensation agreement. Additional actions will be carried out to protect the rest of the site if it is to be preserved (e.g. demarking or fencing the site if culturally appropriate).</li> </ul>
3	Nuisances or disturbances	<p>Workers will not cause nuisance and/or disturbances in, or near the local communities, or within the colonies. The following nuisances, disruptive behaviours are not permitted:</p> <ul style="list-style-type: none"> <li>• Use of threatening or abusive language.</li> <li>• Behaviour that is uncontrolled, violent, disorderly, indecent, offensive or threatening.</li> </ul>

Labor Management Procedures

#	Issue or Risk	Action
		<ul style="list-style-type: none"> <li>• Behaviour that causes a substantial, unreasonable annoyance, disruption or conflict.</li> <li>• Wilful damage to property.</li> </ul>
4	Impact to flora, fauna & habitat	<p>To avoid or minimise potential impacts to the environment, workers are not permitted to:</p> <ul style="list-style-type: none"> <li>• Cut, damage or remove vegetation except where approved as part of the project construction.</li> <li>• Collect plants or firewood, or light a fire.</li> <li>• Burn waste or cleared vegetation.</li> <li>• Wash vehicles, machinery, equipment, tools or clothes in local waterways (including streams, creeks and rivers).</li> <li>• Harm, capture or poach wildlife including fish</li> <li>• Keep caged animals (including birds) or remove wildlife from the project area.</li> <li>• Enter natural habitat/forest areas except where required for project purposes.</li> <li>• Take or pick product (including but not limited to flowers, plants, fruits) from a village, garden, along the access roads.</li> </ul>
5	Workers unfit for work	<p>The use of drugs, alcohol, tobacco and betel nut is strictly prohibited. Compliance will be monitored through random testing and disciplinary action will be taken for non-compliance. Relevant actions are as follows:</p> <ul style="list-style-type: none"> <li>• All workers are prohibited from consuming illicit drugs. Any workers found to possess illicit substances, and/or consuming illicit substances will be subject to disciplinary action up to and including contract termination.</li> <li>• All workers are prohibited from consuming alcohol during working hours and working while under the influence of alcohol. Alcohol is not permitted in the colonies, site office or anywhere within construction sites. Labor Management Procedures. Workers may also be requested to take a breath alcohol test at the discretion of the CC or OE ESHS Manager, Colony Manager or Security Manager (subcontractor).</li> <li>• Only medically prescribed drugs are permitted to be consumed by workers. Workers using medically prescribed drugs may be required to produce a medical certificate stating that they are fit for work or specifying any restrictions.</li> <li>• Smoking will only be permitted in designated smoking areas during work breaks. National regulation prohibiting smoking may be enforced again.</li> <li>• Chewing of betel nuts is strictly prohibited during working hours and anywhere on the Project site.</li> <li>• Littering is strictly prohibited. This includes disposal of cigarette butts and spitting of betel nut stain.</li> <li>• Drugs and alcohol may not be consumed in the workplace, while driving vehicles, while using access roads, while staying in the colonies or in local communities.</li> <li>• Under no circumstances are workers to visit any night club, bar or similar establishment that sells alcohol that may be established within the Project area or near the colonies.</li> </ul>
6	Safety concern with firearms	<p>The use and possession of firearms, including but not limited to commercial and homemade guns, revolvers, pistols, rifles, air rifles and shotguns, and associated ammunition, is prohibited within the Project premises.</p>
7	Misuse of vehicles	<ul style="list-style-type: none"> <li>• The WCC is supported by the requirements of the Traffic Management Plan. Expected behaviour includes (but is not limited to) following set speed limits, wearing seatbelts, being appropriately licensed to drive in Bhutan, using light signals, watching for animals and pedestrians on or near the roads, and being fit for work.</li> <li>• Workers and visitors will adhere to all speed limits defined in the Traffic Management Plan including a maximum 20 km/hr limit when passing villages or pedestrians.</li> </ul>



#	Issue or Risk	Action
		<ul style="list-style-type: none"> <li>The transport of passengers is addressed in Traffic Management Plan. Workers, when using a Project vehicle, will not be permitted to pick up anyone who is not an employee of the Project, except in case of an emergency. Should this occur, workers will be required to file an incident report documenting the event.</li> </ul>
8	Safety of workers	<ul style="list-style-type: none"> <li>The WCC is supported by the requirements of the Occupational Health and Safety Plan which outlines expectations of workers with regard to safety for themselves and others.</li> <li>All workers are expected to wear culturally appropriate and work-appropriate clothing (e.g. PPE), and maintain standards of personal hygiene at all times.</li> </ul>
9	Inappropriate waste disposal	<ul style="list-style-type: none"> <li>The WCC is supported by the requirements of the Waste Management Plan.</li> <li>Workers are not permitted to dispose of waste (litter, rubbish, construction waste/rubble, human waste, liquid waste, etc.) in unauthorised areas.</li> <li>Nuisance behaviours such as urination outside of designated facilities and indiscriminate spitting (including betel nut stain) is not permitted.</li> </ul>
10	Training for understanding of expectations	<p>Training requirements for workers are detailed in ESHS Training for Construction Workers Plan.</p> <p>All workers will undergo a site induction before participating in construction activities. This will cover expectations including (but not limited to) site rules, risk register, permit to work, how to report incidents and observations, work contract content, hours of work, behaviour towards other workers and during contact with local villagers, gender awareness and local customs and traditions.</p>
11	Sexual harassment, abuse and exploitation	<ul style="list-style-type: none"> <li>Any form of sexual exploitation, including paying for sex, sex trafficking, prostitution, etc. is strictly prohibited.</li> <li>The following deviant and/or criminal behaviours will be subject to instant dismissal and reported to the authorities: – sexual and other assault (including bullying) or threat of assault; – sexual harassment (including catcalling and whistling) and sexual violence; and – any other illegal or criminal behaviour as depicted within the RGoB Criminal Law as being an offence punishable by Law.</li> <li>Refer to Labor Management Procedures and SEA/SH Action Plan for procedures.</li> </ul>
12	Worker misconduct	<p>Disciplinary action and/or termination of employment may occur when a worker continually displays unsatisfactory conduct or misconduct. Details are provided in Labor Management Plan. Workers engaging in illegal / criminal activity (including but not limited to sexual assault/harassment, assault, threat of assault, violence, theft, consuming illicit substances, etc) will be instantly dismissed and reported to the authorities.</p>

**Table C-2. Workers Code of Conduct Monitoring Requirements**

	Topic	Description	Performance Indicator	Responsibility
1	Compliance with Workers Code of Conduct	Behaviour of workers is monitored against expectations within the WCC. Monitoring of behaviour to be undertaken by the CC Construction Manager, CC Camp Manager and CC Security Manager (and subordinate staff) and raised to CC Human Resources as required. Potential serious misconduct (drug, alcohol, unsafe driving etc.) shall be raised with PMU/SE during routine weekly Project meetings.	Records of misconduct, disciplinary actions and terminations maintained by CC	CC HR Manager
1	Community grievances associated with worker behaviour	Monitoring and reporting as per Grievance Redress Mechanism. Reported as per the CC ESHS weekly report Reports	Zero (0) grievances related to worker behaviour or	CC ESHS Manager PMU E&S Unit

Labor Management Procedures

			misconduct raised each month.	
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## **Annex D – Guidelines for Engaging Voluntary Labor**

The World Bank Environment and Social Framework (ESF) Environmental and Social Standard Two (ESS2) Labor and Working Conditions (ESS2) states that:

- “Work is on a voluntary basis when it is done with the free and informed consent of a worker. Such consent must exist through out the employment relationship and the worker must have the possibility to revoke freely given consent. In particular, there can be no “voluntary offer” under threat or other circumstances of restriction or deceit. To assess the authenticity of a free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been carried out, either by an act of the authorities or by an employer’s practice<sup>6</sup>.” The PIU will put in place measures to ensure that any labor offered is voluntary and given of free will and informed consent.
- Will be “fully informed” of the terms and conditions of the voluntary contribution of Labor. “Fully informed” means that the owner has complete information regarding the proposed activity and its impacts, the Labor requirements and his or her rights to compensation should others be receiving compensation for same work under the project.
- “Free will” means that the owner can reject the possibility of offering his or her Labor with no fear or reprisal or any sanction.
- The project staff will ensure that all potential volunteers to the project are aware of the conditions under which voluntary Labor is acceptable.
- Will be informed that they have the right to withdraw the voluntary Labor offer at any time without fear to threat or reprisal from the community or project.
- Potential volunteers are provided with sufficient time to consider his or her offer of voluntary labor.
- The person is still entitled to benefit from the project activities whether they offer voluntary Labor or not
- The PMU will verify that voluntary donations are indeed voluntary by requesting potential volunteers will affirm in writing that they are volunteering of their own free will and/or confirm in a presence of a trusted source (e.g. local administration official, church member or community group member) that participation is voluntary.

The PMU will ensure that all types of Labor are aware of the grievance redress mechanism for workers paid and voluntary and how to access it, including anonymously. and Outline for a Code of Conduct. In case of violation of the code of conduct by any of the workers, disciplinary proceedings as well as legal course will be adopted by the project management.

### **6.5. Workers’ Accommodation**

Contractors will develop and implement a workers accommodation plan (WAP) that aligns with the international good practice standards, such as *Workers’ Accommodation: A Guidance Note by IFC*. The WAP should address both living standards and social infrastructure to cater the influx of workers. The WAP should consider:

- Ensure clean, safe, and comfortable housing with adequate lighting, ventilation, heating/ cooling and private sleeping arrangements. Motelling arrangements should be allowed.
- Provide sufficient, regularly cleaned bathrooms, showers, laundry facilities, and access to clean drinking water.
- Offer nutritious meal options, in a designated dining area, and cooking facilities if self-catering is desired.
- Include on-site or nearby healthcare, mental health support, and emergency medical resources. In establishing healthcare facilities, it will be important that space is provided for sick bays, in instances workers may need to quarantine or similar.
- Create spaces for sports, relaxation, and entertainment, including outdoor areas and common rooms with games or TVs.
- Offer essential shops, personal care services, and banking or ATM facilities within easy reach.
- Designate gathering areas for social events, cultural celebrations, and prayer rooms.
- Arrange shuttle services to nearby centres and information on public transportation options.
- Ensure secure personal storage, locked accommodation, and respect for privacy, especially in shared spaces.
- Implement regular cleaning, prompt repair services, and pest control to maintain living standards.
- Consider vulnerable populations within the design of the accommodation facilities, specifically ensuring there are appropriate security arrangements in place and accessibility reflects the needs of the workforce.

## **6.6. Human Wildlife Conflict**

To address workers safety concerns with elephants, the following measures will be implemented. These measures will apply to road construction workers, as well as community workers engaged for the implementation of the Biodiversity Net Gain Strategy.

- All workers must undergo mandatory safety training before working in elephant zones to ensure they understand the risks and appropriate responses. Training must cover elephant behavior recognition, including key warning signs such as ear flapping, trunk swinging, and mock charging. Workers must learn safe response procedures during encounters, such as avoiding sudden movements, staying in groups, and slowly retreating if an elephant is spotted. Workers should be familiar with high-risk zones and peak activity times when elephant movement is most likely to occur.

- Deploy trained elephant spotters to monitor surrounding areas and provide early warnings when elephants are nearby.
- Schedule construction activities to avoid dawn, dusk, and nighttime when elephant activity is highest.
- Establish designated safe zones or shelters at work sites where workers can take refuge in case of an elephant encounter.
- Ensure all workers are aware of evacuation routes and designated assembly points, with clear instructions on how to respond in an emergency.
- Restrict the use of loud machinery (e.g., bulldozers, chainsaws, drills) near active elephant areas, as loud noises may agitate elephants.
- If noisy equipment must be used, apply gradual noise introduction techniques, allowing elephants time to adjust to the new sounds and reducing the likelihood of panic or aggression.
- Strictly prohibit food consumption in open areas near elephant habitats to prevent elephants from associating work zones with food sources.
- Store all food waste in sealed, elephant-proof containers and arrange for timely disposal and removal from worksites to prevent scavenging.
- Establish clear communication protocols for workers to report elephant sightings or emergency situations.
- Engage with the DoFPS and Quick Response Teams (QRTs) to ensure a coordinated approach to human-elephant conflict management.

## **7. Age of Employment**

According to Bhutanese legislation no person shall employ any person under the age of 18 for any construction activities. As per Bhutanese law any person/contractor who employs any person below the age of 18 for construction activities contravenes Section 255 of Regulations on Working Conditions 2022 and shall be guilty of an offence and the penalty shall be referral to the Royal Bhutan Police or Office of the Attorney General.

For all construction activities under Component 2, contractors will be required to verify the identity and age of all workers. This will require workers to provide official documentation, which could include a Citizenship Identity Card, Birth Certificate, School Leaving Certificate, Health Card etc. issued by relevant authorities. Where a question arises as to the actual age of a child in employment, The PMU or contractor may refer the child to a medical practitioner for determination in writing as to the age of the child.

If a child under the minimum age is discovered working on the project, measures will be taken to immediately terminate the employment or engagement of the child in a responsible manner, taking into account the best interest of the child.

For non-construction and non-hazardous work, the minimum age is 14 years, according to the ESF. This may, particularly, apply to potential engagement of community workers as part of the Biodiversity Net Gain Strategy (please refer to section 11 on Community Workers for details).

## **8. Terms and Conditions**

The terms and conditions of employment are governed by the Labor and Employment Act of Bhutan 2007. The Act makes it mandatory for employers to give its employees a copy of the written particulars of employment, signed by both parties. For this project, contractors will be required to provide all its employees with written particulars of their employment. Terms and conditions of direct workers employed by the IAs will be determined by their individual contracts with IAs.

As a monitoring mechanism, the contractor shall not be entitled to any payment unless he has filed, together with his claim for payment, a certificate: a) stating whether any wages due to employees are in arrears; b) stating that all employment conditions of the contract are being complied with. It will be a required term of the contract to allow IAs to withhold payment from the contractor should the contractor not fulfil their payment obligation to their workers.

### **8.1. Contract of employment**

An employer shall ensure that a contract of employment with an employee is in writing and that a copy of it is provided to the employee (Section 61 of chapter 5 of the Labor and Employment Act of Bhutan 2007).

Contracts must be signed by both employer and employees.

### **8.2. Terms and conditions of work**

An employer shall ensure that a contract of employment specifies: (a) the duration; (b) a specific task to be performed; (c) notice period for termination of the contract; and (d) wages, working hours, probation period and leave provisions (section 65, chapter 5 of the Act).

### **8.3. Compensation and benefits**

An employer shall compensate all his or her employees against: (a) death due to work accident or occupational diseases; (b) total permanent disablement; and (c) temporary partial disablement. This applies to all types of employment (section 96, chapter 5 of the Act). Insurance against accidents will be paid by the employers.

### **8.4. Wages and deductions**

A contract of employment shall specify a pay period of one month or less at the end of which the employer shall pay the employee his or her wages (section 118, chapter 8).

Contracts and collective agreements establish the form and amount of compensation for work performed. Every minimum wage shall be expressed in a daily rate and a monthly rate and, by calculation, at an hourly rate based on the normal daily working hours, excluding overtime.

In Bhutan employers pay workers at least once a month and this shall be followed by the project.

An employer shall not deduct an amount that would reduce the wages payable to the employee for a pay period to less than one half of the total wage.

### **8.5. Overtime and Payment**

An employee shall be entitled to overtime payments which should not be less than the normal rate of pay. All overtime work shall be performed upon mutual agreement by both employee and the employer. If an employee is required by the employer to perform work between the hours of 10.00 pm, and 08.00 am in the following morning besides their normal day shift, the employer shall pay an additional 50% of the worker's normal rate of pay for the number of overtime hours worked.

An employer must keep and maintain a record of all normal and overtime hours worked by all employees, including the rates of pay for overtime hours performed, and make this record available to a Labor Inspector if so requested (Chapter 5 of the Regulations on Working Conditions 2022).

Section 161 under chapter 9 of the Regulations on Working Conditions 2022 clearly states that the standard working hours must not exceed 8 hours per day and 48 hours per week, except where workers have agreed to perform overtime work. Hours worked additional to standard working hours as specified in Section 161 of the Regulation are overtime hours and must not exceed 12 hours per week. An employer must keep and maintain a record of all normal and overtime hours worked by all employees, including the rates of pay for overtime hours performed, and make this record available if so requested.

### **8.6. Rest Periods and Breaks**

An employee shall be entitled to a rest break of 10 minutes after 2 hours of work from the time of commencement of each day's work. The actual duration and timing of rest and meal breaks can be varied by agreement between the employer and employees but shall not be less than 30 minutes per 8-hour period (section 168 and 170, chapter 9 of the Regulations on Working Conditions 2022).

### **8.7. Daily and Weekly Rest Periods**

An employee shall have a daily rest period of a minimum of 12 consecutive hours. An employee shall have a weekly rest period of 24 consecutive hours (section 173 and 174, chapter 9 of the Regulations on Working Conditions 2022).

### **8.8. Leave**

Annual leave shall accrue at the minimum rate of 1.5 days per month, or minimum of 18 working days per year, such accrual to commence after the employee has completed their probation period (section 181, chapter 10 of the Regulations on Working Conditions 2022).

An employee shall be entitled to paid sick leave at the minimum rate of 5 working days per year (section 187 & 188 of the Regulations on Working Conditions, 2022)

An employee shall be entitled to paid casual leave only upon completion of their probation period. Casual leave shall accrue at the minimum rate of 5 working days per year (Section 196 & 197 of the Regulations on Working Conditions, 2022)



However, given the nature of the project and the large number of international migrant workers from India the contractor (s) may have leave stipulations built into the employment agreement with the workers that are mutually beneficial to the employee, employer, and the project.

### **8.9. Fringe Benefits**

Upon the termination of contract of employment by either party, an employee shall be entitled to a gratuity payment on completion of a minimum of 10 years of continuous employment. The gratuity payable shall be computed based on the last basic pay drawn times the number of completed years of service (Chapter 12 of the Regulations on Working Conditions, 2022)

The employer shall register their employees in a Provident Fund Scheme with an authorized financial institution whereby the employee and the employer shall contribute a minimum of 5% of an employee's monthly basic wage to the credit of the employee's provident fund account.

Upon termination of contract of employment by either party, an employee who works continuously for a minimum of 5 years shall be entitled to receive the full amount of provident fund contributions by both employer, and employee, including interest accrued herein. Any employee who has worked for less than 5 years, shall be entitled to receive only the provident fund amount of the employee's contributions including interest credited.

However, it is up to the discretion of the employer to provide the portion of the employer's contribution over that period (Chapter 11 of the Regulations on Working Conditions, 2022).

## **9. Workers Grievance Redress Mechanism**

A Workers' Grievance Redress Mechanism (WGRM) process will be implemented and maintained throughout the entire Project duration. It is a separate but complementary process to the Project Grievance Redress Mechanism which is rather used to record and manage grievances on the Project (e.g., by community members or other stakeholders).

The GRM will be hosted by the contractors.

While each organization (employer) can develop and manage its own WGRM, they must reflect the principles and process outlined in this section.

DoST PMU can request copies and extract of WGRM at any time and without providing reasons.

The Social Specialist will be assigned for the effective implementation of the LMP, including the functioning of the workers' GRM and record keeping and periodic reporting.

### **9.1. Workers GRM Principles**

The WGRM will be based on the following principles:

- The process will be transparent and allow workers to express their concerns and file grievances.
- There will be no discrimination against those who express grievances.
- Grievances will be treated confidentially, except anonymous ones.
- Anonymous grievances will be treated equally as other grievances, whose origin is known.
- Workers will be informed of how their grievances are resolved. Resolution of anonymous grievances will be announced to the wider workforce.
- Management will treat grievances seriously and take timely and appropriate action in response.

A grievance is defined as a complaint by one or more workers, a workers' association, or an employer, relating to any matter concerning working conditions or the working environment arising at work or out of the workplace, as covered by the Labor and Employment Act of Bhutan 2007.

In Bhutan, a grievance procedure shall normally relate to the existing rights of workers under the Act and its Regulations, a written contract of employment, the Internal Service Rules, a collective bargaining agreement between workers and their employer, and rules established by custom and practice.

In any working environment it is essential for both employers and employees to be fully conversant with all aspects of disciplinary processes, the grievance redress procedures and the legal requirements and rights involved.

## 9.2. Workers GRM Process

According to National law an employer of an enterprise with 12 or more employees shall in consultation with the worker's association at the enterprise or, if there is no such association, the employee(s), prepare and implement a workplace grievance procedure for use at each workplace. The workplace grievance procedure shall:

1. be in writing.
2. give an employee an opportunity to raise his or her grievance and to be heard.
3. enable the prompt and fair resolution of a grievance which arises at the workplace.
4. allow any issue or situation at the workplace relating to the conditions of employment to be grounds for a grievance.
5. enable an employee raising a grievance to participate directly in the grievance procedure and to be assisted or represented by the workers' association (if any) or a person of his or her own choosing.
6. ensure that the party or parties raising a grievance is kept informed of the steps being taken under the procedure and of the action taken on the grievance.
7. if the parties to a grievance consider it necessary, provide for minutes of the proceedings to be drawn up in mutual agreement and be made available to the parties; and
8. allow the parties to a grievance to draw up an agreement resolving the dispute that is binding on the parties, provided that the agreement does not contravene the provisions of national law.
9. Include a central database for workers' GRM to ensure that tracking and analysis is possible.

The employer shall make the grievance procedure known and available to the employees at the workplace.

In implementing an effective GRM system consideration must be given to the disputes resulting from the following:

- Disciplinary action.
- Individual grievances.
- Collective grievances and negotiation of collective grievances.
- Gender-based violence, sexual exploitation and workplace sexual harassment. Cases related to SEA /SH will be processed through a separate mechanism which will ensure the security and confidentiality of the victim/survivor along with the linkage of service providers. This is detailed in the Project SEA/SH Action Plan.

The grievance procedure shall be distinguished from a disciplinary procedure. A disciplinary procedure is normally included in the Internal Service Rules of the enterprise, and aims to redress breaches of enterprise rules by workers by stipulating the range of possible actions

to be taken by management against any workers found after due enquiry to be in breach of such rules. These rules must be:

- Valid or reasonable.
- Clear and unambiguous.
- The employee is aware or could reasonably be aware of the rule or standard.
- The procedure to be applied in the event the employee contravenes any of these rules.
- A fair, effective, and just disciplinary procedure in the workplace will be established.

All the contractors that are engaged by the project will be required to produce their grievance procedure as a requirement for tender that at a minimum comply with these requirements. In addition, good international practice recommends that the procedures be transparent, is confidential, adheres to non-retribution practices and includes right to representation. After they are engaged, they will be required to produce proof that each employee has been inducted and signed that they have been inducted on the procedure.

The grievance procedure shall be written in simple language and brought to the notice of all employees within the project. The grievance procedure shall be reviewed by the employer and workers' association or employees' representatives as and when required.

The employer shall not retaliate in any form whatsoever against an employee who lodges a complaint under the grievance procedure. An employee lodging a complaint under a grievance procedure shall be entitled to have a representative of the workers' association to assist them or, if no such association exists, shall be entitled to seek the assistance of another employee in the project or another person outside the project.

An employee who is a party to a workplace grievance or a labor dispute is entitled to time off with pay based on the employee's normal rate of pay in order to attend the grievance, conciliation or court proceedings or procedures relating to the dispute.

A sample WGRM form is presented in the **Error! Reference source not found..**

DoST PMU will require contractors to develop and implement a grievance mechanism for their workforce, including subcontractors, or to formally adopt the mechanism in provided in Annex A.

The worker grievance mechanism will be described in employee induction training, which will be provided to all project workers.

The workers grievance mechanism must include among others:

- Logistical arrangements for submission and receipt of grievances, such as comment/complaint form, suggestion boxes, email, telephone hotline.
- Stipulated timeframes to respond to grievances.
- Register and procedures to record and track the timely resolution of grievances.
- Assignment of responsible organization and positions to receive, record, and track resolution of grievances, and to communicate with workers who submit grievances.

The PMU will monitor their own recording and resolution of its own workers as well as periodic monitoring of contractor's recording and resolution, through monthly reports and through periodic checks by the PMUs. A person, preferably a social specialist, will be assigned to be responsible for overseeing and implementing the mechanism within the PMUs.

Information about the existence of the grievance mechanism will be readily available to all project workers through notice boards, the presence of "suggestion/complaint boxes", and other means as needed.

The grievance mechanism will not prevent workers from using other dispute procedures.

All workers GRM will be documented in a centralised database to ensure transparency and easy tracking / documentation of all workers' grievance.

A social specialist at the project site will be responsible for the effective functioning of the workers' GRM and record keeping and periodic reporting.

### **9.2.1 GBV/SEA/SH Related Grievances**

Please refer to the Project SEA/SH Action Plan. Complaints related to GBV/SEA/SH will be handled by the mechanism provided in the SEA/SH Action Plan, which describes GRM processes for any complaints related to GBV/SEA/SH. The Gender Focals will ensure that the WGRMs are equipped to refer all GBV/SEA/SH complaints to the specific SEA/SH GRM, while adhering to the requirements of confidentiality. All WGRMs will be trained in the referral of GBV/SEA/SH complaints by the PMUs.

## 10. Contractor Management

The Project requires that contractors monitor, keep records and report on terms and conditions related to labor management. The contractor(s) must provide workers with evidence of all payments made, including entitlements, regardless of the worker being engaged on a fixed term contract, full-time or part-time. The application of this requirement will be proportionate to the risk of the activities and to the size of the contract, in a manner acceptable to PMU DoST and the World Bank:

- Labor conditions: records of workers engaged under the Project, including contracts, registry of induction of workers including CoC, hours worked, remuneration and deductions (including overtime), and collective bargaining agreements.
- Safety: recordable incidents and corresponding Root Cause Analysis (lost time incidents, medical treatment cases), first aid cases, high potential near misses, and remedial and preventive activities required (for example, revised job safety analysis, new or different equipment, skills training, etc).
- Workers: number of workers, indication of origin (expatriate, local, nonlocal nationals), gender, age with evidence that no child labor is involved, and skill level (unskilled, skilled, supervisory, professional, management, etc).
- Training/ induction: dates, number of trainees, and topics.
- Details of any security risks: details of risks the contract or maybe exposed to while performing their work.
- Worker grievances: details including occurrence date, grievance, and date submitted; actions taken and dates; resolution (if any) and date; and follow-up yet to be taken.

The Project's oversight of contractors is set out in this LMP. The procedures will be set in place for contractor management and will have the following provisions that must be adhered to:

- Ensure that Contractors have valid contracts with clearly defined service level agreement in accordance with national law and all environmental and social clauses, as applicable. This will be reviewed by the PMU DoST .
- Contractors' induction to LMP.
- Contractors' submission of monthly records to PMU DoST , monthly site visits (at a minimum) and reports.
- Evaluation of contractor requirements. This includes training, OH&S files, certifications and other. The evaluation results in Portfolio Reports which includes recommendations for contract extension or termination.
- Training needs identification recorded in Contractor Training Schedule.
- Identification of safety committee members and records of meetings.
- Identification of labor management, safety, and health personnel, their qualifications, and certifications.
- Records of labor-related litigation.
- Records of safety and health violations, and responses.
- Accident and fatality records and notifications to authorities.

## Labor Management Procedures

Construction and other contracts will include provisions related to labor and occupational health and safety as provided in the applicable World Bank Standard Procurement Document and Bhutanese law.

PMU DoST will manage and monitor the performance of contractors in relation to contracted workers, focusing on compliance by contractors with their contractual agreements and labor management procedures. The ESMP include specific monitoring requirements, which include periodic audits, inspections, and spot checks of project locations and worksites as well as of labor management records and reports compiled by contractors.

## **11. Community Workers**

The project may engage with community workers during implementation of the biodiversity net gain strategy under the Biodiversity Management Plan (BMP). It is foreseen that men and women from the communities in the project areas where the activities of the BMP will be implemented will be employed for habitat enrichment, clearing of vegetation and rehabilitation of watering ponds. Community workers may also be voluntarily engaged for building of fences to reduce the risk of elephant raids. ESS2 will apply to these community workers. The Social and Environmental Specialist(s) of PMU DoST will supervise that the working conditions meet the standards and guidelines of the WB. Community workers (including volunteers) will be required to follow training sessions preceding the start of BMP implementation in order to become fully familiar with all OHS safety procedures and regulations applicable under the Project. It will be during the training sessions that project team will communicate to community volunteers and NGO participants on the nature of volunteering under the project and to ascertain if volunteers agree to work on a voluntary basis. The training will make clear that people are free to opt out without fear of reprisal, that work is not mandatory and that no resources from the project can be withheld as a result of not participating in the volunteer work. The training will also review the code of conduct. The PMU will register all participants who attend the training session. The community workers will have access to the Workers GRM as per this LMP. Detailed assessment of the community workers' activities and its associated risks as well as identification of mitigation measures will be updated based on the final BMP.

Annex D provides additional guidelines for engaging voluntary labor.

## **12. Primary Supply Workers**

PMUs will require all contractors who supply goods and materials to the project to verify that their vendors do not use child or forced labor. This could be accomplished by having the contractor require prospective providers to include information in their tenders as to whether the prospective supplier has been accused or sanctioned for issues related to child labor, forced labor, and safety. If they are found to use child or forced labor, or, to have been so accused or sanctioned, contractors will have to disqualify those suppliers. PMUs will also ensure, that any primary supplier to the project report fatalities or serious injury, and informs government authorities in accordance with national reporting requirements.



## Annex A – Worker’s Grievance Form

Worker Grievance Form			
Grievance reference number (to be filled in at time of registration):			
Contact details (maybe submitted anonymously)	Name(s):		
	Address:		
	Telephone:		
	Email:		
Details from identify card ( <i>not mandatory</i> )			
How would you prefer to be contacted (check one)	By mail/post: <input type="checkbox"/>	By phone: <input type="checkbox"/>	By email <input type="checkbox"/>
Preferred language	<input type="checkbox"/> Dzongkha	<input type="checkbox"/> English	<input type="checkbox"/> Hindi/Nepali
Provide details of your grievance. Please describe the problem, who it happened to, when and where it happened, how many times, etc. Describe in as much detail as possible.			
What is your suggested resolution for the grievance, if you have one? Is there something you would like your employer or another party/person to do to solve the problem?			
How was this form submitted to the project?	Website <input type="checkbox"/>	email <input type="checkbox"/>	By hand <input type="checkbox"/>
	In person <input type="checkbox"/>	By telephone <input type="checkbox"/>	Other(specify) <input type="checkbox"/>
Who filled out this form (if not the person named)	Name and contact details:		
Signature			
Name of person assigned responsibility			
Resolution (including appeals)	Short description of resolution	Accepted? (Y/N)	Acknowledgement signature by
1 <sup>st</sup> proposed solution			
2 <sup>nd</sup> proposed solution			
3 <sup>rd</sup> proposed solution			

## Annex B – Written Particulars of Employment

- Name of Employer
2. Name of Employee
  3. Date Employment began
  4. Wage and Method of Calculation
  5. Interval at which wages are paid
  6. Normal Hours of work
  7. Short description of employee's work
  8. Probation Period
  9. Annual Leave Entitlement
  10. Paid Public Holiday
  11. Payment during sickness
  12. Maternity Leave (if employee female)
  13. Nursing Break Entitlement (for female employee)
  14. Notice employee entitled to receive
  15. Notice employer required to give
  16. Code of Conduct to be signed by each worker
  17. Any other matter either party wishes to include

**Notes:**

- (a) An employee is free to join a worker's association, which is recognized by the undertaking. The address of the Workers Association is: .....
- (b) The grievance procedure and disciplinary procedure in this undertaking requires to be followed when a grievance arises or disciplinary action that needs to be taken.....

Date: \_\_\_\_\_

Employer Name  
.....

Employer Representative Name  
.....

Employer Representative Signature  
.....

Witness Name  
.....

Witness Signature  
.....

Employee Name  
.....

Employee Signature  
.....

Witness Name  
.....

Witness Signature  
.....

## **Annex C – Guidance and Outline for a Code of Conduct**

### **Guidance for Code of Conduct**

A satisfactory code of conduct will contain obligations on all project workers (including sub-contractors) that are suitable to address the following issues, as a minimum. Additional obligations may be added to respond to particular concerns and situations.

The Code of Conduct will be written in plain language and signed by each worker to indicate that they have:

- Received a copy of the code;
- Had the code explained to them;
- Acknowledged that adherence to this Code of Conduct is a condition of employment; and
- Understood that violations of the Code can result in serious consequences, up to and including dismissal, or referral to legal authorities.
- A copy of the CoC shall be displayed in a location easily accessible to the community and project affected people. Contractors shall address the risk of gender-based violence, through:
- Mandatory training and awareness raising for the workforce about refraining from unacceptable conduct toward local community members, specifically women. Training may be repeated.
- Informing workers about national laws that make sexual harassment and gender-based violence a punishable offence which is prosecuted.
- Adopting a policy to cooperate with law enforcement agencies in investigating complaints about gender-based violence and SEA/SH.

The Contractor will conduct awareness raising and training activities to ensure that workers abide by the Code of Conduct. The Contractor will also ensure that project-affected local communities are aware of the Code of Conduct and enable them to report any concerns or non-compliance.

The issues to be addressed include:

- Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor laws and regulations.
- Non-Discrimination. No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.
- Compliance with applicable health and safety requirements, including wearing prescribed personal protective equipment (PPE), preventing avoidable accidents and a duty to report conditions or practices that pose a safety hazard or threaten the environment.
- Child Labor. No person shall be employed under the age of 18 for any construction works.
- Forced Labor. There shall be no use of forced labor, including bonded laborer other forms of forced labor.
- Sexual harassment. Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Prohibit use of language or behaviour, in particular towards women or children, that is inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate.
- Gender-based Violence or SEA/SH. The prohibition of the exchange of money, employment, goods, or services for sex, including sexual favours or other forms of

humiliating, degrading or exploitative behaviour, including sexual relations with local community members.

- Hours of work. Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual.
- Compensation. Every worker has a right to compensation for a regular work week that is sufficient to meet the worker’s basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with illegal requirements on wages, and provide any fringe benefits required by law or contract.
- Interactions with community members should be based on an attitude of respect and non-discrimination.
- Prohibit the use of illegal substances.
- Sanitation requirements. To ensure workers use specified sanitary facilities provided by their employer and not open areas.
- Avoidance of conflicts of interest. Such that benefits, contracts, or employment, or any sort of preferential treatment or favours, are not provided to any person with whom there is a financial, family, or personal connection.
- Respecting reasonable work instructions. Including regarding environmental and social norms.
- Protection and proper use of property. To prohibit theft, carelessness or waste.
- Duty to report violations of this Code.
- No retaliation against workers who report violations of the Code, if that report is made in good faith

Note that a more and specific Code of Conduct for GBV-SEA/SH will be prepared and implemented as per the requirements of the SEA/SH Action Plan.

A draft WCC is presented below as part of the ESMP, which will be detailed and complemented where required during the preparation of ESHS specifications for Contractors. The final document will be attached to the bidding documentation to be accepted and signed by the CC. The WCC will be endorsed by each worker as a component of their work contract and presented to all workers during compulsory induction training. The WCC will be posted on key information panels distributed in the Project sites. The timing of application of the WCC covers the construction period and will be adjusted for the operation period.

**Table C-1. Workers Code of Conduct**

#	Issue or Risk	Action
1	Disrespect to community members by workers visiting villages	The procedures for all workers to follow when entering a village for the first time: <ul style="list-style-type: none"> <li>• All visits to villages must be discussed beforehand with the Supervision Engineer E&amp;S staff, who can advise on correct protocols as per the Stakeholder Engagement Plan (SEP).</li> <li>• Always ask to meet/speak with the chief, village elders and family heads who are mostly men upon entering a village for the first time.</li> <li>• Always seek advice from the chiefs and village elders for clear instructions on local customs.</li> <li>• The procedures for all workers to follow when greeting and talking to the members of the local community:                             <ul style="list-style-type: none"> <li>• Do not criticize someone openly but always call the person aside and talk to him or her separately to avoid any ill feelings.</li> <li>• When shaking hands avoid a strong hand press, hug, directly facing each other, or other close body contact as it is culturally not traditional.</li> </ul> </li> </ul>

#	Issue or Risk	Action
		<ul style="list-style-type: none"> <li>• Avoid talking loudly to village people in the presence of others. Socially and culturally appropriate behaviours are expected when in contact with local people:</li> <li>• Wear decent clothes upon entering a local village especially clothes that cover the thighs, chest and upper arms and are not revealing.</li> <li>• Alcohol is not allowed to be taken into local villages by Project employees.</li> <li>• Ask first if you want to see anything in the village.</li> <li>• Avoid using obscene words and disrespectful gestures in public (including in the workplace and in the colonies).</li> <li>• Respect the rights of all people to observe Saturdays and Sundays as traditional days of rest.</li> </ul>
2	Impacts to historical or cultural heritage	<p>Disturbance to any architectural, historical or cultural heritage feature or artefact is prohibited. The procedure to follow in the event of a chance find is as follows:</p> <ul style="list-style-type: none"> <li>• Workers who come across any human remains/cultural artefacts will not touch or destroy it.</li> <li>• Construction activities with potential to damage or destroy cultural heritage will be stopped.</li> <li>• The find will be reported to the Construction Manager who will report the incident and inform Supervision Engineer and PMU accordingly.</li> <li>• The procedures in SEP will be followed to notify affected stakeholders in the community and relevant authorities, as appropriate, before further actions are taken.</li> <li>• An appropriate response will be followed as per Cultural Heritage Management Plan. This may involve scientific examination and/or cultural rituals and compensation agreement. Additional actions will be carried out to protect the rest of the site if it is to be preserved (e.g. demarking or fencing the site if culturally appropriate).</li> </ul>
3	Nuisances or disturbances	<p>Workers will not cause nuisance and/or disturbances in, or near the local communities, or within the colonies. The following nuisances, disruptive behaviours are not permitted:</p> <ul style="list-style-type: none"> <li>• Use of threatening or abusive language.</li> <li>• Behaviour that is uncontrolled, violent, disorderly, indecent, offensive or threatening.</li> <li>• Behaviour that causes a substantial, unreasonable annoyance, disruption or conflict.</li> <li>• Wilful damage to property.</li> </ul>
4	Impact to flora, fauna & habitat	<p>To avoid or minimise potential impacts to the environment, workers are not permitted to:</p> <ul style="list-style-type: none"> <li>• Cut, damage or remove vegetation except where approved as part of the project construction.</li> <li>• Collect plants or firewood, or light a fire.</li> <li>• Burn waste or cleared vegetation.</li> <li>• Wash vehicles, machinery, equipment, tools or clothes in local waterways (including streams, creeks and rivers).</li> <li>• Harm, capture or poach wildlife including fish</li> <li>• Keep caged animals (including birds) or remove wildlife from the project area.</li> <li>• Enter natural habitat/forest areas except where required for project purposes.</li> <li>• Take or pick product (including but not limited to flowers, plants, fruits) from a village, garden, along the access roads.</li> </ul>
5	Workers unfit for work	<p>The use of drugs, alcohol, tobacco and betel nut is strictly prohibited. Compliance will be monitored through random testing and disciplinary action will be taken for non-compliance. Relevant actions are as follows:</p> <ul style="list-style-type: none"> <li>• All workers are prohibited from consuming illicit drugs. Any workers found to possess illicit substances, and/or consuming illicit substances will be subject to disciplinary action up to and including contract termination.</li> </ul>

## Labor Management Procedures

#	Issue or Risk	Action
		<ul style="list-style-type: none"> <li>• All workers are prohibited from consuming alcohol during working hours and working while under the influence of alcohol. Alcohol is not permitted in the colonies, site office or anywhere within construction sites. Labor Management Procedures. Workers may also be requested to take a breath alcohol test at the discretion of the CC or OE ESHS Manager, Colony Manager or Security Manager (subcontractor).</li> <li>• Only medically prescribed drugs are permitted to be consumed by workers. Workers using medically prescribed drugs may be required to produce a medical certificate stating that they are fit for work or specifying any restrictions.</li> <li>• Smoking will only be permitted in designated smoking areas during work breaks. National regulation prohibiting smoking may be enforced again.</li> <li>• Chewing of betel nuts is strictly prohibited during working hours and anywhere on the Project site.</li> <li>• Littering is strictly prohibited. This includes disposal of cigarette butts and spitting of betel nut stain.</li> <li>• Drugs and alcohol may not be consumed in the workplace, while driving vehicles, while using access roads, while staying in the colonies or in local communities.</li> <li>• Under no circumstances are workers to visit any night club, bar or similar establishment that sells alcohol that may be established within the Project area or near the colonies.</li> </ul>
6	Safety concern with firearms	The use and possession of firearms, including but not limited to commercial and homemade guns, revolvers, pistols, rifles, air rifles and shotguns, and associated ammunition, is prohibited within the Project premises.
7	Misuse of vehicles	<ul style="list-style-type: none"> <li>• The WCC is supported by the requirements of the Traffic Management Plan. Expected behaviour includes (but is not limited to) following set speed limits, wearing seatbelts, being appropriately licensed to drive in Bhutan, using light signals, watching for animals and pedestrians on or near the roads, and being fit for work.</li> <li>• Workers and visitors will adhere to all speed limits defined in the Traffic Management Plan including a maximum 20 km/hr limit when passing villages or pedestrians.</li> <li>• The transport of passengers is addressed in Traffic Management Plan. Workers, when using a Project vehicle, will not be permitted to pick up anyone who is not an employee of the Project, except in case of an emergency. Should this occur, workers will be required to file an incident report documenting the event.</li> </ul>
8	Safety of workers	<ul style="list-style-type: none"> <li>• The WCC is supported by the requirements of the Occupational Health and Safety Plan which outlines expectations of workers with regard to safety for themselves and others.</li> <li>• All workers are expected to wear culturally appropriate and work-appropriate clothing (e.g. PPE), and maintain standards of personal hygiene at all times.</li> </ul>
9	Inappropriate waste disposal	<ul style="list-style-type: none"> <li>• The WCC is supported by the requirements of the Waste Management Plan.</li> <li>• Workers are not permitted to dispose of waste (litter, rubbish, construction waste/rubble, human waste, liquid waste, etc.) in unauthorised areas.</li> <li>• Nuisance behaviours such as urination outside of designated facilities and indiscriminate spitting (including betel nut stain) is not permitted.</li> </ul>
10	Training for understanding of expectations	<p>Training requirements for workers are detailed in ESHS Training for Construction Workers Plan.</p> <p>All workers will undergo a site induction before participating in construction activities. This will cover expectations including (but not limited to) site rules, risk register, permit to work, how to report incidents and observations, work contract content, hours of work, behaviour towards other workers and during contact with local villagers, gender awareness and local customs and traditions.</p>

## Labor Management Procedures

#	Issue or Risk	Action
11	Sexual harassment, abuse and exploitation	<ul style="list-style-type: none"> <li>Any form of sexual exploitation, including paying for sex, sex trafficking, prostitution, etc. is strictly prohibited.</li> <li>The following deviant and/or criminal behaviours will be subject to instant dismissal and reported to the authorities: – sexual and other assault (including bullying) or threat of assault; – sexual harassment (including catcalling and whistling) and sexual violence; and – any other illegal or criminal behaviour as depicted within the RGoB Criminal Law as being an offence punishable by Law.</li> <li>Refer to Labor Management Procedures and SEA/SH Action Plan for procedures.</li> </ul>
12	Worker misconduct	Disciplinary action and/or termination of employment may occur when a worker continually displays unsatisfactory conduct or misconduct. Details are provided in Labor Management Plan. Workers engaging in illegal / criminal activity (including but not limited to sexual assault/harassment, assault, threat of assault, violence, theft, consuming illicit substances, etc) will be instantly dismissed and reported to the authorities.

**Table C-2. Workers Code of Conduct Monitoring Requirements**

	Topic	Description	Performance Indicator	Responsibility
1	Compliance with Workers Code of Conduct	Behaviour of workers is monitored against expectations within the WCC. Monitoring of behaviour to be undertaken by the CC Construction Manager, CC Camp Manager and CC Security Manager (and subordinate staff) and raised to CC Human Resources as required. Potential serious misconduct (drug, alcohol, unsafe driving etc.) shall be raised with PMU/SE during routine weekly Project meetings.	Records of misconduct, disciplinary actions and terminations maintained by CC	CC HR Manager
1	Community grievances associated with worker behaviour	Monitoring and reporting as per Grievance Redress Mechanism. Reported as per the CC ESHS weekly report Reports	Zero (0) grievances related to worker behaviour or misconduct raised each month.	CC ESHS Manager PMU E&S Unit

## **Annex D – Guidelines for Engaging Voluntary Labor**

The World Bank Environment and Social Framework (ESF) Environmental and Social Standard Two (ESS2) Labor and Working Conditions (ESS2) states that:

- “Work is on a voluntary basis when it is done with the free and informed consent of a worker. Such consent must exist through out the employment relationship and the worker must have the possibility to revoke freely given consent. In particular, there can be no “voluntary offer” under threat or other circumstances of restriction or deceit. To assess the authenticity of a free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been carried out, either by an act of the authorities or by an employer’s practice<sup>6</sup>.” The PIU will put in place measures to ensure that any labor offered is voluntary and given of free will and informed consent.
- Will be “fully informed” of the terms and conditions of the voluntary contribution of Labor. “Fully informed” means that the owner has complete information regarding the proposed activity and its impacts, the Labor requirements and his or her rights to compensation should others be receiving compensation for same work under the project.
- “Free will” means that the owner can reject the possibility of offering his or her Labor with no fear or reprisal or any sanction.
- The project staff will ensure that all potential volunteers to the project are aware of the conditions under which voluntary Labor is acceptable.
- Will be informed that they have the right to withdraw the voluntary Labor offer at any time without fear to threat or reprisal from the community or project.
- Potential volunteers are provided with sufficient time to consider his or her offer of voluntary labor.
- The person is still entitled to benefit from the project activities whether they offer voluntary Labor or not
- The PMU will verify that voluntary donations are indeed voluntary by requesting potential volunteers will affirm in writing that they are volunteering of their own free will and/or confirm in a presence of a trusted source (e.g. local administration official, church member or community group member) that participation is voluntary.
- The PMU will ensure that all types of Labor are aware of the grievance redress mechanism for workers paid and voluntary and how to access it, including anonymously.