

LMP: SRCTIP-Trade Facilitation Component



**Government of Nepal
Ministry of Industry, Commerce and Supply (MoICS),
Ministry of Agriculture and Livestock Development (MoALD)**

**Strategic Road Connectivity and Trade Improvement Project
(SRCTIP)-Trade Facilitation Component**

LABOR MANAGEMENT PROCEDURES (LMP)

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1. INTRODUCTION

The Labor Management Procedures (LMP) is developed to manage risks under the Strategic Road Connectivity and Trade Improvement Project (SRCTIP) – Trade Facilitation Component implemented by the Ministry of the Industry Commerce and Supply (MoICS) and Ministry of the Agriculture and Livestock Development (MoALD) and funded by the World Bank. The LMP sets out the Program’s approach to meeting national requirements as well as the objectives of the relevant World Bank’s Environmental and Social Standard 2: Labor and Working Conditions (ESS2) and Standard 4: Community Health and Safety (ESS4).

The LMP is developed at this stage of the project given that the scale and exact locations of project activities to be implemented under this component are not yet determined. Details of the investments will be determined when the relevant feasibility studies as well as Environmental and Social Studies are conducted during the detail design phase.

The key labor and worker-related risks and impacts associated with Project activities may include the Sexual Exploitation and abuse (SEA) risks, associated with workers as well as community health and safety, and the risks associated with labor impact. The World Bank has rated the overall Environment and Social risk of the project as High, which indicates a high likelihood of adverse impacts associated with project implementation.

The High-risk rating indicates that the risks are required to be well understood and expected to have potential impact as they would require appropriate possible efforts to be avoided, minimized or managed through procedures, including procedures set out in this LMP. However, SRCTIP-Trade Facilitation Component is committed to, on a continuous basis, throughout the Project; evaluate risks and impact to have in place adequate measures and procedures to manage adverse impacts.

The LMP will be applied to all types of workers that will be employed by the SRCTIP-Trade Component’s Project Coordination Unit (PCU), Contractors, Sub-contractors and labor Supply Contracting Agency (*Nikee*)¹. Adhering to these procedures, Contractors will be required to prepare a Labor Management Plan for contracted workers for larger works. For smaller contracts, SRCTIP-Trade Facilitation Component will prepare specific procedures to be inserted in the contract as part of contractors’ legal obligations.

1.1 Overview of the Project: Project Description

The SRCTIP- Trade Facilitation Component project would mainly comprise of the development and improvement of the border infrastructure and laboratories existing selected Inland Container Depot (ICD): Biratnagar, Birgunj and Bhairahawa. The specific project activities are as follows;

- i. Improvement of the level and quality of border infrastructure in select locations in keeping with expected growth in trade volumes via those points,

¹*Nikee* are the labor supplier (individual or firm) who used to supply labor for construction works. As per the Labor Act 2017, they need to be formally registered to the labor office and the workers should first be the responsibility of them.

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- ii. Enhancement of the selected labs with equipment and/or accreditation to enhance market access for agricultural commodities,
- iii. Improvement of the access roads sections for better linkage to transport and the trade,
- iv. Expanding and Improvement of the existing parking yards around ICDs to enhance the connectivity and trade, and
- v. Capacity Enhancement through training and facilitation.

The LMP applies into all types of workers to be engaged by the Project whether full-time, part-time, temporary, seasonal or migrant workers. The LMP is applicable, as per ESS2 to the Project in the following manner:

1. People employed or engaged directly by SRCTIP-Trade Facilitation Component to work specifically in relation to the Projects;
2. People employed or engaged by contractors to perform work related to the core function of the projects, regardless of location;
3. People employed or engaged by SRCTIP-Trade Facilitation Component’s primary suppliers.
4. Due to the nature of the project SRCTIP-Trade Facilitation Component will not use any community workers

1.2 Labor Requirements

Direct Workers²: Direct workers will be divided into three major units. Firstly, the PCU, then Project-based Staffs and finally, Permanent Staffs the PCU will employ consultants and support staff who are working on contractual bases as part of the PCU. Terms and conditions of these consultants are guided by the National Labor Law.. The consultants will be engaged by the Project to undertake short period assignments as necessary. These are consultants guided by specific contractual agreements between them and the PCU

The health and Safety requirements in the LMP will also apply to civil servants those seconded in the project implementation.

Timing of labor requirements:

Following table describes the nature and the timing of the labor requirement of direct workers

Table 1.1: Labor Requirement at SRCTIP-Trade Component PCU

Degeneration	Nature	Number	Remarks
Project Director		1	Seconded from MoICS/MoALD or recruited directly

² A “direct worker” is a worker with whom the Program has a directly contracted employment relationship and specific control over the work, working conditions, and treatment of the project worker. Where government civil servants are working in connection with the project, whether full-time or part-time, they will 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.

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Project Coordinator	Full Time	1	30 day after the Project Effectiveness
Social Development specialist	Full Time	1	30 day after the Project Effectiveness
Environmental Specialist	Full Time	1	30 day after the Project Effectiveness
Occupation Community Health and Safety Specialist	Full Time	1	30 day after the Project Effectiveness
Gender Specialist	Full Time	1	30 day after the Project Effectiveness
Project Engineers	Full Time	Few	30 day after the Project Effectiveness
Finance Specialist	Full Time	1	30 day after the Project Effectiveness

Contracted Worker³:Based on the Scope of works involved in the project, the PCU will employ contractors who will hire contracted workers based on their level of skills and project needs. As per the Labor Act 2017 the contractors/Sub-contractors could hire labor from the labor supply contracting agency given that the agency will have to be formally registered and workers should first be the responsibility of the contracting agency.

Timing of labor requirements:

The LMP is developed at this stage of the project given that the scale and exact locations of project activities to be implemented under this component are not yet determined. Details of the timing of the number labor requirement, frequency, types of job and time of the requirement will be determined when the relevant feasibility studies as well as Environmental and Social Studies are conducted during the detail design phase and results will be updated in this LMP. Similarly, it will also be incorporated in the contractor's Labor Management Plan which will be prepared as the requirement of Construction Phase Environmental and Social Management Plan (C-ESMP)

Primary Supply Workers⁴:In the context of Nepal in general, and transportation sector in particular; the primary supply workers means, the workers used in the supply of who supply bricks, stone, cements, wood, bitumen, Iron Rods, and any other necessary materials) Based on the requirement in every component primary supply workers will be recruited by the suppliers as required.

Timing of labor requirements:

The LMP is developed at this stage of the project given that the scale and exact locations of project activities to be implemented under this component are not yet determined. Details of the

³A "contracted worker" is a worker employed or engaged by a third party to perform work or provide services related to the core functions of the project, where the third-party exercises control over the work, working conditions, and treatment of the project worker.

⁴A "primary supply worker" is a worker employed or engaged by a primary supplier, providing goods and materials to the project, over whom a primary supplier exercises control for the work, working conditions, and treatment of the person.

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timing of the number primary supply workers requirement, frequency, types of job and time of the requirement will be determined when the relevant feasibility studies as well as Environmental and Social Studies are conducted during the detail design phase and results will be updated in this LMP. Similarly, it will also be incorporated in the contractor's Labor Management Plan which will be prepared as the requirement of Construction Phase Environmental and Social Management Plan (C-ESMP)

2. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

The main labor risks associated with the SRCTIP-Trade Facilitation Component are assessed to be related to the potentially hazardous work environment, the associated risk of accidents and incidents at the work place, child labor and forced labor, labor influx and associated community health and safety risks, including SEA risks.

2.1 Child and Forced Labor: Based on current conditions in the infrastructure sector it is assessed that the risk of a child or forced labor is not significant, and prohibited by national legislation. The risk of child labor will be mitigated through Certification of laborers' age. This will be done by using the legally recognized documents such as the Citizenship Card, and Birth Certificate. Further, awareness-raising sessions will be conducted regularly to the communities to sensitize on prohibition and negative impacts of child and forced Labor. However, in practice in some sector of works there might be the risk of the non-compliance. As per the labor act special work permit need to be taken from Labor Office for using any migrant workers to prevent the risk of child labor and forced labor.

2.2 Labor Influx: Given the employment and supply chain opportunities that will be created from the project, labor influx in project areas is expected and assessed as Substantial risk. The focus of the SRCTIP-Trade Facilitation Component's operational procedure is to localize the economic benefits with minimal opportunities for outside labor to service work that require specialized/skilled labor that is not present in project localities. The priority for local labor (dependent on skill, experience capacity) is expected to minimize the risk of influx, where there is a requirement for special skills. For external workers, proper labor camp will be established. If it is necessary, there will be dedicated camps established for worker accommodation in the project. Specific requirements to manage risks associated with labor influx, related to the interaction between project workers and local communities, such as communicable diseases and gender-based violence most specifically sexual exploitation and abuse and sexual harassment, will be managed through contractual requirements, code of conduct and training set out in this document. These procedures are guided by national legislation, ESS2 and ESS4. The sub-component are located near the big cities viz: Birjung, Biratnagar, and Bhairawha so the impact of the labor influx will be manageable.

2.3 Gender-Based Violence: GBV risk assessment for the project is Substantial, indicating the potential for labor to create or exacerbate patterns of GBV, SEA risk. Construction workers are predominantly males. Those who are away from home on the construction job are typically separated from their family and act outside their normal sphere of social control. This can lead to inappropriate and criminal behavior, such as sexual harassment of women and girls, exploitative sexual relations, and illicit sexual relations with minors from the local community. A large influx of male labor may lead to an increase in exploitative sexual relationships and human trafficking whereby women and girls are forced into sex work.

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2.4 Occupational Health and Safety: OHS risk is likely to be high based on previous project experience. The expected risks relate to potential for injury, traffic-related accidents, fall from height, poor working and living conditions of workers, and lack of PPEs. MoICS/MoALD has corporate requirements for contractor training and safety which will apply to contracts and sites under the project. In the ministry's regular practice, these performance and records are inspected monthly and audited bi-annually.

2.5 Trafficking: Trafficking in persons is defined as the recruitment, transportation, transfer, harboring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation. Women and children are particularly vulnerable to trafficking practices. Some of the sub-projects are located near the Nepal-India border area where the occurrence of human trafficking is existing. The project will enforce stringent requirements to ensure the contractor, sub-contractors; labor supply contracting agency (*Nikee*) will not hire trafficked workers. These requirements will be spelled out in the bidding document, contract and C-ESMP.

3. BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

The fundamental right of the labor management begins with the constitutional right stipulated into constitution of Nepal, 2015 through various articles such as the right against exploitation (article 29); the right to a clean and healthy environment (article 30); rights to fair labor practice including appropriate remuneration, facilities and contributory social security (article 34); the rights of the child (article 39); the Right to social security of different categories of marginalized communities and individuals (article 43); the right of the consumer (article 44); the Policies of the State, i.e., Policies relating to labor and employment (article 51).

Table 3.1: Main gaps of government system with respect to the WB ESF Standards

WB ES Standard	Gaps
ESS2: Labor and Working Conditions	(i) The Labor Act does not specifically require that development be assessed and reviewed in terms of labor and working conditions including OHS requirements before approval. (ii) The Labor Act does not require development projects to prepare Labor Management Plans/Procedure or OHS Plan.
ESS4: Community Health and Safety	Covered under EIA but the systems do not provide clear requirements for the development project and implementation.

More specifically, the Labor Management Provisions has been reflected in Labor Act, 2017 and Labor Rule, 2018 to ensure right, interest, facilities and safety of all forms of labors and establish harmonic relationship among employer and workers as well as good culture of work. The term and condition stipulated in Labor Act applies to LMP are as follows:

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- Fundamental provision of labor against engagement of force labor, child labor at work, discrimination and equal pay at work.
- Provision for employment for five categories of employment based on the time and nature of work,
- Provision of employment contract include (a) nature of employment, (b) primary work of the Worker and his/her position, (c) statement that the Workers' Service Rule will be integral part, (d) remuneration, (e) benefits, and (f) terms of the employments of the Worker (g) date, time and schedule of work, (e)payment mode and such other matters as prescribed.
- Provision of part time work and social security for the workers
- Provision for issuing work permit for foreign labor;
- Provision for labor supply and the responsibility of the suppliers towards labor. This states employer must obtain the workers from licensed labor supplier. If outsourced workers are not from the licensed labor supplier, they are deemed to be workers of the main employer. The employer should ensure the workers are provided minimum remuneration and facilities as per this act.
- Fundamental provision on Occupational Health and Safety (OHS)including role and responsibility of suppliers and manufacturer.
- Provisions for special types industries and facilities provided.
- Provision for good culture of work, and discipline at work and performance for labor
- Provision for labor audit for each workplace.
- Provision against harassment, and sexual abuses.
- Provision for collective bargaining.
- Provision for termination of employment.

Moreover, The Child Labor (Prohibition and Regulation) Act, 2000 is the main legal expedient to prohibit engaging children in factories, mines or similar risky activities and to make necessary provisions with regard to their health, security, services and facilities while engaging them in other activities. Under the Section 3 of the Act, child having not attained the age of 14 years is strictly prohibited to be engaged in works as a laborer. Equally, under Section 4, engagement of child in works as a laborer against his/her will by way of persuasion, misrepresentation or by subjecting him/her to any influence or fear or threat or coercion or by any other means is prohibited. Under Section 6, in case any Enterprise, engaging a child in works, must get an approval from the concerned labor office (LO) or any authority or official prescribed by that office and form the fathers, mother or guardian of the child.

The labor law of Nepal clearly describes all things related to labor and workforce including wage and salary, termination, redressing, work environment, female worker, recruitment, unionization, child labor and so on. According to the Labor Act 2017 and regulation 2018, some salient features of Nepal labor law are described as follows-

Work hours:Working hours continue to be 8 hours a day and 48 hours a week as per section 28 of Labor Act, 2017. Overtime has been increased to 24 hours per week from 20 hours a week.

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Unlike the Previous Act, the Labor Act 2017 simply requires making arrangement for transportation while engaging a female workers in such a way that the working period begins or ends before the sunrise or after the sunset.

Wages: The term "Wages" means all economic benefits including salary, any bonus, and remuneration for overtime work, holiday or leave, termination of employment or other additional remuneration payable under the terms of employment. Every employer is responsible for the payment of wages to laborers employed by him. In the case where the wages of a worker employed by a contractor are not paid by the contractor, the wages must be paid by the employer of the establishment. The maximum wage period is one month. The wages of every worker must be paid before the expiry of the 7th working day after the last day of the wage period in respect of which the wages are payable.

Public sector laborers' wages are set by the National Pay and Wages Commission and may not be disputed. In the private sector, wages are set by the industry, and collective bargaining rarely occurs due to high unemployment and laborers' concerns over job security. The legal workweek is 48 hours, with one day off mandated.

The Government of Nepal, Ministry of Labor, Employment and Social Security has recently prescribed the minimum remuneration/wage of the worker/workers under Section 106 of the Labor Act, 2017 (2074) ("**Labor Act**") by publishing a notice in Nepal Gazette (Volume 68, August 16, 2018 (2075-04-31) Number 20) on Aug. 16, 2018 (2075-04-31) ("**Gazette Notice**"). The minimum pay scale determined by Government of Nepal (GoN) is NRs 13450.

Where the employment of a worker is terminated by retirement or by the employer, whether by way of retrenchment, discharge, removal, dismissal or otherwise, the wages payable to him must be paid before the expiry of the 30th working day from the day on which his employment is so terminated. Wages have to be paid in legal tender, through cheque and in some cases (given the requirement of the laborers) through an electronic transfer in favor of the bank account of the worker or through any other digital medium. Wages must be paid on a working day. No deduction can be made from the wages of a worker except those authorized by the Labor.

Workers union: As per the New Labor Act, in an entity with 10 or more workers, there should be a collective bargaining committee. The New Labor Act also defines as to how the committee should be formed such as by authorized trade union or by all the trade unions in absence of authorized trade union or by the signature of 60 percent workers in absence of any trade union. The member of the committee should be at least 3 but not exceeding 11. The committee is authorized to submit collective demands, negotiate and settle the demand, among other things.

Regular leaves and benefits: According to Act 2017, every worker must enjoy paid sick leave, casual leave, and festive holiday, mourning leave. The laborers would get festival allowances as per the rules. The Act has also made it compulsory maternity leave from 2 weeks before the delivery up to at least 6 weeks after the delivery.

There have been also major changes in the terminal benefit provided to the workers such that the benefits are provided to each laborer irrespective of length of service or nature of employment. The Previous Labor Act provided the terminal benefits to the permanent worker and for certain benefits such as gratuity the worker should have completed certain year of services. The

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eligibility criteria have been removed by the New Labor Act. There have been also changes in the benefits such as rate of gratuity and leave encashment etc.

Maternity/Paternity leave: Female worker will get paid maternity leave. An expectant mother would be entitled to 98 days maternity leave. Full paid up to 60 days after submission of the necessary documents. The new act has a provision of the 15 days fully paid paternity leave which was not mentioned in previous law.

Safe work environment- Health/ Safety/ Welfare: Where 20 or more workers are engaged, employer shall constitute a Safety and Health Committee as per sec 74 of the New Labor Act. There were no such provisions in the previous act. Where 10 or more workers are engaged in the entity, employer shall also constitute the Collective Bargaining Committee as per sec 116 of the New Labor Act. This act also ensures worker safety, health and resolving any kind of disputes and unfairness also.

Social Security: The Labor Act requires the retirement fund such as (a) gratuity, and (b) provident fund to be deposited in the Social Security Fund. There has been separate law on social security. The parliament has enacted the Social Security Act, 2017 (2074) which has also been also obtained the accord of assent of the President on August 16, 2017.

Notice periods: The worker can terminate the employment voluntarily by submitting a resignation letter. The employer must approve the resignation within 15 days and provide a notice thereof to the worker. Even if the employer does not approve the resignation the resignation becomes effective on the next day of the expiry of the 15-day time. However, if the worker continues to work in the entity even on the effectiveness of resignation in such situation the resignation is deemed cancelled.

Termination is considered a “discharge” in the case that a worker is fired for reasons of mental or physical incapacity, illness or other reasons not related to misconduct by the worker. An employer must pay compensation when a termination is unrelated to discharge or dismissal and must give justification when they do terminate on grounds of discharge or dismissal.

Section 132 of the New labor Act prohibits the sexual harassment and violence in the workplace. If anyone found to be involved in the sexual misconduct the service may be terminated on the basis of seriousness of offence.

Non- Applicability of the Act: As per sec 180 of the act, it is not applicable to the following entities:

- Civil Service
- Nepal Army, Nepal Police, Armed Police force.
- Entities incorporated under other prevailing laws or situated in the Special economic Zones to the extent separate provisions are provided.
- Working journalists, unless specifically provided in the contract

4. BRIEF OVERVIEW OF LABOR LEGISLATION: OCCUPATIONAL HEALTH AND SAFETY

The special provision related to OHS and working condition has been stipulated in the Section 12 of Labor Act and Section 7 Labor and Labor Rule. The legal obligation applies to LMP are listed below:

- Provision to demonstrate OHS policy at workplace.
- Responsibility of employers towards worker such as information, facility, personal protective equipment and training on all kinds of OHS related training.
- Provision regarding the protection of non-labors such as visitors and others.
- Appointment of responsible person at the workplace for OHS implementation.
- Obligation of manufacturer, importer and suppliers for assurance of OHS for their goods and services.
- Provision of nondiscrimination based on caste/ethnicity, gender, religion, language, origin and ideology
- Responsibility of labors for work and use of safety gears.
- Formation of safety and health committee at worksite.
- Provision for immediate shutdown of work and machineries in case of severe OHS concern.
- Special provision for OHS for eye protection, protection against harmful chemicals, operation of pressurized machine/vessel, machine guarding, handling/lifting of load, fire protection, provision against fatigue.
- Information to respective Labor Office (LO) against accident, fatality and disease happened due to work.
- Provision for treatment and prevention of communicable diseases.
- Provision for easy and harmless work for special condition of labors such as pregnant.
- Specifies requirements for workplace in terms of health and safety such as (a) proper cleanliness, (b) passage of fresh air, proper light and temperature, (c) solid waste management, (d) noise control measures, (e) 15 cubic meter space to Workers to the extent possible as per the nature of work, (f) healthy drinking water, (g) bathroom or modern toilet, (h) tobacco free zone, (g) mandatory medical check-up for the entities undertaking health hazardous activities, (i) provide appropriate time for the lunch to the Workers, (j) child care center for children under three years.
- Provision of onsite first aid and primary health care.
- Provision of accident investigation, inventory of work-related diseases and compensation

There are basically two components of Community Health and Safety (CHS). One is the physical safety of project communities who are exposed to the project activities during construction and operation, including risks of accidents and risks of violence due to increase in crimes and cultural conflict between locals and migrant population. The other pertains to the exposure and/or increased risks of diseases by the community due to influx of people during construction and

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operation and due to the changes in the project area, including pollution and ecological change. The physical safety aspects are partly addressed by the OHS provisions of Labor Act. Other laws have specific provisions that address part of ESS4.

Health and Safety Offences:

The Labor Act 2017 provides more stringent sanctions for the violation of the provision of such Act. The Sanctions include fine, imprisonment and both. The authority to impose sanction also depends on nature of violation. As per the new law there are three institutions viz; the labor office, labor department and labor court.

If any entity is found of discriminating among the labor, they will be fined up to NRs 100,000 and order to maintain equality may give. Similarly engaging a worker without appointment letter or employment agreement fine up to NPR. 500,000 at a rate of NPR. 10,000 per worker; the order to conclude an employment agreement and provide an appointment letter shall also be given. Likewise, for engaging a bonded labor, Imprisonment up to 2 years or fine up to NPR. 500,000 or both. The Labor Court can require the entity to provide such bonded labor with remuneration, allowance and other facilities, as well as to indemnify the bonded labor with an amount double such remuneration, allowance and other facilities.

If the entity does not make health and safety arrangements knowingly and as a result the worker dies or suffers physical or mental injury: Imprisonment up to 2 years, except otherwise provided. Such person suffering the injury should be compensated.

Table 4.1: Conformance of the Nepal Labor Act with key elements of the ESS2

Key Elements of ESS2	Provisions in the Labor Act 2017
Equal Opportunity and Non-discrimination	The law contains important provisions prohibiting discrimination based on sex and disability, including equal wages for equal work.
Timely payment	Wages must be paid before the expiry of the 7 th working day after the last day of the wage period.
Working hours and overtime	48 hours per week extendable up to 72 hours with 24 hrs overtime
Minimum Wage	The minimum wage as fixed by GoN is NRs 13450
Worker rights.	Regular leaves and benefits. The employer must provide reasons for termination.
Prevents use of all forms of forced labor and child labor	Below 18 years of age shall not be required or allowed to work in any factory.
<i>Protection of Workers</i>	
OSHS	The law provides for comprehensive OHS (See Annex 1 for details) and empowers Department of labor and occupation Safety (DoLOS) to conduct inspections of establishments and to

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	impose penalties for violations or non-compliance.
Children at Working Age	No children below the age of 18 can work.
Women	60 days of paid maternity leave for expectant mothers is mandatory
Person with Disabilities (PWD)	Person with Disabilities Rights and Protection Act 2013 provides for rights to discrimination-free employment opportunities
Migrant Workers	No special provisions for migrant workers
Contract Workers	In the case if the wages of a worker employed by a contractor are not paid by the contractor, the wages must be paid by the employer of the establishment.
Community Workers	The labour law does not recognize community workers as defined in the ESS2 and hence does not provide any special considerations for such contracting arrangements. The law 2017 requires that all labour supply contracting agency will have to be formally registered and workers should first be the responsibility of the contracting agency.
Primary Supplier Workers	The law does not assign any responsibility to the project on the supplier's laborers and their working conditions. Workers of suppliers will have to be the responsibility of the suppliers.
Freedom of association and collective bargaining	Where 10 or more workers are engaged in the entity, employer shall also constitute the Collective Bargaining Committee as per sec 116 of the New Labour Act. but the government does not permit any collective demand in following area providing essential service, or (b) established in Special Economic Zone, (c) state of Emergency declared as per the Constitution.
Access to a grievance redress mechanism	Workers can seek direct civil law redress from the Labour Courts for complaints regarding terms and conditions employment and wages. While health and safety, maternity welfare and child labour offences are subject to criminal prosecution.

5. RESPONSIBLE STAFF

The overview of responsible staff and oversight mechanisms will be described in further detail in the ESIA/ESMPs. This is an overview – the details will flow from the ESMF and can be copied over at a later stage. The contractor's C-ESMP that will be prepared before the mobilization of the contractors also incorporated the notion of this LMP.

SRCTIP-Trade Facilitation's Project Coordination Office (PCU) has the overall responsibility to oversee all aspects of the implementation of the LMP, in particular, to ensure contractor compliance. PCU will address all LMP aspects as part of procurement for works as well as

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during contractor induction. The contractor is subsequently responsible for management in accordance with contract-specific Labor Management Plans, implementation of which will be supervised by PCU on a monthly basis or at shorter intervals as defined by specific Plans. The detailed approach is described in the following sections. The PCU should have minimum of four E&S team to implement and monitor the provision of this LMP as follow

Table 5.1: E &S Staff at SRCTIP-Trade Component's PCU

Staff	Specialization, Functions or Area of Coverage
<i>At the PCU</i>	
1 Environmental Specialist	Supports the PCU in implementing the SRCTIP-Trade Facilitation Component ESMF
1 Social Development Specialist	Supports the PCU in implementing the SRCTIP-Trade Facilitation Component ESMF
1 OCHS and Labour Management Specialist	Specializes and provides technical backstop on OHS and labour management and community health safety issues, post-construction management measures for road safety
1. Gender Specialist	Support PCU for management of gender related issues and gender-based violence.

Occupational Health and Safety: Contractors must engage a minimum of one safety representative. Smaller contracts may permit the safety representative to carry out other assignments as well. The safety representative ensures the day-to-day compliance with specified safety measures and records of any incidents. Minor incidents are reported to PCU on a monthly basis, serious incidents are reported immediately. Minor incidents are reflected in the quarterly reports to the World Bank, major issues are flagged to the World Bank immediately.

Labor and Working Conditions: Contractors will keep records in accordance with specifications set out in this LMP. PCU may at any time require records to ensure that labor conditions are met. The Project Management Unit will review records against actuals at a minimum on a monthly basis and can require immediate remedial actions if warranted. A summary of issues and remedial actions will be included in quarterly reports to the World Bank.

Worker Grievances: PCU's procedures currently in place will remain for Project staff. Contractors will be required to present a worker grievance redress mechanism which responds to the minimum requirements in this LMP. The Project Management Unit's designated Officer will review records on a monthly basis. Where worker concerns are not resolved, the national system will be used as set out in the section, but the Project Management Unit will keep abreast of resolutions and reflect in quarterly reports to the World Bank.

Additional Training: Contractors are required to, at all times, have a qualified designated officer on board. If training is required, this will be the contractor's responsibility. The safety officer will provide instructions to the contractor staff. PCU will procure for training to address risks associated with labor influx and will provide a schedule for training required. The contractor will be obligated to make staff available for this training, as well as any additional mandatory trainings required by PCU, as specified by the contract.

Table 5.2: Agencies involved in ES Risk Management of SRCTIP-Trade Facilitation Component in Nepal

ESF Standards	Assessment	Planning	Implementation	Oversight
ESS2: Labour and Working Conditions	PCU	PCU	PCU	MoICS&MoALD
ESS4: Community Health and Safety	PCU	PCU	PCU	MoICS&MoALD

6. POLICIES AND PROCEDURES

Decisions relating to the employment or treatment of project workers will not be made on the basis of personal characteristics unrelated to inherent job requirements. The employment of project workers will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, or disciplinary practices.

Most environmental and social impacts of subprojects resulting from activities directly under the control of contractors and will be mitigated directly by the same contractors. Therefore, ensuring that contractors effectively mitigate project activities related impacts is the core of the Project. PCU will incorporate standardized environmental and social clauses including the requirement of SEA Mitigation Action plan and worker Code of Conduct in the tender documentation and contract documents, in order for potential bidders to be aware of environmental and social performance requirements that shall be expected from them, are able to reflect that in their bids, and required to implement the clauses for the duration of the contract. PCU will enforce compliance by contractors with these clauses.

As a core contractual requirement, the contractor, sub-contractors and the third-party labor suppliers are required to ensure all documentation related to environmental and social management, including the LMP, is available for inspection at any time by the PCU or its appointed representatives. The contractual arrangements with each project worker must be clearly defined in accordance with national law. A full set of contractual requirements related to environmental and social risk and impact management will be provided in the SRCTIP-Trade Facilitation Component's ESMP. All environmental and social requirements will be included in the bidding documents and contracts in addition to any additional clauses, which are contained, in the Programs environmental and social instruments.

Under no circumstances will PCU, Contractors, Primary suppliers or sub-contractors engage forced labor. Forced labor includes bonded labor (working against an impossible debt), 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-

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voluntary basis can be referenced or annexed to the LMP, together with any other supporting documentation. Similarly, no child labor shall be used in any work that is associated to the project

6.1 Occupational Health and Safety

SRCTIP_Trade Facilitation Component is committed to:

- a) Complying with legislation and other applicable requirements which relate to the occupational health and safety hazards.
- b) Enabling active participation in OH&S risks elimination through promotion of appropriate skills, knowledge and attitudes towards hazards.
- c) Continually improving the OH&S management system and performance.
- d) Communicating this policy statement to all persons working under the control of PCU with emphasis on individual OH&S responsibilities.
- e) Availing this policy statement to all interested parties at all SRCTIP-Trade Facilitation Component facilities and sites.

The PCU will have a designated Occupational and Community Health and Safety Specialist and an Environmental Representative for the workplace or a section of the workplace for an agreed period. At a minimum, the Representative must:

- a. Identify potential hazards;
- b. In collaboration with the employer, investigate the cause of accidents at the workplace;
- c. Inspect the workplace including plant, machinery, and substance, with a view to ascertaining the safety and health of workers provided that the employer is informed about the purpose of the inspection;
- d. Accompany an inspector whilst that inspector is carrying out the inspector's duties in the workplace;
- e. Attend meetings of the safety and health committee to which that safety and health representative is a member;
- f. Subject to (g), make recommendations to the employer in respect of safety and health matters affecting workers, through a safety and health committee; and
- g. Where there is no safety and health committee, the safety and health representatives shall make recommendations directly to the employer in respect of any safety and health matters affecting the workers.

Further to avoid work related accidents and injuries, the contractor will:

- a) Provide occupational health and safety training to all workers involved in works.
- b) Provide protective masks, helmet, overall and safety shoes, and safety goggles, as appropriate.
- c) Provide workers in high noise areas with earplugs or earmuffs.
- d) Ensure availability of first aid box.
- e) Provide workers with access to toilets male and female and potable drinking water.
- f) Provide safety and occupational safety measures to workers with Personal Protection Equipment (PPE) when installing pumps to prevent accidents during replacement and installation and follow safety measures in installing submersible pump and cleaning the raiser pipes.

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- g) Properly dispose of solid waste at designated permitted sites landfill allocated by the local authorities and cleaning funds; and attach the receipt of waste from the relevant landfill authority.
- h) Carry out all procedures to prevent leakage of generator oil into the site.
- i) Ensure that the head of the well is covered tightly.
- j) Provide secondary tank for oil and grease to avoid spills.

Further to enforcing the compliance of environmental management, contractors are responsible and liable of safety of site equipment, labors and daily workers attending to the construction site and safety of citizens for each subproject site, as mandatory measures.

6.2 Labor Influx and Gender Based Violence

Contractors will need to maintain labor relations with local communities through a code of conduct (CoC). The CoC commits all persons engaged by the contractor, including sub-contractors and suppliers, to acceptable standards of behavior. The CoC must include sanctions for non-compliance, including non-compliance with specific policies related to gender-based violence, sexual exploitation and sexual harassment (e.g., termination). The CoC should be written in plain language and signed by each worker to indicate that they have:

- i. received a copy of the CoC as part of their contract;
- ii. had the CoC explained to them as part of the induction process;
- iii. acknowledged that adherence to this CoC is a mandatory condition of employment;
- iv. understood that violations of the CoC 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. It shall be provided in Nepali.

Contractors must address the risk of gender-based violence, through:

- i. Mandatory training and awareness-raising for the workforce about refraining from unacceptable conduct toward local community members, specifically women. Training may be repeated;
- ii. Informing workers about national laws that make sexual harassment and gender-based violence a punishable offence which is prosecuted;
- iii. Adopting a policy to cooperate with law enforcement agencies in investigating complaints about gender-based violence;

The contractor should have a SEA/SH mitigation action plan which includes developing a system (GRM) to respond to gender-based violence, sexual exploitation and workplace sexual harassment-related complaints/issues; GBV awareness in affected communities, making the workplace and labor camps zero tolerance of SEA/SH, CoCs, follow up orientations on SEA/SH to workers etc.

This process will be under the portfolio of a designated Officer who shall identify and engage the relevant stakeholders on GBV issues.

7. AGE OF EMPLOYMENT

The Labor Management Procedure in accordance with the Labor Act 2017 and WB ESS2 has adopted the standard desk review of related references reports and legal valid documents. The mandatory provision of minimum age by law for hiring of labor is 18 and no children under this age are allowed to work. All the evidence such as birth certificate or citizenship, monitoring and inspection and other documents need to be produced to demonstrate the age and assurance of complying legal obligation.

8. TERMS AND CONDITIONS

As stated in section 3 of this LMP the terms and conditions of employment are governed by the Labor Act. The Act makes it mandatory for employers to give its workers a copy of the written particulars of employment, signed by both parties. For this program, contractors will be required to provide all its workers with written particular of employment.

Contractors will also be required to comply with the most current regulation of wages which is issued by the Government and reviewed on a regular basis. The order specifies the minimum wages, hours of work, overtime pay, leave entitlements, travelling and subsistence allowances and the issue of protective clothing.

The Act states that before a contractor is awarded a public contract, that contractor is required to certify in writing that the wages, hour and conditions of work or persons to be employed by him on the contract are not less favorable than those contained in the most current wages regulation issued. Where a contractor fails to comply with this requirement, the contract with the contractor may be withdrawn as an approved contractor upon recommendations of the PCU/Ministries

In ensuring full compliance with the law in this regard, contractors will be required to furnish PCU with copies of the Written Particulars of Employment or copies of the contract of all its workforce. Contractors will not be allowed to deploy any worker to work in the project if such copy of employment of that worker has not been handed to PCU.

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 workers are in arrears; b) stating that all employment conditions of the contract are being complied with. For this program, it will be a material term of the contract to allow PCU to withhold payment from contractor should the contractor not fulfill their payment obligation to their workers.

8.1 - Worker's Organization

The country has ratified the numerous ILO Conventions aimed at ensuring that member states do protect the notion of collective bargaining. The Labor Act enacted to give effect to the collective bargaining, amongst other purposes. The Act allows for the collective negotiation of terms and conditions of employment.

The PCU does not forbid the workers with the right to join and form an organization for purpose of labor representation to negotiate favorable terms and conditions for their members amongst other rights.

9. GRIEVANCE MECHANISM

In any working environment it is essential for both employers and workers to be fully conversant with all aspects of disciplinary processes, the grievance handling procedures and the legal requirements and rights involved. In implementing an effective dispute management system consideration must be given to the disputes resulting from the following:

1. Disciplinary action
2. Individual grievances
3. Collective grievances and negotiation of collective grievances
4. Gender-based violence, sexual exploitation and workplace sexual harassment, recognizing that SEA/SH cases require prompt response with a survivor centric approach (assuring quick access to services, confidentiality, safety, consent, non-discrimination and respect to any of the survivor)

9.1 - Disciplinary Procedure

The starting point for all disciplinary action is rules. These rules may be implied or explicit and of course will vary from workplace to workplace. Some rules are implied in the contract of employment (e.g. rule against stealing from the employer), however it is advisable that even implied rules be included in the disciplinary code or schedule of offences. In an organized workplace these rules ideally are negotiated with the trade union and are often included in the Recognition Agreements signed by the employer and trade union. These workplace rules must be:

- a. Valid or reasonable;
- b. Clear and unambiguous;
- c. The worker is aware, or could reasonably be aware of the rule or standard; and
- d. The procedure to be applied in the event the worker contravenes any of these rules

The PCU will establish a fair and effective disciplinary procedure in the workplace, as follows: -

- a. Investigate to determine whether there are grounds for a hearing to be held;
- b. If a hearing is to be held, the employer will notify the worker of the allegations using a form and language that the worker can understand;
- c. The worker is to be given reasonable time to prepare for the hearing and to be represented by a fellow worker or a union representative;
- d. The worker must be given an opportunity to respond to the allegations, question the witnesses of the employer and to lead witnesses;
- e. If an worker fails to attend the hearing the employer may proceed with the hearing in the absence of the worker;
- f. The hearing must be held and concluded within a reasonable time and is to be chaired by an impartial representative.

If a worker is dismissed, it must be given the reasons for dismissal and the right to refer the dispute concerning the fairness of the dismissal. Therefore, it is incumbent upon the Contractors to ensure that they have a disciplinary procedure and Code and standards which the workers are aware of. Each contractor will be required to produce this procedure to ensure that workers are not treated unfairly.

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9.2 - Individual Grievance Procedure

Based on Nepal's country regulations and the requirements of ESS 2, the project will have a formal grievance procedure for workers to submit complaints related to the conditions of their work. The procedure comprises:

- a. Specify to whom the worker should lodge the grievance;
- b. Refer to time frames to allow the grievance to be dealt with expeditiously;
- c. Allow the person to refer the grievance to a more senior level within the organization, if it is not resolved at the lowest level;
- d. If a grievance is not resolved the worker has the right to lodge a dispute with the PCU.

All the contractors who will be engaged for the project will be required to produce their grievance procedure as a requirement for tender which 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 worker has been inducted and signed that they have been inducted on the procedure.

9.3 - Collective Grievances and Disputes Resulting from the Negotiations of Collective Agreements

Where a trade union is recognized, it is entitled to negotiate on a regular basis with the employer over terms and conditions existing at the workplace and the employer is obliged to negotiate with it. The procedures followed in such instances is usually contained in the agreement, which state how the issues are raised, the procedure for negotiations, the composition of the parties involved in the negotiation and the procedure to deal issues that are not resolved through consensus. In the type of disputes, if the dispute is not resolved at the workplace, the parties to the dispute can utilize the dispute resolutions mechanisms provided for in the labor legislation.

9.4 - Gender-based Violence, Sexual Exploitation and Workplace Sexual Harassment

The PCU will, with support from consultants, identify institutions and services providers who are actively engaged in prevention of gender-based violence, sexual exploitation and workplace sexual harassment in order to establish a manual for referencing any potential survivors. The PCU, the project unit and the contractor are not equipped to handle complaints or provide relevant services to survivors, but will reference any person to relevant service providers, including health facilities, law enforcement's gender unit or others, as relevant using the information on available services. Grievances related to gender-based violence be reported through the project's GBV GRM, managed by a committee. All SEA/SH related complaints, with the survivor's consent, will be referenced to the project identified service provider who will further manage the case in a survivor centric approach and will report back to the project GBV GRM once the case is solved.

In addition, the ESIA/ESMP will identify additional mitigation measures through a SEA mitigation action plan that will be reflected in site specific ESMPs, including the contractors ESMP or contractors specific Labor Management Plans, where required. This will include engagement with communities on gender related risks, grievance and response measures available, as identified in the manual.

10. CONTRACTOR MANAGEMENT

The PCU requires that contractors/Sub-contractor/third party labor suppliers (*Nikee*) monitor, keep records and report on terms and conditions related to labor management. The contractor must provide workers with evidence of all payments made, including social security benefits, pension contributions or other entitlements regardless of the worker being engaged on a fixed term contract, full-time, part-time or temporarily. The application of this requirement will be proportionate to the activities and to the size of the contract, in a manner acceptable to the PCU and the World Bank:

- a. **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), collective bargaining agreements;
- b. **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, and so forth).
- c. **Workers:** number of workers, indication of origin (expatriate, local, nonlocal nationals), gender, age with evidence that no child labor forced labor and no trafficked labor is involved, and skill level (unskilled, skilled, supervisory, professional, management).
- d. **Training/ induction:** dates, number of trainees, and topics.
- e. **Details of any security risks:** details of risks the contractor may be exposed to while performing its work—the threats may come from third parties external to the project.
- f. **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—grievances listed should include those received since the preceding report and those that were unresolved at the time of that report.

The Project's oversight of contractors is set out in section 5 of this LMP. The following procedures are will be in place for the PCU contractor management, but have been adjusted to adhere to LMP provisions:

1. Ensure that Contractors have valid contracts with clearly define service level agreement in accordance with the national law and all environmental and social clauses, as applicable: Project Management Office, and reviewed by PCU Contractor induction to PCU standards and LMP: Project Management Unit, attended by PCU team
2. Monthly submission of records: Contractor submission to Project Management Unit,
3. Monthly site visits (at a minimum) and reports: Project Coordination Office, and other Officers
4. 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
5. Training needs identification recorded in Contractor Training Schedule
6. Annual Contractor Management Plans submitted

11. COMMUNITY WORKERS

(There will be no provision for Community Workers.)

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12. PRIMARY SUPPLY WORKERS

According to our preliminary assessment the risk related to primary supply workers the use of forced, labor and trafficked is not significant, no significant safety issue has been identified according to the preliminary screening. The project will ensure that no child labor and forced labor are hired by primary suppliers. If child labor or forced labor cases are identified, the project will require the primary supplier to take appropriate steps to remedy them. During the project implementation if the serious safety issues have identified during project implementation the PCU will required the relevant primary suppliers to introduce procedures and mitigation measures to address the safety issues.

The PCU 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 1
(WRITTEN PARTICULARS OF EMPLOYMENT)

1. Name of Employer
2. Name of Worker
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 worker's work
8. Probation Period
9. Annual Holiday Entitlement
10. Paid Public Holiday
11. Payment during sickness
12. Maternity Leave (if worker female)
13. Nursing Break Entitlement (for female worker)
14. Notice worker entitled to receive
15. Notice employer required to give
16. Pension Schedule, Provident Fund Gratuity Schedule etc.
17. Any other matter either party wishes to include

Notes:

- (a) An worker is free to join a trade union or staff association, which is recognized by the undertaking. The address of the Trade Union or Staff 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.....

- (c) When any heading is inapplicable enter NIL.

Employer's signature	Witness
Worker's signature	Witness
Date	Date

Annex 2

Suggested Due Diligence for Social and Environmental Mitigation Measures in Contracts

<i>Stage of Contractual Process</i>	<i>Suggested Due Diligence</i>
Before bidding	<ul style="list-style-type: none"> • Ensure that the terms of reference clearly define the supervision engineer’s responsibilities regarding oversight of, and reporting on, labor influx and workers’ camps. For high risk projects, have independent safeguards supervision. • Ensure the team skills in the terms of reference clearly include key staff qualified and experienced in managing similar projects, and demonstrated capacity to manage social and environmental issues, including issues pertaining to community health and safety. • Ensure that the project GRM is established and its use is widely publicized.
Preparation of bidding documents	<ul style="list-style-type: none"> • Review contract conditions included in bidding documents to: <ul style="list-style-type: none"> (i) Ensure that the relevant mitigation measures in the ESMP are reflected and budgeted in the contract, (ii) Ensure the ESMP forms part of, and is explicitly referred to in the bidding documents. (iii) Identify relevant provisions (workers, camps, child and forced labor, safety, grievance redress, etc.) regulating the contractor’s responsibility and identify any gaps, inconsistencies or areas of concern that could be addressed through additional provisions in the “particular conditions of contract” and/or technical specifications (iv) Include a requirement that all workers sign ‘Codes of Conduct’ governing behavior, and identifying sanctions (v) Clearly identify that training programs on implementing the Codes of Conduct, etc. will be undertaken by external providers • Ensure the contract conditions clearly specify what type of penalty the contractor will face if the provisions of the ESMP and CESMP are not adhered to—including by sub-contractors. This may include direct incentives to contractors in the form of penalties for poor performance on social and environmental matters or specific Performance Securities for ESMP and CESMP compliance. • Ensure bidding documents make clear the responsibilities of the contractor to prepare and adhere to a CESMP based

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	<p>on the ESMP and that no civil works will commence until the CESMP has been approved by the supervision engineer.</p> <ul style="list-style-type: none"> • Ensure the bidding documents detail how the contractor and supervision engineer will be required to monitor and report on the impacts on the local community, issues related to labor influx and workers’ camps. • Propose Key Performance Indicators (KPIs) for Contract Management, reflecting issues and risks specific to the contract and the monitoring plan.
<p>Bidding evaluation</p>	<ul style="list-style-type: none"> • Review the Borrower’s bid evaluation report and request to review the bids where appropriate, to verify for the recommended bidder that documents related to the ESMP, safeguard implementation capacity, and other obligations of the contractor required to be submitted with the bid are sufficiently detailed and cover the contractual requirements. • Require the contractor’s representative or dedicated community liaison staff to have the ability to communicate in the language of the Borrower and/or the local language. • Verify that the contract management framework identifies clearly lines of communication and that these are formalized and a consistent record is provided. • Ensure that the contractor meets the project’s OHS requirements for capability and experience.
<p>After contract signing</p>	<ul style="list-style-type: none"> • Prior to commencing works, the contractor submits site-specific CESMP(s) based on the ESMP, which includes specific management plans for: (i) work activities; (ii) traffic management; (iii) occupational health and safety; (iv) environmental management; (v) social management; and (vi) labor influx. • Supervision engineer reviews and approves the CESMP— with inputs from appropriate Government agencies— before any works start. For high risk projects, the Bank should also review and clear the CESMP. Borrower should disclose the approved CESMP.

Annex 3

Code of Conduct

Preamble

The SRCTIP_Trade Facilitation PCU Code of Conduct defines labor standards that aim to achieve decent and humane working conditions. The Code's standards are based on national law and accepted good labor practices.

Companies affiliated with the SRCTIP_Trade Facilitation PCU are expected to comply with all relevant and applicable laws and regulations of the country in which workers are employed and to implement the Workplace Code in their applicable facilities. When differences or conflicts in standards arise, affiliated companies are expected to apply the highest standard.

The SRCTIP_Trade Facilitation PCU monitors compliance with the Workplace Code by carefully examining adherence to the Compliance Benchmarks and the Principles of Monitoring. The Compliance Benchmarks identify specific requirements for meeting each Code standard, while the Principles of Monitoring guide the assessment of compliance. The SRCTIP_Trade Facilitation PCU expects affiliated companies to make improvements when Code standards are not met and to develop sustainable mechanisms to ensure ongoing compliance.

The SRCTIP_Trade Facilitation PCU provides a model of collaboration, accountability, and transparency and serves as a catalyst for positive change in workplace conditions. As an organization that promotes continuous improvement, the SRCTIP_Trade Facilitation PCU strives to be a global leader in establishing best practices for respectful and ethical treatment of workers, and in promoting sustainable conditions through which workers earn fair wages in safe and healthy workplaces.

Employment Relationship

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 and social security 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.

Harassment or Abuse

Every worker shall be treated with respect and dignity. No worker shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Forced Labor

There shall be no use of forced labor, including bonded labor or other forms of forced labor.

Child Labor

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No person shall be employed under the age of 18

Freedom of Association and Collective Bargaining

Employers shall recognize and respect the right of workers to freedom of association and collective bargaining.

Health, Safety and Environment

Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate the negative impacts that the workplace has on the environment.

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 workweek 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. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 72 hours.

Compensation

Every worker has a right to compensation for a regular workweek 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 all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the SRCTIP_Trade Facilitation PCU to take appropriate actions that seek to progressively realize a level of compensation that does.