



LABOR MANAGEMENT PROCEDURES – L M P
Baucau Municipal Capital Water Supply Program
(P516103)

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ABBREVIATION

| | |
|----------|---|
| BTL,E.P | Bee Timor-Leste Empresa Publica |
| CESMP | Contractor – Environmental and Social Management Plan |
| CoC | Code of Conduct |
| COVID-19 | Coronavirus Disease of 2019 |
| DED | Detailed Engineering Design |
| ES | Environmental and Social |
| ESCP | Environmental and Social Commitment Plan |
| ESF | Environment and Social Framework |
| ESS | Environmental and Social Standard |
| FSM | Fecal Sludge Management |
| GBV | Gender-Based Violence |
| GRM | Grievance Redress Mechanism |
| GoTL | Government of Timor Leste |
| HR | Human Resources |
| ILO | International Labor Organization |
| JSA | Job Safety Analysis |
| LOTO | Lock Out/Tag Out |
| LMP | Labor Management Plan |
| MoH | Ministry of Health |
| MPW | Ministry of Public Works |
| OHS | Occupational Health and Safety |
| PMU | Project Management Unit |
| PPE | Personal Protective Equipment |
| SEA/SH | Sexual Exploitation and Abuse/Sexual Harassment |
| SEP | Stakeholder Engagement Plan |
| SOP | Standard Operating Procedures |
| WHO | World Health Organization |
| WSS | Water Supply System |

GOSSARY OF KEY TERMS

Affected Communities - Refers to groups of people living in close proximity to a project that could potentially be impacted by a project ("Stakeholders," in contrast, refers to the broader group of people and organizations with an interest in the project).

Consultation - The process of gathering information or advice from stakeholders and taking these views into account when making project decisions and/or setting targets and defining strategies.

Engagement - A process in which a company builds and maintains constructive and sustainable relationships with stakeholders impacted over the life of a project. This is part of a broader "stakeholder engagement" strategy, which also encompasses governments, civil society, employees, suppliers, and others with an interest in the Project.

Environmental and Social Impact Assessment - An assessment comprising various social and environmental studies which aim to identify project impacts and design appropriate mitigation measures to manage negative impacts, and to enhance positive ones.

Grievance Redress Mechanism - a process for receiving, evaluating, and addressing project-related complaints from citizens, stakeholders and other affected communities.

Non-governmental Organizations - Private organizations, often not-for-profit, that facilitate community development, local capacity building, advocacy, and environmental protection.

Partnership - In the context of engagement, partnerships are defined as collaboration between people and organizations to achieve a common goal and often share resources and competencies, risks and benefits.

Stakeholders - Persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively (IFC's Handbook on Stakeholder Engagement (2007)); workers, local communities directly affected by the project and other stakeholders not directly affected by the project but that have an interest in it, e.g. local authorities, neighboring projects, and/or nongovernmental organizations, etc.

LABOR MANAGEMENT PROCEDURE

1. INTRODUCTION AND PROJECT OVERVIEW

The Baucau Municipal Capital Water Supply Project (hereinafter referred to as the “Project”) aims to increase access to safely managed, climate-resilient, and reliable water supply services in selected areas of the municipal capital of Baucau, Timor-Leste. The Project is expected to benefit approximately 37,000–41,000 people through the provision of 5,700 household connections by 2031.

The Project supports the Government of Timor-Leste’s development objectives and contributes to improving water security, strengthening institutional capacity, and enhancing the long-term sustainability of water supply services. The Ministry of Public Works (MPW) is the Implementing Agency, while Bee Timor Leste Empresa Pública (BTL, E.P.) serves as the Project Management Unit (PMU) responsible for day-to-day implementation.

The Project is being implemented in accordance with the World Bank’s Environmental and Social Framework (ESF). Environmental and Social Standard 2 (ESS2) on Labor and Working Conditions requires the Borrower to prepare and implement a Labor Management Procedure (LMP). This LMP identifies:

The types of project workers and associated labor requirements;

- Key labor risks and impacts, including occupational health and safety (OHS) and SEA/SH risks;
- Measures to address labor risks and ensure fair treatment of workers; and
- Institutional arrangements and resources for implementation.

This LMP is a living document and will be updated as necessary throughout Project implementation to reflect changes in project scope, workforce composition, or regulatory requirements. The LMP applies to all categories of project workers, including:

- Direct workers (PMU/BTL and government staff);
- Contracted workers (contractors and subcontractors engaged in civil works and supervision); and
- Primary supply workers (suppliers of materials and equipment).

1.1. Project Components

Component 1: Water Supply Infrastructure Development. This component will finance the construction, rehabilitation, and upgrading of the centralized water supply system in the municipal capital and selected peri-urban areas of Baucau. The objective is to provide reliable and safely managed drinking water services to approximately 37,000–41,000 people through 5,700 household connections. Key activities include:

- Rehabilitation of existing and development of new water intake structures and protection of water sources;
- Construction of transmission systems, including raw and treated water pipelines;
- Construction of pumping stations and associated mechanical and electrical systems;
- Development of water treatment and storage infrastructure, including disinfection facilities and reservoirs;
- Installation of distribution network pipelines; and

- Installation of household connections with metering systems.

The works will involve extensive civil works, including excavation, pipeline installation, and construction of supporting infrastructure, requiring skilled and semi-skilled labor.

Component 2: Project Management and Supervision. This component will support the implementation and sustainability of the infrastructure developed under Component 1. It includes:

- Supervision of civil works through a Project Supervision Consultant (PSC);
- Provision of technical assistance, training, and capacity building for BTL staff;
- Monitoring and evaluation (M&E) and project audits; and
- Operational support for the PMU, including staffing and equipment.

This component will also support the strengthening of institutional capacity for operation and maintenance (O&M) of the water supply system.

1.2. Labor Context of the Project

The Project will require a combination of skilled, semi-skilled, and unskilled workers for activities related to project management, supervision, and construction works. The workforce is expected to include:

- PMU staff and consultants;
- Supervision consultants;
- Contractors and subcontractors; and
- Suppliers.

Most workers are expected to be recruited locally from Baucau municipality, with a limited number of workers sourced from other regions or internationally for specialized roles.

Given the scale of civil works and the interaction between workers and local communities, the Project presents potential labor-related risks, including:

- Occupational health and safety (OHS) risks during construction;
- Worker-community interaction risks;
- Labor influx-related risks (limited but present); and
- Risks related to Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH).

These risks will be managed through the implementation of this LMP, contractor obligations, supervision arrangements, and alignment with other environmental and social instruments.

1.3. Purpose of the Labor Management Procedure (LMP)

The purpose of this LMP is to establish the framework for managing labor issues in accordance with national legislation and the World Bank ESS2 requirements. The LMP provides guidance to:

- BTL as the PMU;
- Contractors and subcontractors;
- Supervision consultants; and
- Other relevant parties involved in Project implementation.

The LMP sets out the principles and procedures for:

- Fair and transparent recruitment practices;
- Non-discrimination and equal opportunity;
- Safe and healthy working conditions;
- Workers' rights and grievance mechanisms; and
- Compliance with national labor laws and the ESF.

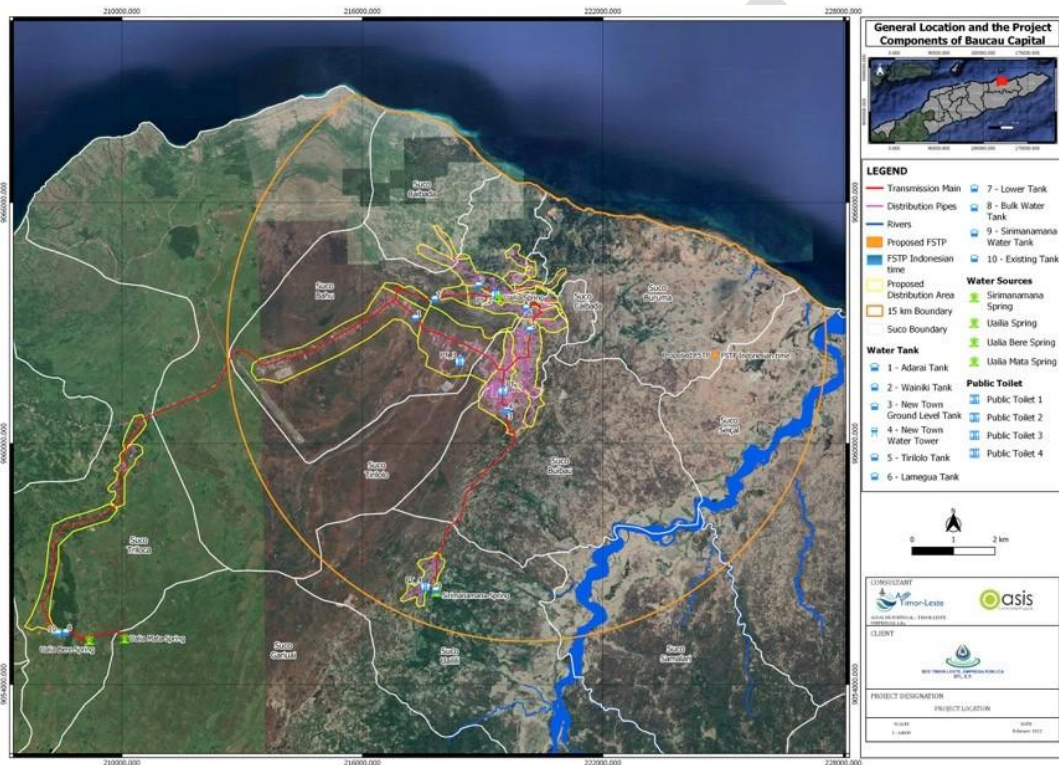


Figure 1. Project Location Map

2. OVERVIEW OF LABOUR IN THE PROJECT

2.1. Categories of Project Workers

The Project will involve three main categories of workers in accordance with ESS2:

- Direct Workers: Individuals employed directly by MPW/BTL for project management, coordination, and supervision.
- Contracted Workers: Workers engaged through third parties, including contractors, subcontractors, and the Project Supervision Consultant (PSC), primarily for civil works and technical supervision.
- Primary Supply Workers: Workers employed by suppliers providing materials and equipment essential to the Project.

Table 1. Project Worker Categories and Roles

| Category | Definition | Types of Workers | Expected Roles |
|-------------------------------|--|---|---|
| Direct workers | Employed directly by MPW/BTL for project implementation | - PMU/BTL staff (national and municipal level) - Technical specialists (engineers, E&S, FM) - Consultants (e.g., DED consultants) | Project management, technical oversight, coordination, reporting, supervision of contractors |
| Contracted Workers | Employed through contractors, subcontractors, and supervision consultant | - Skilled workers (engineers, technicians) - Semi-skilled and unskilled construction workers - Supervision Consultant staff | Execution of civil works (excavation, pipe laying, structures, electrical works); site supervision; contractor compliance and quality control |
| Primary Supply Workers | Employed by suppliers of materials and equipment | Workers involved in production and supply of materials such as cement, steel, aggregates, pipes, and equipment | Supply essential materials and equipment for construction work |

2.2. Characteristics of Project Workers

The Project will require a combination of skilled, semi-skilled, and unskilled labor for implementation.

- Direct workers will primarily consist of national staff, with some international consultants engaged for specialized roles.
- Contracted workers will constitute the largest workforce group and will include construction workers, technicians, and supervision personnel.
- Most unskilled and semi-skilled workers are expected to be recruited locally from Baucau municipality, while specialized skilled workers may be sourced nationally or internationally.

Given community expectations for employment opportunities, contractors will be encouraged to prioritize local labor, provided that minimum qualifications and skills requirements are met. Due to the nature of the Project (urban infrastructure with strong community interface), workers will frequently interact with local communities, including at household level during connection installation.

Child and Forced Labor. The Project will comply with national labor laws and ESS2 requirements:

- The minimum working age will be at least 18 years for hazardous work.
- No person under the age of 18 will be employed in construction or other hazardous activities.
- Forced labor and child labor are strictly prohibited.

2.3. Timing of Labor Requirements

The timing and composition of labor will vary depending on project phases:

- Design and preparation phase: engagement of technical experts and consultants;

- Construction phase: peak labor demand, including skilled, semi-skilled, and unskilled workers;
- Operation phase: limited labor, mainly for operation and maintenance by BTL.

Skilled workers (e.g., engineers, supervisors) are likely to be engaged over longer periods, while unskilled workers will be engaged on a task-based or short-term basis depending on construction activities.

2.4. Labor Influx and Workforce Considerations

Most workers are expected to be sourced locally, which reduces labor influx risks. However, a limited number of non-local workers may be required for specialized roles. Potential labor-related risks include:

- Worker-community interaction risks;
- Cultural sensitivities in local communities;
- Increased demand for local employment; and
- Occupational health and safety risks during construction.

These risks will be managed through contractor requirements, Codes of Conduct, training programs, and supervision arrangements.

3. ASSESSMENT OF KEY POTENTIAL LABOR RISKS

3.1. Project Activities Relevant to Labor

The Project involves a combination of infrastructure development and implementation support activities, requiring different types of labor across its lifecycle. The most labor-intensive and risk-prone activities are expected under Component 1, which includes extensive civil works to develop and upgrade the water supply system in Baucau.

These activities include construction and rehabilitation of intake structures, installation of transmission and distribution pipelines, construction of pumping stations and storage facilities, and installation of household connections. The work will involve excavation, trenching, handling of construction materials, operation of machinery, and work in active urban and peri-urban environments. These conditions create a range of occupational health and safety risks as well as interaction risks between workers and nearby communities.

Component 2 supports the implementation of the Project through supervision, technical assistance, and project management activities. While these activities involve fewer physical risks compared to construction, they still include field-based work, travel, and interaction with community members, which may expose workers to safety and security risks, particularly in unfamiliar or remote locations.

3.2. Key Labor Risks

General employment risks may arise from non-transparent or unfair hiring practices, particularly in a context where local employment expectations are high. Without clear procedures, this may lead to grievances from workers or dissatisfaction among communities. There is also a risk of non-compliance with minimum age requirements if adequate verification processes are not in place, particularly among unskilled labor.

Labor influx is expected to be limited, as the majority of workers will be recruited locally. However, some skilled workers may be brought from outside Baucau or from abroad. This may create tension between local communities and incoming workers, particularly if employment opportunities are perceived to be unevenly distributed. The presence of additional workers may also place temporary pressure on local services.

The Project also presents a moderate risk of Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH), given the frequent interaction between workers and communities, including during the installation of household connections. Inadequate supervision or lack of awareness of expected standards of behavior could lead to inappropriate conduct, particularly affecting women and vulnerable groups.

Occupational health and safety (OHS) risks are significant during construction. Workers may be exposed to hazards such as dust, noise, vibration, heavy machinery, electrical systems, and excavation-related risks. At the same time, construction activities conducted in populated areas introduce risks to both workers and community members, particularly related to traffic, open trenches, and access to worksites.

Risks are also associated with working conditions, including the adequacy of sanitation facilities, rest areas, and worker accommodation where applicable. In addition, there are potential risks in the supply chain, where materials may be sourced from suppliers with inadequate labor standards.

Detailed identification of risks and mitigation measures are described in **Table 2**.

Table 2. Labor and Working Condition Risks and Mitigation Measures

| RISKS | MITIGATION MEASURES |
|---|--|
| General Risks | |
| Non-transparent or unfair recruitment practices leading to worker grievances or community tensions | <ul style="list-style-type: none"> • Ensure transparent recruitment procedures and public communication of job opportunities • Provide written contracts with clear terms and conditions • Implement non-discrimination and equal opportunity policies consistent with ESS2 |
| Risk of child labor and hazardous work involving underage workers | <ul style="list-style-type: none"> • Minimum working age set at 18 for hazardous work • Strict prohibition of child labor • Verification of worker age through official identification • Inclusion of age requirements in contracts and bidding documents |
| Limited contractor capacity to enforce labor and safety requirements | <ul style="list-style-type: none"> • Include LMP requirements in bidding documents and contracts • Regular supervision by PMU and Supervision Consultants • Capacity building and training for contractors on ESF and OHS |
| Labor Influx and Social Risks | |
| Labor influx (limited but present), including non-local workers, leading to social tensions or perceived inequity | <ul style="list-style-type: none"> • Prioritize recruitment of local workers where feasible • Transparent communication on recruitment criteria • Engagement with local leaders (Suco, Lian Na'in) |
| Increased risk of communicable diseases due to worker movement and interaction | <ul style="list-style-type: none"> • Health awareness and hygiene training • Access to basic medical services and first aid • Compliance with national public health guidance |
| Increased pressure on local services and infrastructure | <ul style="list-style-type: none"> • Provision of worker facilities (water, sanitation, accommodation where applicable) |

| | |
|--|---|
| | <ul style="list-style-type: none"> • Proper workforce planning to minimize local disruption |
| SEA/SH Risks | |
| Sexual Exploitation and Abuse / Sexual Harassment (SEA/SH) due to worker-community interaction, including household-level engagement | <ul style="list-style-type: none"> • Mandatory Code of Conduct for all workers, including SEA/SH provisions • SEA/SH awareness training for workers and communities • Enforcement of sanctions for violations • Establish confidential and survivor-centered grievance channels |
| Inappropriate worker behavior (violence, substance abuse, harassment, exploitation) | <ul style="list-style-type: none"> • Worker Code of Conduct implementation and monitoring • Regular supervision and disciplinary measures • Community awareness and grievance mechanisms |
| Occupational Health and Safety (OHS) | |
| Construction-related accidents (trenching, machinery, electrical works, etc.) | <ul style="list-style-type: none"> • Implementation of OHS plans in line with ESMP/C-ESMP • Mandatory PPE provision and enforcement • Job Safety Analysis (JSA) and toolbox meetings • Appointment of qualified OHS supervisors |
| Exposure to dust, noise, vibration, and hazardous materials | <ul style="list-style-type: none"> • Use of protective equipment • Monitoring of exposure levels • Training on safe handling of materials |
| Traffic accidents due to construction vehicles and equipment | <ul style="list-style-type: none"> • Traffic management plans • Signage and barriers • Community awareness and coordination |
| Worker–Community Interaction Risks | |
| Conflicts between workers and local communities | <ul style="list-style-type: none"> • Ongoing stakeholder engagement (aligned with SEP) • Communication through local leaders • Accessible grievance mechanism |
| Safety risks to community from construction activities | <ul style="list-style-type: none"> • Site fencing and controlled access • Safety signage • Advance notification of high-risk activities |
| Working Conditions and Welfare | |
| Poor working conditions (sanitation, rest areas, accommodation) | <ul style="list-style-type: none"> • Provision of adequate worker facilities (sanitation, water, shelter) • Compliance with WB EHS Guidelines |
| Poor hygiene practices leading to health risks | <ul style="list-style-type: none"> • Provision and maintenance of sanitation facilities • Hygiene awareness training • Monitoring of catering services (if applicable) |
| Risks related to worker accommodation (if camps are used) | <ul style="list-style-type: none"> • Compliance with WB guidance on worker accommodation • Separate facilities for men and women • Safe, secure, and hygienic living conditions |

| Gender and Vulnerable Group Risks | |
|---|---|
| Health and safety risks for female workers, including workplace harassment | <ul style="list-style-type: none"> • Provide gender-sensitive facilities (separate sanitation, lighting, safety) • Ensure safe working conditions and transport arrangements • Promote gender-sensitive workplace policies |
| Exclusion of vulnerable groups from employment opportunities | <ul style="list-style-type: none"> • Apply non-discrimination principles • Promote inclusive hiring practices • Monitor participation of vulnerable groups |
| Primary Supply Chain Risks | |
| Use of child labor, forced labor, or unsafe practices in supply chains | <ul style="list-style-type: none"> • Screen primary suppliers • Include labor requirements in procurement contracts • Monitor high-risk supply chains |
| Field Work Risks | |
| Risks during field visits (travel accidents, security, community interaction) | <ul style="list-style-type: none"> • Safe travel protocols (limit night travel, safe vehicles) • Pre-assessment of field conditions • Emergency contact procedures |

Risks and mitigation measures mentioned in **Table 2** will be updated throughout the Project implementation according to the development of the project design.

4. BRIEF OVERVIEW OF LABOR LEGISLATION

This section covers summary of Timor-Leste national regulatory framework and the World Bank Labor and Working Condition standard (ESS 2) on workers protection and working conditions.

4.1. National Legislation

Labor and working conditions shall be in compliance with Government of Timor-Leste Labor (GoTL) Law No. 4 of 2012 that is applicable throughout the territory of Timor-Leste, to all workers and employers and respective organizations in all sectors of activity. This Labor Law addresses the basic requirements on labor relations applicable to individual and collective labor relations. The following are the specific requirements taken from the Articles of this Law:

- Article 6 on Principles of Equality, where it regulates all workers (men and women) to have the right to equal opportunities and treatment in access to employment, vocational training, and professional development, working conditions and remuneration. This includes requirement on non-discriminative behavior during work application, arrangement for disadvantaged workers, equal arrangement on salary/benefit and grievance.
- Article 7 on Harassment Prevention that applies to both job applicant and worker, verbally, non-verbally or physically offensive and include sexual harassment. This Article also requires the employer to put in place all necessary measures to prevent harassment, especially sexual harassment from occurring in the workplace.
- Article 8 on Prohibition of Forced Labor, in which the Article define the scope of forced labor or compulsory labor as all work or service which is exacted from any person under menace or coercion, and which has not been offered voluntarily in such cases as:
 - Way of repaying an actually incurred or inherited debt;

- Means of political coercion or as punishment for expressing certain political or ideological views;
 - Method of mobilizing and utilizing labor for economic development purposes;
 - Measure of racial, social, national, or religious discrimination.
- Articles 19, 20, and 21 on Mutual Duties and Responsibilities of Employers and Workers, that provides requirements on obligations and rights of both employers and workers to be included in collective agreement or in the employment contract. This comprises good working condition, provision of training, fair remuneration, arrangement of worker's organization and arrangement of health, safety and hygiene at work.
 - Article 34 until Article 37 on Occupational Health, Hygiene and Security that includes the hierarchy of control approach in the management of Occupational Health, Hygiene and Security risks, worker's obligation and development of health and safety committee.
 - Article 68 on Minimum Age for Work Admission, that regulates 15 years old as the minimum age for admission with exclusion of young person in the age between 13 to 15 years old may perform light work.
 - Article 69 on the definition of Light Work, where this means an activity that comprises simple defined tasks calling for basic skills, not requiring any physical or mental effort that would put the young person's health and development at risk, and not jeopardizing their schooling participation in Government-approved vocational training programs.
 - Article 70 on Medical Examination, for requirement of young person that will perform work that shall be repeated annually in order to ensure that the work causes no harm to the young person's health and physical and mental development.
 - Article 71 until Article 75 for arrangement on Workers with Disabilities, applicable to worker/job applicant who has a disability or chronic illness, covering requirement on medical test exclusion, confidentiality arrangement, safety precautions in the workplace and suitability of the type of work and working hours.

Timor-Leste has also ratified the ILO fundamental conventions, including Forced Labor Convention (C029); Freedom of Association and Protection of the Right to Organize Convention (C087); Right to Organize and Collective Bargaining Convention (C098); Equal Remuneration Convention (C100); Discrimination Convention (C111); and Worst Form of Child Labor Convention (C182)

4.2. The World Bank ESS 2

The World Bank's requirement related to labor are outlined in Environmental and Social Standard 2 (ESS2) on Labor and Working Conditions under the Environment and Social Framework (ESF) and promotes sound worker-management relationships and enhances the development of benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions. Key objectives of the ESS2 are to:

- Promote safety and health at work.
- Promote the fair treatment, non-discrimination, and equal opportunity of project workers.
- Protect project workers, including vulnerable workers such as women, persons with disabilities, young people (of working age, in accordance with ESS2), migrant workers, contracted works, community workers, and primary supply workers, as appropriate.
- Prevent the use of all forms of forced labor and child labor.
- Support the principle 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.

ESS2 applies to all project workers including full-time, part-time, temporary, seasonal, and migrant

workers. BTL workers under BTL's authority in this Project is responsible for implementing written labor management procedures applicable to the Project. The procedures will address how the ESS2 will apply to different categories of project workers including direct workers, and how the BTL will require third parties to manage their workers.

Project workers will be provided with information and documentation that is clear and understandable regarding their terms and conditions of employment. The information and documentation will set out their rights under national labor law and ESS2 requirements (which will include collective agreements), including their rights related to hours of work, wages, overtime, compensation, and benefits. This information will be provided prior to the commencement of work and when there is any changes occur.

Comparison of the World Bank requirements in ESS2 with Timor-Leste legal framework above shows that major requirements in ESS2 have been addressed in the Timor-Leste legal framework. For requirements that is not regulated under the Timor-Leste legal framework, BTL will develop a standard operating procedure (SOP) specifically designed to address this gap prior to implementing activities in the field. In case that Timor-Leste legal framework and the ESS2 requires different approach on the same issue, more stringent requirements are to follow by the BTL Procedures. Please see Policies and Procedures in Section 5 of this LMP. Detail summary of the comparison and identification of key gaps between the Timor-Leste Legal Framework and ESS2 is presented in **Annex 1** of this LMP.

5. RESPONSIBLE STAFF

The following is the identified responsibility for each role in the implementation of LMP (including Occupational Health and Safety/OHS and Grievance Redress Mechanism/GRM) and as part of the Environmental and Social (ES) Management System within this Project:

Environmental and Social (ES) Specialist (from PMU):

- Oversee the implementation of ES Management System, including LMP and GRM, by conducting periodic review to the Project LMP implementation and ensuring that compliance with applicable national regulation and ESF are met by the Project
- Oversee the implementation of annual induction of ES Management System, including LMP and GRM, for staff at headquarter and Project office and for worker at project sites, aiming to introduce and refresh their awareness on applicable ES Management System procedures
- Responsible to review and provide input to the compiled periodic implementation report of ES Management System including LMP and GRM as part of overall Project progress report
- Review and approve the ES management system work plan and organisational arrangement set by the Supervisor Consultant that also covers arrangement for LMP and GRM implementation at the project sites

Supervision Consultant:

- The Supervision Consultant will oblige to manage the ES management system (including LMP) implementation by the Contractor/Primary Supplier in all Project sites. Ensuring compliance to the applicable ES Management System procedures as well as compliance with the applicable national regulations and World Bank's ESF.
- The Supervision Consultant will involve in the development of Bidding Document for the Contractor selection, ensuring that the requirement of ES management system (including requirement in LMP, GBV protocol and OHS) for the Contractor are included
- The Supervision Consultant will report directly to ES Specialist by submitting monthly implementation report of ES Management System (including LMP).
- Develop ES management system (including LMP) work plan and organisational arrangement involving BTL staff and Contractor/Primary Supplier worker as necessary (i.e. in grievance redress

mechanism and/or emergency response organization).

- Review and provide input to the periodic ES management system (including LMP) implementation report submitted by the Contractor/Primary Supplier.
- Conduct routine site inspection to check on the actual implementation of ES management system (including LMP, GBV protocol, and OHS) by the Contractor/Primary Supplier in the Project sites
- Assist the ES Specialist in monitoring the implementation of GRM at the project sites. The implementation of GRM is under the responsibility of the ES Specialist (PMU). Responsibilities related to GRM is as specified in Section 8 of this LMP.

Contractor and Primary Supplier (at Project site):

- The Contractor will develop a site-specific CESMP that will cover the LMP, GRM and other relevant SOPs for mitigating ES risks and impacts and addressing occupational and community health and safety related risks and impacts during construction.
- The Contractor and Primary Supplier are responsible for the day-to-day implementation and monitoring of the ES management system (as agreed in the Contract) of their workers, sub-contractor workers and other third-party workers that are under their authority, including the implementation and monitoring of this LMP and GRM.
- The Contractor and Primary Supplier will provide periodic reports (daily and emergency) to the ES Specialist through the Supervision Consultant.

6. POLICIES AND PROCEDURES

This section summarizes key policies and procedures to be followed in compliance with the national regulations and ESS2 requirement, with further details of the provisions defined in the following documents.

- BTL has developed its own internal labor regulations (the “Internal Rules and Regulations”, 2021) that is in compliance with applicable laws and regulations in the Democratic Republic of Timor-Leste (RDTL-Tetum Sigla);
- OHS procedure has been established separately (BTL Health and Safety Policy) that describes BTL commitment to ensure all employees and contractors are provided with good working conditions (physical, mental well-being, and health, hygiene and safety) and commitment to prevent the risk of occupational health and injury, raise awareness of safety issues and issue appropriate safety equipment to protect all staff ; and
- Code of Conduct for Workers, which is proposed as part of this LMP, as presented in the Annex 2.

The employment of project workers will be based on the principles of non-discrimination and equal opportunity. There will be no discrimination with respect to the employment relationship, such as on recruitment, working conditions and terms of employment, compensation and benefit and promotion or termination of employment.

Project will include into the bidding documents specific OHS standard requirements that all contractors will comply that is consistent with the local regulations, BTL Health and Safety Policy and the World

Bank ESF. Contractor will need to develop OHS Management Procedure that comprises identification and assessment, prevention and mitigation, monitoring, reporting and continual improvement procedures for OHS risks. Contractors will be required to perform a health screening to the workers during the hiring process, provides sufficient PPEs, conduct OHS training, prepare and implement the Risk Assessment procedure and provide OHS supervision that are relevant with the level of risks and number and area of works.

The Contractor shall develop and implement CESMP in accordance with the Project ESMP and the

Code of Conduct (CoC) that will reflect the Contractors' core values and overall working culture. The CoC will include provisions relating to GBV, SEA/SH and work ethics and will have to be understood and signed by all workers. Contractor will not employ workers under the age of 15 and will not allow workers under the age of 18 to perform high risk/hazardous works and will not implement any forms of forced labor.

Age of Employment

Article 68 of the GoTL Labor Law No. 4 of 2012 set 15 years as minimum age for admission to work. However, allowing age between 13 and 15 to perform light work that would not put their health and development at risk or jeopardizing their schooling or participation in the Government-approved vocational training programs. Meanwhile, the ESS 2 requires minimum age of 14 with no child under the age of 18 allowed to conduct hazardous work.

Following the more stringent requirement, under the HR Procedure and in the worker contract document, BTL will requires minimum age of workers to be 15 years old in the hiring criteria and ensure that no children under the age of 18 will be employed to conduct hazardous work. The minimum age requirement for Contractor/Primary Supplier worker will be incorporated in the bidding documents and worker's contract.

Any breach to the age of employment criteria will result in disciplinary action in accordance with BTL's Internal Rules and Regulations, which may include dismissal and criminal prosecution depending on the case. If hazardous work found to be performed by children under the age of 18, the worker concerned or the worker who finds the case, to report following the GRM procedure.

Terms and Conditions

The terms and conditions for workers in Timor-Leste is governed by the provisions of Law No 4/2012 on Labor Code. This provides requirements on:

Part II, Chapter I, Section I for the employment contract requires the worker to have a written contract that is signed by both parties and arrange the type of work activities, location, working hours and rest period, remuneration and duration of contract (Article 10). Duration of contract may be open-ended or fixed-term in which the fix-termed contract may not exceed 3 years (Article 11 - 13). Suspension of contract or reduction of normal hours of work is described in Article 15, while the alterations to the employment contract (roles, location, company ownership) is described in Article 16-18.

Part II, Chapter II, Section II of the Labor Code describes the duration of normal working hours (not exceed 8 hours per day or 44 hours per week), overtime works (shall not exceed 4 hours per day or 16 hours per week during working day and not exceed 8 hours per day on weekend or public holiday), overtime compensation (to be paid at the normal hourly rate plus 50% on working day and normal hourly rate plus 100% on weekend or public holiday), night work (from 21.00 to 6.00 the following day) and compensation (normal hourly rate plus 25%), shift work to not exceed the maximum limits of normal working hours.

Part II, Chapter IV prohibits the termination of the labor contract due to unfair dismissal (Article 45), describes arrangement for employment contract termination (Article 46), termination due to expiry of contract (Article 47), termination due to mutual consent (Article 48), termination by the worker (Article 49), and termination due to just cause and rescission (Article 50-54), with compensation as described in Article 55-57.

Part III of the regulation describes the freedom of association and trade unions (Chapter I), where it allows all workers and employers without discrimination or need for prior authorization to set up and join organizations for the purpose of promoting and defending their rights and interests (Article 78), right to collective bargaining (Chapter II), right to strike and lockout (Chapter III), and principles and resolution in case of labor disputes (Chapter IV).

In addition, the BTL's Internal Labor Regulations describes provisions of (including but not limited to)

condition of recruitment, working condition and payment, right and obligation of worker, leave, compensation and benefit of worker, disciplinary action, worker's protection rights, and health and safety measures, such as:

- Recruitment Conditions (Article 3) require all applicants to be assessed through the Company's recruitment process, taking into account the basic skill required to perform the job provided by the Company and minimum conditions to be met;
- Probationary Period (Article 4) for requirements of some newly recruited workers that may work under probationary period that shall not exceed 3 (three) months;
- Working Hours (Article 5) as arranged by the document is classified as regular working hours which is five days a week, from Monday until Friday with a total of 40 hours per week. The regular working hours is from 8:00 to 17:30, with one and a half hours of break time. Working in shift, overtime and variation to the working hours occurs to specific demands of the position, i.e. for the water and sanitation system operators;
- Wage and Benefit (Article 6) define remuneration that will be in accordance with the Company's payroll procedures and in accordance with the labor law. Wage will be informed to the workers at the time of hiring and shall include wage under the employment agreement, and/or other compensation that the Workers are entitled to, such as overtime pay if any. Provisions of wage and benefit for Contractor and Primary Supplier is not specifically regulated in the BTL's Internal Regulation. However, it will be under the authority of the selected Contractor and Primary Supplier (with reference to the national regulations on the minimum salary rate), with BTL having the authority to request for specific terms and conditions arrangement through the Contract (i.e., issues of child labor, PPE provision) to be followed by the selected Contractor and Primary Supplier.
- Employment Agreement (Article 8) describes requirement for fixed duration contract or an unspecified duration contract for the employment agreement, subject to the probationary period and subject to applicable laws and regulations in force;
- Leave arrangements (Article 14-16) covers steps of proposing leaves, paid annual leave and other specific leave (i.e. illness, maternity, sick);
- Appeal Resolution Procedure (Article 19) specifies arrangement of grievance resettlement;
- Employee Termination (Article 23) defines termination or non-renewal of employment agreement and compensation arrangement;
- Hygiene, Health, Safety, Accident Prevention and Social Security Scheme (Article 24-29) describes the requirement, accommodation and reporting arrangement; and
- Women Work provisions (Article 30) provide additional arrangement for women who is willing to breast-feed their children.

7. GRIEVANCE REDRESS MECHANISM

7.1. General Grievance Redress Mechanism

BTL will ensure the selected Contractor and Primary Supplier will develop and implement Grievance Redress Mechanism (GRM) for the Project in an accessible, equitable, and respectful manner, and in accordance with the requirements of national requirements and World Bank ESS2.

GRM will be managed by PMU, under the direct responsibility of the ES Specialist, supported by the Supervision Consultant for the implementation at project sites. Depending on the complexity of the GRM later during the Construction, BTL may consider hiring additional GRM officer for project workers who will assist in managing and recording grievances at the Project site. The ES Specialist will ensure that identity of the worker who submits the grievance will be kept confidential and will not be disclosed unless they provide consent to allow further verification and investigation, and there will be no retaliation against the worker that raised the grievance. If investigation is required, ES Specialist will ensure that there is no conflict of interest between the workers raising the concern with the officer/team conducting the investigation. Anonymous grievance may also be submitted and will be given all due and

appropriate consideration.

The following worker grievance resolution hierarchy will be followed in case a grievance is raised. **This means, whenever possible, grievances will be resolved at the lower-level prior to escalating it to the upper-level.** It provides stages to help address the potential complexity and to enable the correct level of management to be involved. It is aimed at addressing concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any redistribution.

Stage 1: Disclosure of GRM (including LMP) during induction program and through written poster/flyer posted on visible and accessible area to all workers, including contractors.

Stage 2: Receiving and keeping track of grievances that consist of:

Step 1: Discuss Complaint with Direct Line Manager/Supervisor

Worker who has a grievance, should raise the matter with his/her direct line manager/supervisor immediately either verbally or in writing. If the matter itself concerns the staff member's line manager/supervisor, then the grievance should be taken to his/her superior.

- The line manager who receives the grievance to report to ES Specialist available onsite (or through Supervision Consultant at the project sites), to then respond within two (2) working days.
- The response will give a full written explanation of the grievance resolution and the follow up mechanism if still aggrieved.
- ES Specialist to record the grievance report in the complaints registry form (see **Annex 3**) and submitted into the tracking system. If the grievance can be resolved at this step, then it will be marked as resolved/closed in the tracking system.

Step 2: Submit Complaint letter to HR and the next Line Manager/Supervisor

Complaint can be submitted through a grievance box or through labor union that will be collected or informed directly to the HR team. In most instances the direct line manager's/supervisor's decision would be final, and the matter closed. However, in some circumstances the staff member may remain aggrieved and can appeal against the decision of the line manager/supervisor concerned.

- The worker appeal, to HR and the next line manager assisted by the ES Specialist, must be made within ten (10) working days of the receipt of the Step 1 response in writing.
- The next line manager, HR and ES Specialist will review the employee appeal and attempt to resolve the grievance. A formal response and full explanation of how to solve the grievance will be given in writing within seven (7) days.
- Where the 'next in line' manager at this stage is the PMU Coordinator, then the grievance should immediately progress from step 1 to step 3.
- Grievance logged in the tracking system to be updated in accordance with the result from this step.

Step 3: Submit Complaint letter to the PMU Coordinator

After step 2, if the employee remains aggrieved, he/she can appeal to the PMU Coordinator.

- This appeal must be made in writing enclosing a copy of the original appeal in the previous steps to the PMU Coordinator and to the ES Specialist within ten (10) working days of receipt of the step 2 responses.
- The ES Specialist will choose a person who will direct the complaint and decide whether the complaint needs an investigation or not. The ES Specialist must ensure that there is no conflict of interest between all people involved in the investigation process.
- The PMU Coordinator with the ES Specialist, assisted by the investigation team, will arrange, and hear the appeal from all relevant people and respond formally with a full explanation within

twenty (20) working days.

- After the investigation process is completed, the ES Specialist will organize the GRM records and update the Grievance logged in the tracking system with the result from this step.

Stage 3: Reviewing, consulting and investigating Grievances through coordination between proponent and parties involved such as contractor/supplier or government agencies as applicable.

Stage 4: Developing resolution options, preparing and consulting/conveying response, through coordination between involved parties.

Stage 5: Monitoring, Reporting and Evaluating a Grievance Mechanism

Timeframe of grievances may be extended if required and as agreed by both parties. The worker may require support to accompany them to the meetings. The worker can withdraw his/her complaint at any time. While the grievance resolution process is underway, normal Project work will continue, with reasonable care for health and safety. The concerned worker is not excluded from carrying out his/her usual work at the same or another workplace that is safe and appropriate for his/her work.

7.2. Grievance Investigation and Resolution Process

GRM at the Project level will be maintained during the entire period of Project implementation. The GRM will ensure that the all stakeholders can effectively be engaged in the Project design, implementation, provide project staff with practical suggestions/feedback on Project activities allowing them to be more accountable, transparent, and responsive. This mechanism will follow the following principles:

- Grievances will be treated confidentially, assessed impartially, and handled transparently.
- The submitting and readdressing of the grievances will be free of charge for complainants.
- The MPW/ BTL/PMU will ensure that all project-affected parties will have equal opportunity to submit their grievance in accessible way. The Project beneficiaries may use a range of contact options (telephone number, e-mail address and postal address, etc.). The GRM is accessible to all stakeholders.
- The channels for filling in grievance form should be disclosed on official sources;
- The MPW/ BTL/PMU will provide an opportunity to submit a grievance anonymously;
- Affected persons may raise a complain at any time of project related activity.
- The GRM is designed to be responsive to the needs of all complainants, including anonymous ones.
- All grievances, simple or complex, will be addressed and resolved as quickly as possible. The action taken on the grievance will be swift, decisive, and constructive.
- In cases where the aggrieved individuals or group is not satisfied with the outcome of the amicable mechanism, they will always be able to file to the court at any stage in the resolution process;
- All grievances will be registered and documented, and each grievance resolution process and communication will be systematically tracked;
- The channels for filing complaints will be listed in SEP and communicated to the public during the consultations.

The MPW/BTL will ensure equal and nondiscriminatory access to grievance mechanisms, but the special attention will be given to the most vulnerable groups: people less informed, with limited legal knowledge, the poorest community members, with limited or no access to internet; the Roma people that have the least access to education and the infrastructure required for proper understanding of how to file complaints through conventional channels. The project team will be working together with LPA, social assistances and community mediator to provide access for complaints and ensure that the most vulnerable groups views are taken into account. Main findings from Feasibility studies and ESIA / ESMP

will also be consulted with the public and the project team will ensure that all proposals, including those from disadvantaged groups are analyzed and if the suggestions, requirements are reasonable will be included in the project design. The representatives of the vulnerable groups (NGOs, community leaders) will be included in the communication channels for ensuring the dissemination of information to diverse communities about Project preparation activities and also about planned public consultations.

The Social Specialist will serve as Grievance Focal Point(s) who will register the submitted grievances in the Grievance Log (database) and review within 15 (fifteen) calendar days, including the information verification, cross-checking, and analysis, and follow-up with the applicant as needed. As necessary, the Grievance Focal Point will involve the other relevant units' specialists in this activity.

Channels to Make Complaints: The suggestions/complaints can be submitted by e-mail, website, online platform, telephone, mail, grievance box on the site etc. The template for grievances will be provided. To make grievance mechanisms accessible to all stakeholders, it is helpful to make the procedures to submit grievances simple and easy to understand and provide an opportunity to submit grievance anonymously. The channels for filing complaints will be listed communicated to the public during the consultations. The MPW/BTL/PMU intends to establish the following channels through which citizens/beneficiaries/ PAPs can make complaints/suggestions/compliments regarding MWSSP activities:

In writing:

- by email: MPW/BTL/PMU
- letters: MPW/BTL/PMU address /post box where the letters should be sent

Oral/verbal (which should be recorded in writing by the receiver):

- by phone
- verbal complaints addressed to the LPA, RDA, MPW/BTL/PMU

Both audio and written forms on online Platform.

For GBV, and particularly for SHE complaints, there are risks of stigmatization, rejection and reprisals against survivors. The GRM therefore have multiple channels through which complaints can be registered in a safe and confidential manner.

7.3. Grievance Log

It is important that all complaints, including the anonymous ones, to be recorded in writing and stored in a database. Complaints received should be assigned a number that will help the assigned specialist to track progress via the database. The database should at least contain relevant information on the date of submission, sphere of issue, responsible party, deadline for the problem solving and feedback (positive or negative). The Grievance log will be submitted to the Bank of quarterly basis for review.

WB's Grievance Redress Service: Stakeholders may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Information on how to submit complaints to the WB's GRS is available at <http://www.worldbank.org/GRS>.

The mechanism of addressing the complaints will be the following:

Stage 1: Receiving the Complaints/proposal/suggestion (all together named future "complaint") do not matter what form of receiving: verbal, writing, online etc. An initial screening is done by the receiver - Social specialist and included obligatory in the GRM Log. All complaints that meet the admissibility criteria (related to the Project) are transmitted also to the concerned to obtain their views/proposals on the complaints or allegations of violations contained therein.

Stage 2: The screening / reviewing of complaints. The Social specialist together with other specialists investigates and decides on the complaint and assesses the case including whether the complaint alone or in combination with other complaints appear to reveal a consistent pattern of reliably attested future steps. During its review, the social specialist may propose to Project manager to decide to:

- Dismiss a complaint if it is not admissible because is not related with Project directly or indirectly and inform the applicant;
- Keep a complaint under review and request the other stakeholders concerned and/or the complainant to provide further information within a reasonable time;
- Solve the grievance in 15 days and inform the applicant about the decision with explanations.
- If it is not in his competence to transmit a file containing all admissible communications as well as recommendations thereon to the MPW/BTL and WB for further consideration.

Stage 3: MPW, BTL, PMU & WB. The Ministries and WB may express their opinion to:

- Discontinue its consideration of the situation;
- Keep the situation under review for further consideration or additional information;
- Transmit the situation to the other moldova state institutions for their opinion or solving.

All the stages of solving grievances have to be documented and the resolution included in the GRM Log. The GRM log will be regularly (monthly base) sent to MPW and WB for information.

7.4. Information Dissemination

The information about the Grievance Redress Mechanism will be available at the online platform and will be included in the communications conducted with the project stakeholders through the communications methods and tools that are part of this stakeholder engagement plan and communications plan under the project, including emails, website, workshops, meetings, focus groups discussions, etc.

7.5. Roles and Responsibilities for GRM

The responsibilities for the management of the GRM system include the following and may be updated from time to time in consultation with BTL, PMU, MPW and the World Bank task teams.

- Overall management of the GRM system
- Developing and maintaining awareness-building
- Collection of complaints
- Recording complaints
- Notification to the complainant on the receipt and timeline to review a complaint
- Sorting/categorization of complaints
- Thorough review of the issues, including the causal link between project activities and alleged damage/harm/nuisance
- Decision-making based on such examination
- Processing appeals or continuous communication with complainants with the purpose to resolve issues amicably
- Publishing responses to complaints, unless otherwise is requested by complainants due to privacy or other concerns
- Organization and implementation of information materials and awareness campaigns

- Reporting and feedback on GRM results.

7.6. Monitoring and reporting on GRM implementation

Policies, procedures and regular updates on the GRM system will be made available for all stakeholders. The BTL/PMU will regularly track and monitor the status of complaints to ensure that all grievances are resolved within the established time-frame. The BTL/PMU will also provide and publish reports available to the World Bank team, and all stakeholders that would contain the following information:

- Status of establishment of the GRM (procedures, staffing, awareness building, etc.); Quantitative data on the number of complaints received, the number that were relevant, and the number resolved;
- Qualitative data on the type of complaints and answers provided, issues that are unresolved;
- Time taken to resolve complaints;
- Any issues faced with the procedures/staffing or use;
- Factors that may be affecting the use of the GRM/beneficiary feedback system;
- Any corrective measures suggested/adopted.

The PMU will compile a report summarizing LMP results on annual basis. This report will provide a summary of all public consultation issues, grievances and resolutions. The report will provide a summary of relevant public consultations' findings from informal meetings held at community level. This report will be available on-line for general population. Stakeholders should be reminded once again that the grievance mechanism is available and important. The LMP will be revised and updated, supplemented as needed with project-specific arrangements and will be publicly disclosed.

8. CONTRACTOR/PRIMARY SUPPLY MANAGEMENT

All Contractors and Primary Supplier must follow the relevant HR Procedure (BTL Internal Rules and Regulations), OHS Procedure (BTL Health and Safety Policy) and this LMP, and must submit annual report on the implementation to the ES Specialist.

This will be explicitly stated on the bidding documents, with anticipation that Contractor/Primary Supplier should include the budgeting for implementing, monitoring, and reporting of Labor Management related activities.

All queries related to LMP from Contractor/Primary Supplier can be addressed to:

- ES Specialist;
- Supervision Consultant;
- PMU Coordinator; and
- Human Resources (HR) Department/Division of the project company/Contractor

8.1. Role and Responsibility of Contractor

The roles and responsibilities of contractors may be slightly different from a project to another, but a general roles and responsibilities of contractors are nearly the same which are presented below:

Project Planning Responsibilities:

- Plan important project development and implementation in advance.
- Determination and estimation of various issues in the project such as needed materials, equipment.
- Anticipation of any potential modification in the project.
- Making sure that health and safety specifications are followed.
- Practicing excellent communication between all parties involved in the construction such as client and subcontractors.
- Determine legal and regulatory requirements.

Project Management:

A general contractor is liable to complete the construction process within the specified time frame. General contractors are also required to work with different stakeholders while coordinating with employees, operating within budget, and monitoring the entire construction project. Various activities and tasks that need to be accomplished on time include:

- Manage the budget for the completion of construction activities.
- Main contractor is responsible to find and hire right subcontractors and individuals to complete the job.
- Main contractor with cooperation of subcontractors need to manage equipment, materials, and other services required for smooth flow of the project.
- Manage generated waste
- Submit bills based on terms of contract documents.

Project Monitoring:

- Monitor project in terms of time schedule, safety, work quality, and other project-related details as specified in the project contract.
- Review, modify, and update the project programme dependent on latest changes and feedback.
- Practice economic construction techniques
- Monitoring safety related issues.

Legal and Regulatory Responsibilities:

- Contractor is responsible for building permits application
- Ensure that the project is in compliance with required legal and regulatory issues
- Making sure the project is in compliance with all the necessary legal and regulatory issues.

Health and Safety Responsibilities:

- Guarantee viable safety policy to ensure health and safety in the workplace. This may involve risk management strategies, emergency response system, and other preventive means for construction site safety.
- Make sure that all individual at construction site utilize safety equipment.

- Provide safety awareness to workers.

Building Permits and Building Codes

General contractors deal with a handful of responsibilities in the field of legal and regulatory issues, one of which includes acquiring building permits and licenses from the concerned authorities. Apart from these, they are accountable for:

- Informing property owners about arranging necessary facilities, ensuring premise security, managing site waste, etc.
- Understanding the legal requirements for the building and meeting all statutory obligations applicable to construction, design, and operations
- Ensuring that legal rights are not challenged in any way and applicable building codes are followed throughout the construction process

9. MONITORING AND REPORTING

The purpose of monitoring and reporting under this Labor Management Procedure (LMP) is to ensure that labor and working conditions are managed in accordance with national legislation, the World Bank Environmental and Social Framework (ESS2), and the project's Environmental and Social (E&S) requirements. Monitoring will focus on verifying compliance with labor standards, identifying emerging issues, and ensuring that corrective measures are implemented in a timely manner.

9.1. Monitoring Arrangements

Monitoring of LMP implementation will be carried out at multiple levels. At the Project site level, Contractors and Primary Suppliers are responsible for the day-to-day implementation and monitoring of labor management measures, including occupational health and safety (OHS), worker welfare, and Code of Conduct compliance. This includes monitoring their own workers, subcontractors, and other personnel under their authority.

The Supervision Consultant will conduct routine site inspections and oversee the implementation of labor management measures by Contractors and Primary Suppliers. This includes verifying compliance with contractual requirements, LMP provisions, and applicable environmental and social instruments (e.g., CESMP).

At the Project level, the Environmental and Social (E&S) Specialists within the PMU will oversee overall LMP implementation, including reviewing monitoring information, identifying non-compliance issues, and ensuring corrective actions are taken.

9.2. Reporting Requirements

Contractors and Primary Suppliers are required to provide regular information on labor management to the Project, through the Supervision Consultant. This includes:

- Number and type of workers employed (including local and non-local workers);
- Occupational health and safety performance, including incidents and accidents;
- Implementation of Code of Conduct (including SEA/SH provisions);
- Worker accommodation and welfare conditions (where applicable); and
- Summary of worker grievances and their resolution status.

Reports will be submitted periodically (e.g., monthly), and immediately in the case of serious incidents or accidents. The Supervision Consultant will review and consolidate this information and submit regular reports to the PMU E&S Specialists.

Monitoring of worker grievances is a key component of LMP implementation. The Project will track:

- Number of grievances received;
- Types of grievances (e.g., labor conditions, wages, OHS, SEA/SH);
- Time taken to resolve grievances; and
- Status of unresolved cases.

Grievance information will be maintained in a grievance log and regularly reviewed by the E&S Specialists to identify trends and systemic issues. Sensitive grievances, particularly those related to SEA/SH, will be handled confidentially and reported in aggregated form.

9.3. Compilation and Reporting

The E&S Specialists within the PMU are responsible for compiling all labor-related information received from Contractors, Primary Suppliers, and the Supervision Consultant. This information will be used to prepare periodic summaries of LMP implementation, which will form part of the Project Environmental and Social (E&S) Implementation Progress Reports.

The reports will include:

- Status of LMP implementation;
- Key labor-related risks and issues identified;
- Summary of grievances and resolutions;
- Occupational health and safety performance; and
- Corrective actions taken or required.

The Project Coordinator will provide overall oversight of LMP monitoring and reporting. This includes:

- Ensuring that LMP-related information is properly integrated into the Project's E&S Implementation Progress Reports; and
- Ensuring the quality, accuracy, and completeness of reported information.
- The Project Coordinator will also ensure that any significant labor-related issues are escalated and addressed appropriately.

LMP monitoring results will be reported as part of the Project's regular E&S reporting requirements, including:

- Periodic (e.g., quarterly or biannual) E&S Implementation Progress Reports to the World Bank;
- Internal monitoring updates as required during construction; and
- Immediate reporting of serious incidents in accordance with World Bank requirements.

ANNEX 1. SUMMARY OF GAP ASSESSMENT BETWEEN ESS 2 AND NATIONAL LEGISLATION

| Topic | Major WB requirements | Key requirements/gaps in legal framework | Principles to be followed by the Project |
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| <p>Working conditions and management of worker relationships</p> | <p>Terms and Conditions of Employment</p> | <p>Law No 4/2012 – Labor Code This Regulation covers the terms and conditions of employment as required by the ESS2, covering requirement on payment, leaves and termination have been regulated under the Labor Code.</p> | <p>Project to provide a clear and understandable information and documentation of terms and conditions given to all Project workers (direct workers, contracted workers, primary supply workers, community workers); Project workers to be paid on a regular basis, provided with adequate periods of rest and leaves;</p> <p>Termination of employment and details of severance payment to be given to Project workers in written.</p> <p><i>The abovementioned requirement to be written in a Procedure (i.e. HR Procedure), ensuring that all Terms and Conditions of Employment requirement are well described and Project to ensure on compliance of this Procedure application to all Project Workers.</i></p> |
| | <p>Nondiscrimination and Equal Opportunity</p> | <p>Convention for the Elimination of all Forms of Discrimination against Women (CEDAW) Timor Leste has signed various international conventions that promote gender equality including the CEDAW, followed by adaptation of Labor Code.</p> | <p>Project to ensure that the employment of Project Workers will be based on the principle of equal opportunity, fair treatment, and no discrimination.</p> <p><i>This requirement to be written in a Procedure (i.e. HR Procedure), ensuring that</i></p> |

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| | | <p>Law No 4/2012 – Labor Code The regulation includes international labor standards' clauses on equal remuneration for men and women for equal work and non-discrimination in employment and occupation, starting from the hiring/screening process and also adds in specific arrangement during the employment (i.e. provision of training, career development, working conditions) for person with disabilities or chronic illness.</p> | <p><i>Non- discrimination and Equal Opportunity requirement are well described and Project to ensure on compliance of this Procedure application to all Project Workers.</i></p> |
| | Worker's Organization | <p>Law No 4/2012 – Labor Code The regulation provide requirements on freedom of association and trade unionism, where all workers and employers are allowed to set up and join organization for the purpose of promoting and defending their rights and interests.</p> | <p>Project to ensure that the Project Workers have rights to establish and/or join workers' organizations/ associations.</p> <p><i>The arrangement is to be written in a Procedure (i.e. HR Procedure), ensuring that the Project Workers are having their rights in Worker's Organization.</i></p> |
| Protecting the Workforce | Child Labor and Minimum age | <p>Law No 4/2012 – Labor Code The Regulation regulates 15 years old as the minimum age for admission (at a higher age than the ESS2 requirement), however allows young person in the age between 13 to 15 years old to perform light work.</p> | <p>The Project to follow the more stringent requirement between the ESS2 and the Labor Code, thus to arrange the minimum age of workers to be 15 years old in the hiring criteria and ensure that no children under the age of 18 will be employed for conducting hazardous work.</p> <p><i>This minimum age requirement to be written in a Procedure (i.e. HR Procedure), ensuring that the no child under the age of 15 years old is recruited and no children between age of 15- 18 is conducting hazardous work, if hired.</i></p> |
| | Forced Labor | <p>Law No 4/2012 – Labor Code The Regulation prohibits forced labor, with additional</p> | <p>Forced labor, following the definition of ESS 2 (considered as more</p> |

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| | | <p>description of cases considered as non-forced labor such as work due to compulsory of military service, work as part of the civil obligations of community members, work as consequence of a conviction in a court of law, works conducted in cases of emergency (i.e. fire, flood, famine, epidemic) and minor services in the community for the benefit of the community itself.</p> <p>Meanwhile in the ESS2, the prohibition of forced labor covers any kind of involuntary or compulsory labor.</p> | <p>stringent), is not allowed in the Project.</p> <p><i>This to be stated under the Project Procedure (i.e. HR Procedure), ensuring that no forced labor is performed by the Project.</i></p> |
| Grievance Mechanism | Grievance Mechanism for all direct workers and contracted workers | <p>Law No 4/2012 – Labor Code</p> <p>The regulation provides requirement of collective bargaining mechanism and requirements regarding labor dispute resolution. However, no individual grievance mechanism stated in the regulation.</p> | <p>Grievance mechanism is required to allow the workers to submit their concerns related to work place and employment without fear of retaliation.</p> <p><i>Grievance mechanism as stated in the LMP to be socialized to all Project Workers and implemented by the Project.</i></p> |
| Occupational health and safety (OHS) | OHS, including potential hazard identification, provision of preventive and protective measures, training of workers, occupational accidents/incidents reporting, ERP, remedies for adverse impacts and OHS records maintenance | <p>Law No 4/2012 – Labor Code</p> <p>This Regulation provides specific section for requirements of occupational safety, hygiene and health, describing measures that are required by the ESS2, and also requires a set up of joint health and safety committee for companies with more than 20 workers and/or companies with activities that pose particular risks to health, safety and hygiene of the workers.</p> <p>Specific protection requirements are given on health and safety of pregnant or nursing worker, young worker and workers with disabilities or chronic illness.</p> | <p>All parties who employ or engage project workers are required to develop and implement procedures to establish and maintain a safe working environment. The standards and guidelines are available in general EHSs and industry-specific EHSs and other GIIP¹.</p> <p><i>OHS Management Procedures shall be developed and implemented by the Project, in accordance with the result from the hazard identification process from Project activities.</i></p> |
| Contracted workers | Contracted workers management and | <p>Law No 4/2012 – Labor Code</p> <p>The Regulation requires health and safety promotion and</p> | Project to ensure that third parties who engage contracted workers are |

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| | monitoring | monitoring of the workforce including affected third parties inside or outside of the workplace, and detailed requirements of contract with worker. However, no specific requirement of having a labor management procedures and performance monitoring, and to have individual grievance mechanism. | legitimate and reliable entities and have in place labor management procedure. The contracted workers must have access to grievance mechanism. <i>The ESS requirements will be incorporated in the contractual agreement with such third parties. Project will develop procedure to monitor the performance of the third parties (i.e. C-ESMP).</i> |
| Community workers | Community workers (if present) | Law No 4/2012 – Labor Code No specific requirement on community worker present in the Labor Code or other regulations of Timor Leste. However, the community worker is considered as not applicable for the Project. | Community worker is considered as not applicable for the Project. However in case that community workers are involved, labor management procedures will be developed to identify terms and conditions of the community labor involvement include working hours and compensation (if applicable), access to grievance mechanism; to set out roles and responsibilities for monitoring community workers, including potential risk of child labor and/or forced labor and measures to address if such cases exist. The Project must provide a safe environment condition for the community workers to perform their work in accordance with the relevant requirements of the General EHSGs and industry-specific EHSGs. |
| Primary supply workers | Primary supply workers | Law No 4/2012 – Labor Code The Labor Code regulates on promotion and monitoring of the health and safety of the workforce as well as the affected third parties. No specific requirement on primary supply workers as required by the ESS2 mentioned in the Labor Code. | Assessment of potential risks of child and forced labors in primary suppliers are required and relevant remedies to address those must be established. The labor management procedures are required to set out roles and responsibilities for monitoring |

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| | | | <p>primary suppliers' performance.</p> <p>In case that the Project's control remedy is not possible, the Project will shift the project's primary suppliers to suppliers that can demonstrate that they are meeting the relevant requirements within a reasonable period.</p> <p><i>Project to conduct the abovementioned requirement to monitor the performance of the primary suppliers, including on the prohibition of child labor and forced labor (i.e. in C- ESMP).</i></p> |
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ANNEX 2. CODE OF CONDUCT

Note: The following Code of Conduct to be regularly reviewed and updated, as necessary, in accordance with the Project development.

ES CODE OF CONDUCT FOR WORKER

We are the Worker, [enter name of Worker]. We have signed a contract with [enter name of Company] for [enter description of the Project]. These Works will be carried out at [enter the Site and other locations where the Project will be carried out]. Our contract requires us to implement measures to address environmental and social risks related to the Project, including the risks of sexual exploitation, sexual abuse and sexual harassment.

This Code of Conduct is part of our measures to deal with environmental and social risks related to the Project. This will apply to all the staff, labors and other worker at the Project Site or other places where the Project is being carried out. It will also apply to the personnel of each Contractor and subcontractor and any other personnel assisting us in the execution of the Project. All such persons are referred to as “**Worker**” and are subject to this Code of Conduct.

This Code of Conduct identifies the behavior that is required from all Workers.

Our workplace is an environment where unsafe, offensive, abusive or violent behavior will not be tolerated and where all persons should feel comfortable raising issues or concerns without fear of retaliation.

REQUIRED CONDUCT

Worker shall:

1. Carry out his/her duties competently and diligently;
2. Comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and well-being of other Worker and any other person;
3. Maintain a safe working environment including by:
 - a. Ensuring that workplaces, machinery, equipment and processes under each person’s control are safe and without risk to health;
 - b. Wearing required personal protective equipment;
 - c. Using appropriate measures relating to chemical, physical and biological substances and agents; and
 - d. Following applicable emergency operating procedures.
4. Report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and serious danger to his/her life or health;
5. Respect diversity and treat all individuals, including women, children (under 18 years of age), and men with respect regardless of culture, ideas, opinions, limitations, gender, ethnicity, origin, political beliefs, religious beliefs, generation, citizenship status, social class, sexual orientation, and education level;
6. Do not use inappropriate language or behave in an inappropriate manner towards anyone, including women and children, such as being rude, sexually harassing, demeaning, or other actions that are inappropriate for the local community or general culture;
7. Not engage in Sexual Harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature with other Workers;
8. Not engage in Sexual Exploitation, which means any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;

9. Not engage in Sexual Abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
10. Not engage in any form of sexual activity with individuals under the age of 18, except in case of pre-existing marriage;
11. Complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters, Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH) and Gender Based Violence (GBV);
12. Report violations of this Code of Conduct; and
13. Not retaliate against any person who reports violations of this Code of Conduct, whether to the Employer, or who makes use of the grievance mechanism for Worker or the Project's Grievance Redress Mechanism.

RAISING CONCERNS

If any person observes behavior that he/she believes may represent a violation of this Code of Conduct, or that otherwise concerns him/her, he/she should raise the issue promptly. This can be done in either of the following ways:

1. Contact [enter name of the appointed Project Coordinator. The case of violation related to GBV and SEA/SH will be forwarded to the engaged institutions/service provider with relevant experience in handling sexual exploitation, sexual abuse and sexual harassment cases] in writing at this address [Avenida 20 de Maio, Caicoli - Dili Timor Leste, Postal No. 194] or by telephone at [3311539] or in person at [Carlito Amaral (Environment & Social Safeguard of PMU), 670 7801 2571]; or
2. Call [] to reach the Project's provided hotline number (*if any*) and leave a message.
3. The person's identity will be kept confidential, unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. The Project takes seriously all reports of possible misconduct and will investigate and take appropriate action. The Project will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

There will be no retaliation against any person who raises a concern in good faith about any behavior prohibited by this Code of Conduct. Such retaliation would be a violation of this Code of Conduct.

CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT

Any violation of this Code of Conduct by Worker may result in serious consequences, up to and including termination and possible referral to legal authorities.

FOR WORKER:

I have received a copy of this Code of Conduct written in a language that I comprehend. I understand that if I have any questions about this Code of Conduct, I can contact [*enter name of Project's appointed contact person(s) with relevant experience*] requesting an explanation.

Name of Worker: [insert name]

Signature: _____

Date: (day month year): _____

Countersignature of authorized representative of the Worker:

Signature: _____

Date: (day month year): _____

ATTACHMENT 1 TO THE CODE OF CONDUCT FORM:

Sexual Exploitation and Abuse (SEA), Sexual Harassment (SH) and Gender-Based Violence (GBV)

1. SEA/SH, as part of Gender-based violence (GBV) is a serious offence and must be sanctioned. Sanctions may be given in the form of punishment and/or termination of employment, and if necessary, they may be reported to the police if the case has entered the realm of law.
2. Any form of gender-based violence is unacceptable regardless of whether it occurs in the workplace, around the workplace, or in the surrounding community.
3. Sexual harassment of workers and staff (e.g., by flirting, making unwanted sexual advances, and other verbal or physical behavior of a sexual nature, or sexual gestures or written messages) is a form of gender-based violence that is strictly prohibited for all parties in the project.
4. Prohibition of promising or giving rewards for the purpose of obtaining sexual favors (e.g., promising promotions, or threatening to terminate employment), making payments in kind or cash for the purpose of obtaining sexual favors, and all other forms of exploitative behavior.
5. Prostitution in any form and at any time in the workplace or in the surrounding community is strictly prohibited.
6. Sexual contact or activity with children under 18 — including through digital media, is strictly prohibited. The lack of information or misunderstanding about the child's age cannot be used as an excuse/justification for violence cases that occur. In addition, the child's consent cannot be used as an excuse/justification for violence cases.
7. In addition to being subject to sanctions by the company, perpetrators of gender-based violence may also be prosecuted if they are proven to have done so.
8. All employees, workers, and parties involved in other projects are strongly encouraged to report suspicions or acts of gender-based violence and violence against children committed by fellow workers, both in the same company/institution or in different companies/institutions. Reports must be made in accordance with the project's existing gender-based violence reporting procedures.
9. The project manager (project leader) is obliged to report and handle gender-based violence, both suspected and occurred because the project manager has the responsibility not only to carry out company commitments but also to hold workers accountable in fulfilling their obligations in accordance with applicable regulations.

BEHAVIORS CONSTITUTING SEXUAL EXPLOITATION AND ABUSE (SEA), SEXUAL HARASSMENT (SH) AND GENDER BASED VIOLENCE (GBV)

The following non-exhaustive list is intended to illustrate types of prohibited behaviors.

(1) **Examples of sexual exploitation and abuse** include, but are not limited to:

- A Worker tells a member of the community that he/she can get them jobs related to the work site (e.g. cooking and cleaning) in exchange for sex.
- A Worker that is connecting water supply to households says that he can connect women headed households to the water supply in exchange for sex.
- A Worker rapes, or otherwise sexually assaults a member of the community.
- A Worker denies a person access to the Site unless he/she performs a sexual favor.
- A Worker tells a person applying for employment under the Project Contract that he/she will only hire him/her if he/she has sex with him/her.

(2) *Examples of sexual harassment in a work context*

- Worker comment on the appearance of another Worker (either positive or negative) and sexual desirability.
- When a Worker complains about comments made by another Worker on his/her appearance, the other Worker comment that he/she is "asking for it" because of how he/she dresses.
- Unwelcome touching of a Worker by another Worker.
- A Worker tells another Worker that he/she will get him/her a salary raise, or promotion if he/she sends him/her naked photographs of himself/herself.

ANNEX 3. GRIEVANCE REDRESS MECHANISM FORMS

COMPLAINTS REGISTRY FORM

Note: Name and address of the complainant can be left blank for anonymous grievances



Democratic Republic of Timor-Leste
BEE TIMOR-LESTE E.P.
Ministry of Public Works

COMPLAINT REGISTRY FORM

DATE: ____/____/____ (dd/mm/yy) CRF: 001

Complaint Category: _____

COMPLAINANT PROFILE

Name : _____ Age : _____

Gender : Male Female Civil Status : Single Married Widow/er

Address Aldeia _____
 Suco _____
 Administrative Post _____

Complaint Details

Attending Officer:

| | |
|------------------|-----------------------|
| | |
| Name/Designation | Complainant Signature |

Notes:

Category 1 Social Issues

Category 2 Environmental

Issues

Category 3 Complaints related to violations of policies, guidelines, and procedures

Category 4 Complaints related to breach of contract Complaints regarding misuse of funds/lack of transparency, or other financial

Category 5 Management problems

Category 6 Complaints related to abuse of power/intervention by the project or government Category 7 Complaints regarding staff performance

Category 8 Force majeure report

Category 9 Complaints about Project intervention

Category 10 Others

COMPLAINTS INVESTIGATION FORM

Notes: Consent from the complainant on disclosure of the grievance information (incl. to third parties) shall be received prior to conducting the investigation activities.

| Grievance ID | Brief Description and Category of Grievance | Personnel/Department in Charge | Targeted timelines | Investigation Status |
|---|---|--|--|---|
| <p>[Fill in name/ID of grievance and the status (open or close) and date]</p> | <p>Category:</p> <p>Related Activity:</p> <p>Location:</p> <p>Source:</p> | <p>[Name and signature of person/department in charge of handling the grievance]</p> | <p>Investigation date:</p> <p>Discussion with complainant date:</p> <p>Close out date:</p> | <p>[Mark with open or close following the timeline dates]</p> |
| <p>Investigation</p> <p>Direct Cause of Grievance:</p> <p>Root Cause Analysis:</p> | | | | |
| <p>Follow Up:</p> <p>Action Plan:</p> <p>Result at the Close Out Date: [closed or remain open/requires additional investigation]</p> | | | | |

Date and Signature of Involved Parties [after considered as Closed]

[Complainant]
representative] Officer]

[Investigation officer/team

[Project Coordinator/GRM

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