

**Scaling Up Renewable Energy Project
Jajce II Hydropower Plant Rehabilitation Project**

DRAFT

LABOUR MANAGEMENT PROCEDURES

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Acronyms and Abbreviations

BiH	Bosna i Hercegovina
CoC	Code of Conduct
FBiH	Federation of Bosnia and Herzegovina
EPBiH	Elektroprivreda BiH
EPHZHB	Elektroprivreda HZHB
EPRS	Elektroprivreda Republike Srpske
E&S	Environment and Social
ESMP	Environmental and Social Management Plan
ESF	World Bank Environmental and Social Framework
ESS	World Bank Environmental and Social Standard
GBV	Gender-Based Violence
GM	Grievance Mechanism
GRM	Grievance Redress Mechanism
HPP	Hydropower plant
ILO	International Labour Organization
LMP	Labour Management Procedures
MOU	Maintenance Operational Unit
OG	Official Gazette
OHS	Occupational Health and Safety
PIU	Project Implementation Unit
PMT	Project Management Team
PPE	Personal Protective Equipment
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SGBV	Sexual and Gender-Based Violence
SH	Sexual Harassment
SURE	Scaling Up Renewable Energy Project
WB	World Bank

1. Introduction

1.1 Project Description

The World Bank is providing financing for Scaling Up Renewable Energy Project (SURE) Project, which will strengthen the Bosnia and Herzegovina (BiH) energy system by investing in renewable energy, particularly through the rehabilitation of hydropower plants and the promotion of residential rooftop solar photovoltaic installations. The SURE Project is implemented through three participating power utilities in BiH (Elektroprivreda) and structured into three main components:

- **Component 1:** Scaling up renewable energy in the Elektroprivreda Republike Srpske (EPRS) area of operation, including residential RSPV installations and pilot battery storage solutions.
- **Component 2:** Scaling up renewable energy in the Elektroprivreda Bosne i Hercegovine (EPBiH) area of operation, which includes the rehabilitation of the Salakovac HPP, as well as initiatives to develop the household solar PV market and solar installations on EPBiH assets.
- **Component 3:** Scaling up renewable energy in the JP Elektroprivreda HZ HB d.d. (EPHZHB) area of operation, including the rehabilitation of Jajce II HPP.

The Jajce II Hydropower Plant (HPP Jajce II) is a 30 MW diversion-type hydropower facility located on the Vrbas River in Central Bosnia and Herzegovina and operated by JP “Elektroprivreda HZ HB” d.d. Mostar (EPHZHB). Commissioned in 1954, the plant has been in continuous operation for over seven decades and represents an important component of the Vrbas River hydropower cascade and the regional electricity supply system.

The Project is intended to restore and improve the plant’s operational efficiency, ensure compliance with modern environmental and social standards, and address legacy environmental and social issues including any Occupational Health and Safety (OHS) or labor-related legacy matters. A separate Environmental and Social (E&S) Audit of the hydropower plant (HPP), which includes the Environmental and Social Management Plan (ESMP), is being conducted to assess risks and impacts associated with the rehabilitation activities. The audit’s findings, including any gaps, will be incorporated into this Labor Management Procedure (LMP) to guide corrective actions and ensure comprehensive coverage of both legacy and rehabilitation-related labor and OHS issues. A separate Stakeholder Engagement Plan (SEP) has also been prepared to address community and stakeholder considerations throughout the Project.

The rehabilitation project (the Project) includes the rehabilitation of existing hydropower plant equipment and facilities within the current footprint of the facility (Table 1-1). Rehabilitation will be accomplished in three sequential phases, with one generating unit rehabilitated per phase. This phased approach will ensure continuity of plant operation and minimize operational disruptions.

Table 1-1. Rehabilitation Works to be Financed by the World Bank

<i>Scope of rehabilitation</i>	<i>Extent of Rehabilitation Works</i>
Construction rehabilitation	• Closure facilities of the circulation and supply tunnel • Water level, overflow chamber and pressure pipes • Engine room • Drainage tunnel and exit structure
Hydromechanical equipment	• Main and auxiliary circulation tunnel closer

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<i>Scope of rehabilitation</i>	<i>Extent of Rehabilitation Works</i>
	• Supply tunnel closure • Main and auxiliary gate of the base outlet • Water level gates • Gate on the outlet structure
Turbine-generator production units (3)	• Replacement of turbines and associated equipment • Replacement of generators and associated equipment • Cooling system • Oil vapour extraction system • Power, control and monitoring of auxiliary drives of the generator
Joint drives and systems	• Equipment at 6.3 kV voltage level • Switchgear 35 kV • Compressed air system • Oil economy • Air conditioning, ventilation and smoke extraction system • Power supply, management and monitoring of shared facilities • AC and DC voltage system • Grounding and lightning protection • USZMR and PROCIS systems • Monitoring of production units • Telecommunications • Integration of new secondary equipment into existing systems • Stable system for extinguishing fires with CO2 gas

The Project will not result in changes to installed capacity, design discharge, or operational flow parameters of the facility. As such, the works do not constitute an expansion, modification, or upgrade of capacity, but rather fall under the category of routine rehabilitation and refurbishment of existing infrastructure. Consequently, the Project does not trigger additional water use, energy generation, or operational permits beyond those already in place.

Overall, the rehabilitation works are not expected to have environmental impacts off the HPP property and limited or no impacts on communities and external stakeholders. The most significant potential risks would be occupational health and safety for workers, and these can be avoided or minimized by the implementation of mitigation measures.

1.2 Purpose of Labour Management Procedures

All projects financed by the World Bank, including the rehabilitation of the Jajce II HPP are subject to the World Bank's Environmental and Social Standard 2 (ESS2) on *Labour and Working Conditions*, which establishes standards for labour management. The rehabilitation of the Jajce II HPP involve a wide range of workers, such as management staff, technical specialists, skilled and unskilled labor, and contractor personnel. These workers may be exposed to occupational health and safety risks, labor rights concerns, and welfare-related issues, particularly during complex rehabilitation works involving heavy mechanical and electrical equipment.

To prevent, minimize, and manage such risks, the World Bank's ESS2 (*Labor and Working Conditions*) requires that Borrowers prepare and implement Labor Management Procedures (LMP). This

document constitutes the Labor Management Procedures (LMP) for the Salakovac HPP rehabilitation under Component 2 of the Sustainable Energy and Resilience Enhancement (SURE) Project.

The primary purpose of this LMP is to identify the key labour-related risks associated with the Project and to identify the measures needed to avoid or mitigate the risk. In addition, the LMP serves as a gap-closing instrument, addressing any differences between the Federation of Bosnia and Herzegovina (FBiH) legislative framework and ESS2, as well as implementation gaps. The LMP provides a clear framework for use by all parties in managing labour and working conditions in compliance with applicable national legislation, ESS2, and good international industry practice.

The LMP applies to all categories of workers who will be engaged in the Jajce II HPP rehabilitation, workers employed by EPHZHB who are assigned to the Project and workers employed by Contractors, subcontractors, and consultants. For direct workers, the internal employment and labor management rules adopted by EPBiH, reinforced by specific provisions of ESS2 as specified below which are consistent with national law, will apply. The internal rules of EPBiH will not apply to Contractors and contracted workers. Instead, through project contracts, all Contractors will be required to comply with the Labour Management Plan and the World Bank ESS2 standards, regardless of their country of origin. For all Contractors from FBiH, national legal requirements for employment and labour management will also apply.

As a living document, the LMP has been prepared during the early stages of project preparation and will be reviewed and updated throughout the project lifecycle.

While non-material changes will not require revision, any regulatory changes or modifications to the scope of works that introduce new risks or adversely affect labor and working conditions will trigger a reassessment of the adequacy of the measures outlined in the LMP.

In summary, the objectives of the LMP are to:

- Promote occupational health and safety (OHS) and protect the life and well-being of all workers involved in the Jajce II HPP rehabilitation project.
- Ensure fair treatment, non-discrimination, and equal opportunity for all project workers.
- Protect project workers, including vulnerable groups such as women, persons with disabilities, young workers (of legal working age), and migrant workers.
- Prevent forced labour and child labour in connection with the project.
- Uphold the principles of freedom of association and collective bargaining in accordance with the legislation of the Federation of Bosnia and Herzegovina (FBiH).
- Establish and maintain an accessible and effective grievance mechanism that allow project workers to raise workplace concerns without fear of retaliation and ensure timely resolution.

2. Categories of Project Workers

World Bank ESS2 identifies and establishes requirements for four categories of workers, of which two will be involved in the Project.

2.1 Direct Workers

Direct workers are individuals employed or engaged by the Borrower (EPHZHB) to support the implementation of the Project. Direct workers may be engaged on a full-time or part-time basis under

various contractual arrangements, including existing employment contracts or individual consultancy agreements. EPHZHB employees are considered public sector employees, so they will remain subject to the terms and conditions of their existing employment. Even they go beyond current terms and conditions, ESS2 provisions related to occupational health and safety (OHS) and to child labour and forced labour will apply to all direct workers.

Direct workers for this Project will include EPHZHB staff assigned to project management functions, as well as technical and operational personnel involved in the execution of works. There will be relatively few direct employees who are substantially involved in the Project. EPHZHB employees are considered public sector employees, so they will remain subject to the terms and conditions of their existing employment. All direct workers, including EPBiH staff, will have access to the Project's grievance redress mechanism (GRM), and ESS2 provisions related to Occupational Health and Safety (OHS), child labor, and forced labor will apply to them. While these provisions align with local laws, they are explicitly included to ensure compliance with ESS2 and good international practice.

2.2 Contracted Workers

Contracted workers are those employed by third parties, such as contractors, subcontractors, and consulting companies, to carry out Project activities. Contracted workers may include skilled and unskilled labour, technicians, engineers, and specialized experts required for the rehabilitation of mechanical and electrical equipment, including turbines, generators, transformers, control systems, and auxiliary facilities, and other specialized service providers (e.g., waste management, asbestos removal if required) and any other employed or engaged by third parties to work directly in connection with rehabilitation of Jajce II HPP.

2.3 Primary Supply Workers

Primary supply workers¹ are those employed by companies that provide goods or materials on an ongoing basis directly to the Project and that are essential to its core functions. At present, it is not believed that either EPHZHB or the Contractor require supplies that meet this definition. If that should change in the future, EPHZHB will verify the supplier does not employ child or forced labour and that the supplier provides a safe working environment for its workers.

2.4 Community Workers

Community workers are involved when labour is provided by the community as a contribution to a project, or where projects are designed and conducted for the purpose of fostering community-driven development, providing a social safety net, or providing targeted assistance in fragile and conflict-affected situations. It is not expected that community workers will support the rehabilitation Project. (It is important to note that local residents who are employed by the Contractor are considered contracted workers, not community workers.)

¹ *Primary suppliers* are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. (World Bank ESS2, paragraph 3(c). At present, it is not believed that either the Contractor or EPBiH will require goods or materials that meet this definition. If that should be mistaken or should change in the future, EPBiH will verify the supplier does not employ child or forced labor and that the supplier provides a safe working environment for its workers.

3. Potential Labour Risks

This section describes the main labour-related risks that may arise in the completion of the rehabilitation Project.

3.1 Occupational Health and Safety Risks

Workers involved in the rehabilitation works will be exposed to various occupational health and safety risks. These include, but are not limited to:

- Heavy Lifting and Mechanical Works – operating or working near heavy machinery, handling materials, and performing physically demanding tasks.
- Electrical Hazards – working with or near high-voltage electrical systems.
- Confined Spaces and Enclosed Areas – working in tanks, tunnels, or other restricted spaces.
- Hydraulic and Flood Risks – unexpected water inflow during turbine or similar work, failure of isolation gates or cofferdams, sudden release of water during commissioning.
- Structural and Infrastructure Risks – working on or near aging structures, scaffolding, or elevated platforms.
- Worker Safety During Commissioning – risks associated with testing and start-up activities of the plant.
- Transport and Logistics Risks – risks related to the movement of materials, equipment, and personnel.
- Exposure to Hazardous Substances – lubricants, oils, solvents, insulation materials, and asbestos-containing materials (ACMs) that may be present in building materials or equipment; includes risks from inadequate or inappropriate use of personal protective equipment (PPE) (see ES Audit for asbestos assessment and management measures).

3.2 Labour Management Risks

In addition to risks from occupational health and safety, both EPHZHB regulations and World Bank ESS2 have requirements that protect workforce: Such risks may include:

- Child labour (under 18 years) and forced (involuntary, uncompensated) labour by third-party workers (that is, workers employed by contractors, subcontractors, and consultants). For EPBiH direct workers, standard employment procedures apply in line with national law and ESS2, and no forced labor risks are anticipated. Contractors will be contractually required to comply with ESS2 and national legislation, including prohibition of forced labor, clear employment terms, worker awareness of rights, and access to a grievance mechanism. Due to OHS risks associated with rehabilitation works, the Project establishes a minimum employment age of 18; no persons under 18 will be engaged.
- Uncertain or informal employment conditions of employment, such as not having clear job titles and responsibilities, unclear working hours, not knowing how compensation is calculated or paid, not knowing what deductions will be taken, uncertain paid and unpaid time off, uncertain duration of employment and conditions of termination. This also includes the risk of violating the rights of migrant workers, such as non-compliance with applicable labor legislation, unequal working conditions, restricted access to grievance mechanisms, or other forms of labor exploitation.
- Prevention or interference with the right of direct and third-party workers to bargain collectively with no interference from their employers.

- Failing to provide workers with a mechanism by which they can submit grievances without fear of retaliation and with confidence they will be considered.

3.3 Risks to Vulnerable Workers

Certain categories of workers may face different heightened risks, including:

- Migrant or non-local workers, who may face social isolation, or limited knowledge of local labour rights and grievance mechanisms, and language barriers that could hinder communication, training, and access to Project information.
- Workers with disabilities, if no reasonable accommodations and safe working conditions are provided.
- Women, who may not have the same opportunities or may be discriminated against.

3.4 Risks to Communities

Certain activities that will be undertaken for the rehabilitation Project could conceivably pose risks to communities, including:

- Traffic and road safety risks associated with occasional minor increases in traffic due to transport of heavy equipment and materials and minor increases due to the transport of workers to and from the site.
- Tensions or conflict between workers and local communities due to worker presence or accommodation arrangements.
- Pressure on local infrastructure and services, such as rental properties or medical services, by the presence of migrant workers.

4. Overview of Project Labour

As noted above, the Jajce II HPP Rehabilitation Project will engage two categories of workers: direct workers and contracted workers. Direct workers will include only current employees of EPHZHB, HPPs on Vrbas r. Basin, and HPP Jajce II and no additional direct workers will be recruited externally. At this stage, the exact numbers, composition, and timing of labour engagement are not known. The estimates presented here will be updated once detailed designs are finalized and contractors are formally appointed.

Table 4-1 presents the composition of all EPHZHB permanent employees as of early 2026, categorized by gender and type of position. These are not all direct workers, but the numbers provide some insight into the overall workforce structure and highlights gender distribution across managerial, technical, and administrative roles. These figures serve as a reference for staffing projections in the Project Implementation Unit (PIU).

Table 4-1. Gender and Employment Structure of EPHZHB

<i>Category</i>	<i>Women</i>	<i>Men</i>	<i>Total</i>	<i>% Women</i>	<i>% Men</i>
All employees	820	1,512	2,332	35.2%	64.8%
Management Board	3	4	7	42.9%	57.1%
Managerial positions	133	285	418	31.8%	68.2%
Technical positions	112	1,121	1,233	9.1%	90.9%
Administrative positions	348	306	654	53.2%	46.8%

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The Jajce II HPP operates within the HPPs on the HPPs on Vrbas r. Basin, which includes two operational units: HPP Jajce II Operation Unit (HPP Jajce II) and HPP Jajce I Operation Unit (HPP Jajce I), and five sectors: Center for Management of Vrbas Watershed, Maintenance Operation Unit (MOU), the Economic Affairs Sector, the Legal, HR and General Affairs Sector and Business Information System (Figure 4-1).

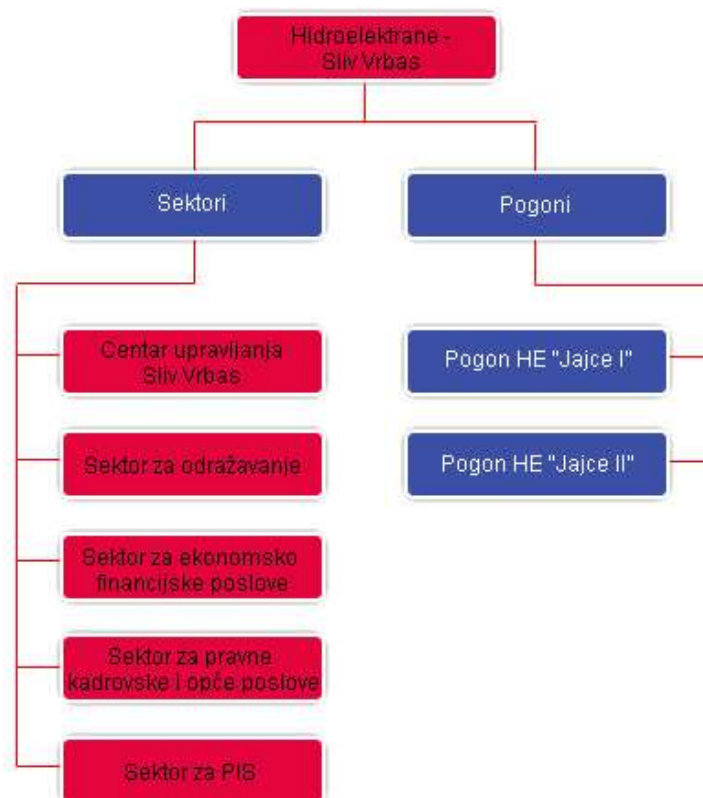


Figure 4-1. Organizational Structure of HPPs on Vrbas River Basin

As of 31 January 2026, HPPs on River Basin employs a total of 83 direct workers across operational, technical, administrative, and managerial functions. The workforce is predominantly composed of permanent staff with significant professional experience in hydropower plant operation and maintenance. The structure reflects the technical nature of hydropower generation activities and demonstrates a stable and experienced employee base.

Table 4-2. Gender and Employment Structure of HPPs on Vrbas River Basin

Category	Women	Men	Total	% Women	% Men
Total number of employees (permanent contracts)	7	76	83	8.4%	91.6%
Total number of managerial employees	3	12	15	20.0%	80.0%
Employees in technical positions	1	55	56	1.8%	98.2%
Employees in administrative positions	3	9	12	25.0%	75.0%

HPP Jajce II currently employs 29 mail workers, and they are responsible for electricity generation, operational monitoring, maintenance planning, and production analysis. Maintenance activities are

carried out by the Maintenance Sector at the HPPs on Vrbas River Basin level in coordination with the maintenance personnel of HPP Jajce II. 10–20 workers are engaged on preventive and corrective maintenance, overhauls, rehabilitation works, troubleshooting, and technical interventions on electromechanical equipment. Maintenance activities at HPP Jajce II are primarily carried out by in-house staff from HPP Jajce II and the Maintenance Operation Unit. There are no permanent maintenance contracts with external service providers; external contractors are engaged only occasionally when specialized expertise or additional capacity is required.

Activities related to preparation and implementation of the Project are led and coordinated by a Project Management Team (PMT) of 15 members who were appointed in 2024. The Project Manager was appointed much earlier. Communication with the World Bank (WB) has so far been conducted exclusively through the Project Manager. In the implementation phase, a Project Implementation Unit (PIU) within EPHZHB will be appointed and will have a coordination role and will be primarily responsible for overseeing the financial management and procedural compliance aspects of the Project. Management of technical implementation and supervision of the Project activities are carried out by the Project Management Team, led by the Project Manager. The Project Manager plays a central role in communication with the World Bank, particularly regarding technical matters and overall Project implementation. All official communication between EPHZHB and the World Bank related to Project execution is coordinated with and involves the Project Manager. Previous practice during the implementation period confirms this established communication structure. For the purposes of this Project, the PIU and the PMT operate in a complementary and coordinated manner. The PIU ensures compliance with financial management, procurement, and reporting requirements, while the PMT is responsible for technical oversight, day-to-day management and implementation, and technical communication with the World Bank. Both the PIU and the PMT have clearly defined and mutually supportive roles in Project implementation, stakeholder communication, and grievance management arrangements, ensuring effective coordination and compliance with applicable World Bank requirements.

During the implementation phase, approximately 15–20 employees from HPP Jajce II will be engaged in Project-related activities. This will include two engineers plus electrical and mechanical fitters. Their engagement will primarily relate to logistical support, coordination, supervision, and other ancillary activities associated with the rehabilitation works. In addition, an estimated four or five construction personnel (including an engineer, technicians, and skilled workers) from the HPPs on the Vrbas Branch Office will support project implementation. Their responsibilities will include technical assistance, coordination of civil works, and oversight of site-related activities, in line with their respective qualifications and job descriptions.

Rehabilitation works will include activities carried out by construction contractors, equipment suppliers, specialized service providers (such as asbestos abatement contractors, if required), and waste management licensed companies engaged for the handling and treatment of used oil and removed equipment. Contracted workers will therefore comprise all personnel employed or engaged by these third parties for the purposes of Project implementation at the Jajce II HPP.

Based on the defined scope of rehabilitation works—including replacement of turbine runners and associated mechanical components, generator stator and rotor parts, and replacement of generator

step-up transformers—it is anticipated that the Project will involve one major electromechanical equipment supplier (turbine-generator package), depending on procurement packaging.²

Contracted equipment suppliers will maintain a limited but specialized presence on-site during the installation and commissioning phases. Contractors will be required to exercise reasonable due diligence in the assessment of its supply chains. This shall include a commitment to procure goods and materials only from reputable and legally compliant suppliers, and to take appropriate measures to identify and manage risks related to labor and working conditions, including child labor, forced labor, and unsafe working environments, in line with the requirements of World Bank Environmental and Social Framework (ESF) ESS2. Such due diligence will be maintained throughout the duration of the contract and that records demonstrating compliance may be made available to the Employer upon request.

Each major supplier is expected to appoint a resident supervisor responsible for overseeing installation quality and technical compliance. During critical phases such as mechanical assembly, alignment, testing, and commissioning, suppliers are expected to mobilize approximately two (2) to five (5) specialized technicians at a time. If two major suppliers are engaged concurrently, the combined on-site presence of supplier personnel during peak periods is estimated to range between approximately four (4) and ten (10) specialists. Employees of contracted suppliers will be mobilized primarily during installation and commissioning and will not be continuously present throughout the entire rehabilitation period.

Civil works will be contracted to an external construction company. Based on the defined scope of works, which includes minor foundation modifications, structural repairs, scaffolding, equipment anchoring adaptations, and related site preparation activities, it is estimated that approximately 20 to 30 civil works personnel may be mobilized during peak construction periods. The final number of workers will depend on the contractor's methodology, sequencing of activities, and the degree of overlap between civil and electromechanical installation works. Workforce levels are expected to vary over time, with peak mobilization occurring during periods of intensive structural adaptation and equipment installation.

Specialized service providers, such as licensed asbestos abatement contractors (if required following the asbestos survey), will be responsible for conducting detailed inspections to confirm the presence of asbestos-containing materials, preparing site-specific removal and safety plans, implementing containment measures, safely removing or encapsulating asbestos materials, packaging and labelling hazardous waste, and ensuring transport and disposal at authorized hazardous waste facilities in accordance with applicable occupational health and environmental regulations.

Licensed waste management companies engaged for the handling and treatment of used oil and removed equipment will be responsible for the collection, temporary storage (if required), transport, treatment, recycling, or final disposal of waste materials generated during rehabilitation works. This may include used lubricating oil, oily rags, contaminated components, scrap metal, and decommissioned equipment. All activities will be undertaken in compliance with national waste management legislation and good international industry practice, with appropriate documentation (e.g., waste transfer notes and disposal certificates) maintained for traceability.

Overall, it is considered likely that few or no women will be contracted workers.

² These are not considered “primary suppliers” since they will not provide supplies “on an ongoing basis”, but rather are considered to be contractors.

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As noted previously, the duration of the project, including preparatory, procurement, manufacturing, installation, and commissioning phases, is estimated at approximately 6 years. Project activities are being implemented both at the Jajce II HPP site and at off-site facilities where key electromechanical components are designed and manufactured. While the total implementation period has been defined, the precise duration and sequencing of on-site works at Jajce II HPP will be confirmed following completion of detailed designs and finalization of contractor work schedules.

The estimated workforce required for the Project is summarized in Table 4-3. The Project Management Team (PMT) will be drawn entirely from existing staff at the HPPs on the Vrbas Branch Office and HPP Jajce II and they will ensure technical and operational expertise is fully leveraged without hiring new personnel. In line with ESS2 classifications, the table distinguishes between direct workers (internal staff, including the PIU and PMT) and contracted workers (civil works and electromechanical suppliers). Workforce estimates reflect peak engagement periods during intensive disassembly and installation phases. Where available, gender data are included, with positions marked TBD indicating that data is not yet confirmed.

Table 4-3. Estimated Direct and Contracted Workers for Jajce II HPP Rehabilitation

<i>Employer / Entity</i>	<i>Worker Category (ESS2)</i>	<i>Estimated Project Workers</i>	<i>Women</i>	<i>Men</i>	<i>Notes</i>
EPHZHB	Direct workers	5-8	TBD	TBD	PIU: responsible for strategic project management, procurement, financial management, E&S oversight
HPPs on Vrbas Branch Office	Direct workers	4-5	TBD	TBD	PMT (in part) and assigned staff: oversight, support to peak disassembly and installation of electromechanical equipment
HPP Jajce II	Direct workers	20	0	20	PMT (in part): Contractor/supplier oversight, operational staff
Civil Works Contractor	Contracted workers	25 (peak)	TBD	TBD	Site preparation, foundation modifications, structural repairs, scaffolding, equipment anchoring
Contracted equipment suppliers	Contracted workers	4–10 (peak)	TBD	TBD	Turbine-generator and transformer manufacturing/purchase, resident supervisor, 2–5 specialists per supplier during installation and commissioning
Asbestos abatement contractor	Contracted workers	8	TBD	TBD	Survey confirmation and safe removal/handling of asbestos-containing materials
Authorised Waste Management	Contracted workers	8	TBD	TBD	Handling, transport, treatment, recycling or disposal of used oil and removed equipment
Site security Contractor	Contracted workers	10	10	0	Provide site security services

Direct EP HZHB staff are expected to be moderately exposed to OHS risks, primarily through their presence for monitoring works and operation of heavy equipment. Contractor personnel, including civil works teams and on-site supplier staff, will face higher risks associated with construction activities, including scaffolding, lifting operations, working near heavy equipment, working with electricity, and exposure to hazardous substances.

5. Applicable Labour Standards

5.1 National Labour Standards

5.1.1 Child Labour

Labour relations in the Federation of Bosnia and Herzegovina are primarily regulated by the *Labour Law of the Federation of Bosnia and Herzegovina* (Official Gazette FBiH Nos. 26/16, 89/18 and 23/20 103/2021, 44/22, 39/24), the Law on Peaceful Settlement of Labour Disputes (OG FBiH No. 49/2021) which governs procedures for resolving individual and collective labour disputes.

The Labor Law establishes minimum age requirements and protections for minors in employment. Under Article 20 of the Labour Law, the employment of children under the age of 15 is prohibited. Minors aged between 15 and 18 may be employed only subject to strict conditions, including a medical certificate confirming fitness for work and the written consent of a parent or legal guardian. However, Article 59 of the Labour Law prohibits the employment of minors in hazardous work that may endanger their health, safety, moral integrity, or development. Such work includes construction and much of the involved in rehabilitation and operation of the HPP, including alia, underground or underwater work, work at heights, and work involving heavy machinery, high-voltage electricity, or hazardous substances.

FBiH has reinforced these protections through ratification of key international instruments, including the *United Nations Convention on the Rights of the Child* and International Labour Organization (ILO) Conventions No. 138 on Minimum Age and No. 182 on the Worst Forms of Child Labour.

To meet both FBiH and World Bank requirements, no person under the age of 18 will be employed or engaged in connection with the Project, including by contractors and subcontractors.

5.1.2 Terms and Conditions of Employment

The *Labour Law* defines a worker as a person who performs work for an employer on the basis of an employment contract (Article 6). Employment contracts must be concluded in writing and provided to workers prior to the commencement of work. In accordance with Articles 20–22 of the Labour Law, employment contracts are required to specify, at a minimum, the job description, place of work, working hours, salary and other benefits, as well as the duration of employment, whether fixed-term or open-ended.

Employers are obligated to register workers for social security, health insurance, and pension and disability insurance contributions in line with applicable legislation, thereby ensuring access to statutory benefits. The Labour Law further prohibits discrimination in employment and occupation (Articles 8–13). Equal treatment is required throughout the employment relationship, and discrimination on the grounds of gender, disability, age, ethnicity, religion, political affiliation, or other personal characteristics is not permitted.

These provisions are consistent with the requirements of World Bank ESS2.

5.1.3 Earnings and Benefits

Wages in the Federation of Bosnia and Herzegovina must be paid regularly, at least once per month, and in monetary form, in accordance with Articles 75–80 of the F BiH Labour Law. The minimum wage is established by decision of the FBiH and is subject to periodic revision in line with economic and social conditions. In addition to wages, workers are entitled to statutory benefits, including pension and disability insurance, health insurance, and unemployment insurance, as prescribed by applicable legislation. The Labour Law further prohibits employers from making unlawful or unauthorized deductions from workers' wages, thereby ensuring transparency and protection of workers' earnings.

These provisions are consistent with the requirements of World Bank ESS2.

5.1.4 Leave and Rest

Under the Labour Law, full-time working hours may not exceed 40 hours per week (Articles 44–54). Overtime work is permitted only in exceptional circumstances and must be compensated in accordance with the law. Workers are entitled to daily and weekly rest periods, including a minimum of 12 consecutive hours of daily rest within a 24-hour period and at least 24 consecutive hours of weekly rest, which is generally taken on Sunday.

In addition, workers are entitled to annual paid leave of at least 20 working days after six months of continuous employment. The Labour Law also provides for paid sick leave, maternity leave, and other legally prescribed absences. Employers are required to ensure adequate rest breaks during the working day, particularly where work is physically demanding or involves occupational health and safety risks.

These provisions are consistent with the requirements of World Bank ESS2.

5.1.5 Termination of Employment

Workers have the right to challenge unlawful termination through labour inspectorates or courts. (Articles 55–56), which ensures access to legal remedies. Employment contracts may be terminated under several circumstances, including mutual agreement between the employer and employee, expiry of a fixed-term contract, notice by either party, or dismissal for justified reasons as defined by law (Articles 49–51). Statutory notice periods apply and vary depending on the duration of employment. The Labour Law prohibits dismissal during periods of temporary incapacity for work, maternity leave, or annual leave, except in cases specifically permitted by law.

While these provisions align with the World Bank's Environmental and Social Standard 2 (ESS2) on labor and working conditions, a notable gap exists regarding payment upon termination, as the current legislation allows severance payment timelines to be agreed between the employer and employee, whereas ESS2 requires that all severance and final payments be made prior to or at the time of termination.

5.1.6 Severance Pay

Workers whose employment is terminated by the employer after a minimum period of continuous service are entitled to severance pay, except in cases of serious misconduct (Article 54 of the *Labour Law of the Federation of Bosnia and Herzegovina*). Severance pay is calculated based on the worker's length of service and average wage, in accordance with the provisions of the Labour Law. This entitlement applies equally to women and men, ensuring non-discrimination in access to post-employment benefits.

These provisions are consistent with the requirements of World Bank ESS2.

5.1.7 Labour Disputes

Individual and collective labour disputes are regulated by the *Labour Law* (Articles 55–56), the *Law on Peaceful Resolution of Labour Disputes* (O.G FBiH, No. 49/21, Articles 1, 2–5, 6 and 7), and the *Law on Strike* (OG F BiH No. 14/00, Articles 1 and 2). These laws, together with applicable collective agreements and internal employer rulebooks, establish the legal framework for resolving disputes between workers and employers. Under the *Labour Law* and related legislation, workers may seek protection of their rights through internal employer grievance procedures, labour inspectorates, or competent courts (Articles 55–56). The *Law on Peaceful Resolution of Labour Disputes* provides a structured, voluntary process for conciliation (“mirenje”) and, if necessary, arbitration of both individual and collective disputes before a peace council, with unresolved matters capable of being referred to courts. The *Law on Strike* regulates the right of employees to strike and procedural requirements for lawful industrial action, including employer and union roles during strike activities.

These requirements are consistent with the requirements of World Bank ESS2.

5.1.8 Labour Unions

Workers in the BiH have the right to freedom of association, including the right to form and join trade unions (Article 6 of the *Labour Law*). Employers are prohibited from interfering with union activities or discriminating against workers based on union membership, ensuring that employees can exercise their rights freely and without retaliation. Collective bargaining is legally recognized and regulated, allowing workers and their representatives to negotiate terms and conditions of employment, including wages, working hours, and other workplace matters.

These provisions are consistent with the requirements of World Bank ESS2.

5.1.9 Gender and Disability

FBiH has established a comprehensive legal framework aimed at promoting gender equality and the employment and social inclusion of persons with disabilities. Key legislation includes the *Law on Professional Rehabilitation, Training and Employment of Persons with Disabilities* (Official Gazette of FBiH No. 9/2010), which introduces employment quotas, incentives for employers, and obligations to ensure workplace inclusion and accessibility.

In addition, the *Labour Law* prohibits both direct and indirect discrimination in employment on the grounds of gender, disability, and other personal characteristics (Articles 5–6). The law guarantees equal access to employment, vocational training, career advancement, and equal working conditions for all workers. Employers are further required to provide reasonable accommodation for persons with disabilities, in accordance with Articles 74–75. These provisions aim to remove barriers to employment and ensure that persons with disabilities can participate in the labour market on an equal basis with others.

These provisions are consistent with the requirements of World Bank ESS2.

5.1.10 Sexual Harassment

Sexual harassment is prohibited under both the FBiH *Labour Law* and the *Criminal Code of the Federation of Bosnia and Herzegovina* (Official Gazette of FBiH No. 33/03, 42/03, 32/04 and 28/08). Articles 3–6 of the *Labour Law* prohibit discrimination and harassment in employment and protect the dignity of workers. In addition, Articles 177–178 of the *Criminal Code of FBiH* criminalize sexual harassment and other acts that violate personal dignity, providing for criminal liability in serious cases.

Workplace harassment, including sexual harassment, is considered a violation of workers’ dignity and may give rise to disciplinary measures, civil liability, and criminal sanctions, depending on the nature

and severity of the conduct. Employers are required to take preventive measures to ensure a safe and respectful working environment and to respond promptly and appropriately to any complaints of harassment, in accordance with the Labour Law. This includes establishing clear procedures for reporting, addressing, and resolving complaints.

These provisions are consistent with the requirements of World Bank ESS2.

5.1.11 Grievance Mechanism

National labour legislation does not require employers to establish a formal internal grievance mechanism. However, workers have the right to seek redress through labour inspections and competent courts in accordance with Articles 55–56 of the *FBiH Labour Law*.

5.1.12 Social Security

The social security system in FBiH provides statutory protections for workers and their families, financed through mandatory contributions defined by law and governed by specific sectoral social insurance regulations. The *Law on Contributions of the FBiH* (O.G FBiH. Nos. 35/98, 54/00, 16/01, 37/01, 1/02, 17/06, 14/08, 91/15, 104/16, 34/18, 99/19, 4/21, 6/23 and 33/25) establishes the framework for mandatory contributions to social insurance, including pension and disability insurance, health insurance, and unemployment insurance, and sets out the contribution categories and calculation bases.

The following main social insurance branches are covered for workers employed in FBiH:

- Pension and Disability Insurance This branch is regulated by the *Law on Pension and Disability Insurance* (OG FBiH. No. 13/2018, 90/21 and 19/22, as amended). Recent amendments in 2024–2025 adjusted provisions related to pension rights and financial sustainability of the pension fund.
- Health insurance is governed by the *Law on Health Insurance* (O.G FBiH., Nos. 30/97, 7/02, 70/08, 48/11, 36/18 and 61/22). The law and amendments ensure coverage of compulsory health insurance benefits, including medical care, sickness benefits, maternity care, and other health services.
- Unemployment Insurance-Unemployment insurance and related social security for unemployed persons are governed by the *Law on Mediation in Employment and Social Security of Unemployed Persons* (OG FBiH. Nos. 55/00, 41/01, 22/05 and 9/08). This law regulates the rights, eligibility, and procedures for unemployment benefits and related support.

All workers employed under a contract in FBiH — including permanent, temporary, seasonal, and apprentice workers, regardless of contract duration or form of payment — must be registered by their employers for these social insurance contributions. Foreign workers are likewise covered provided they hold a valid work permit in accordance with applicable law (which they must in order to work in the country). Employers are legally required to ensure timely registration of employees and remittance of contributions, thereby ensuring workers' access to statutory social security protections.

These statutory social security protections are consistent with World Bank ESS2.

5.1.13 Occupational Health and Safety

The *Law on Protection at Work* (OG. FBiH, No. 79/2020) governs occupational health and safety in FBiH. Article 1 establishes the law's purpose: to regulate rights and obligations of employers and workers and general prevention principles. Article 2 incorporates EU Directive 89/391/EEZ principles

into the law. Article 3 defines key terms such as employer, workplace, and worker, while Article 4 defines safety and health conditions. Article 9 sets out general safe-work requirements, including systematic hazard prevention.

Under Article 20, employers must provide preventive measures to protect worker health and safety. Article 22 details employer duties to organize safety, conduct risk assessments, adopt internal OHS acts, inform and consult workers, train workers, provide PPE, conduct periodic medical examinations for high-risk jobs, and ensure periodic inspection/testing of equipment and PPE. Article 12 requires elaboration of worksite arrangements prior to start of construction or rehabilitation works.

Workers have the right to safe and healthy conditions under Article 50 and are required to follow safety instructions and cooperate with OHS representatives (Articles 51–52). Article 53 explicitly provides the right to refuse unsafe work without retaliation. Employers must maintain records on risk at workplaces, dangerous substances, training, medical exams, and work injuries, and submit reports to the labour inspectorate and health institutions within statutory timelines (Article 62).

These provisions are consistent with World Bank ESS2.

5.1.14 Security Personnel

Security personnel engaged at the Project sites are employed through licensed private security agencies in accordance with the Law on Private Security of the Federation of Bosnia and Herzegovina (Zakon o agencijama i unutrašnjim službama za zaštitu ljudi i imovine FBiH, O.G. FBiH Nos. 30/05, 53/07, 18/09). Article 4 of this Law requires that private security agencies obtain a license to operate, and Article 7 establishes that all guards must hold valid professional authorizations. Article 12 specifies that security personnel must complete mandatory training programs approved by competent authorities, and Article 15 sets out legal fitness requirements, including physical and psychological suitability for performing security duties.

Employment conditions of security personnel are also governed by the Labour Law of the Federation of Bosnia and Herzegovina (Zakon o radu FBiH, O.G. FBiH Nos. 26/16, 89/18, 23/20). Article 6 defines a worker and establishes that employment contracts must be concluded in writing. Articles 44–54 regulate working hours, rest periods, and overtime, which are particularly relevant for 12-hour security shifts.

The Project will ensure, through contractual provisions and monitoring, that the security agency and its personnel comply with these legal requirements and with the obligations established in this LMP.

5.2 EPHZHB Internal Work Regulations

EPHZHB has developed and adopted internal regulations to meet the requirements of national law.

In accordance with the Labour Law, EPHZHB has a *Rulebook on Employment Relations* that defines requirements for employment contracts, work organization, job classification and systematization, working hours, rest periods and leave, salaries and benefits, and termination of employment contracts. The Rules also regulate the obligation of continuous professional development and training, worker protection in terms of occupational health and safety and personal health protection, working conditions for women during pregnancy and maternity leave, the rights of workers with disabilities.

There is also a *Rulebook on Disciplinary and Material Liability*. While it does not explicitly prohibit sexual harassment or mobbing, it provides that improper and unacceptable conduct of an employee constitutes a minor breach of employment duties, subject to a written warning prior to termination. Repetition of such conduct within six (6) months results in termination of employment.

The *Ethics Code* of EPHZHB establishes rules for conduct to promote integrity, professionalism, and accountability. It outlines fundamental principles such as honesty, compliance with laws, transparency, impartiality, and protection of the public interest. The Ethics Code encourages respectful behaviour, responsible communication, proper use of company assets, and safeguarding of confidential information. It also guides ethical relations with stakeholders, including fair treatment of customers and suppliers, transparent procurement, avoidance of favouritism, and management of conflicts between personal interests and public duties, including the acceptance of gifts. Notably, it does not contain specific provisions on preventing discrimination, harassment, mobbing, or abuse of employees, although its provisions could be considered to include such prohibitions, although in different words.

In accordance with the Law on Protection at Work, EPHZHB has adopted several internal acts that regulate occupational health and safety:

- The EP HZHB *Occupational Health and Safety Act* governs workplace safety by establishing rules for prevention and protection, managing work in hazardous conditions, and ensuring the health monitoring of employees exposed to risks. It defines the organization of occupational safety, the use of protective equipment, and the rights and obligations of workers in implementing safety measures. The Act also sets requirements for periodic inspections of work equipment, regular medical examinations (annually for high-risk or complex positions and every two years for less complex positions), occupational health and safety training, provision of personal protective equipment, and supervision of compliance with safety measures. The Act further regulates the employer's obligations for high-risk working positions to provide employees with written guidelines specific to their workplace, ensure that workers are in good health and under regular medical surveillance, and supply appropriate personal protective equipment necessary for safe performance of their duties. In general, any position involving direct interaction with machinery, high voltage, moving water, confined spaces, or elevated structures is considered high-risk and requires stricter safety measures, protective equipment, and more frequent medical surveillance. This also includes work exposed to high levels of noise, tasks performed outdoors under extreme weather conditions, work involving significant vibrations, and other physically or environmentally demanding activities (Article 35 of the OHS Act).
- The *Business Process and Risk Mapping* document provides a structured overview of an organization's key processes and the risks associated with each. It identifies core activities, responsibilities, and workflows, highlights potential operational, safety, financial, or compliance risks, and outlines controls or mitigation measures. The document also clarifies accountability, supports monitoring and review of processes, and serves as a roadmap for managing risks effectively while ensuring operational efficiency and regulatory compliance.
- The internal act *Technical Rules, Procedures, Instructions, and Safety Measures for Work at Electrical Power Facilities and Electricity Generation Plants* of EPHZHB establishes the technical and safety framework for all work at the company's power generation and electrical facilities, including Jajce II HPP. It provides detailed operational procedures, step-by-step work instructions, and preventive measures to ensure employee safety and compliance with regulations. The act covers the use of personal protective equipment, safe work practices, hazard prevention, risk mitigation related to electricity, machinery,

heights, confined spaces, and environmental conditions, as well as employee responsibilities and supervisory measures to enforce adherence to these safety rules.

- EPHZHB prepares an annual *Report on Fire Protection and Occupational Health & Safety* that provides a comprehensive overview of the company's safety performance during the past year. The report summarizes compliance with applicable laws and internal regulations, documents incidents, injuries, and near misses. It also reviews risk assessments, implemented mitigation measures, and safety inspections of equipment and facilities, including fire protection systems. Additionally, the report covers monitoring of noise levels and drinking water quality. According to the 2025 report, there was no injuries at the work. Servicing and inspection of the fire protection system and equipment have been carried out, as well as inspection of the cranes, and it has been determined that the equipment is in proper working condition and complies with the legally prescribed technical standards. Noise level measurements are also within the permitted limits.
- EPHZHB prepares *Annual Training Plans for Employees on Occupational Health & Safety (OHS) and Fire Protection*, and each training session is followed by a detailed report.
- *General Act on Maintenance, Use, and Monitoring of Hydro-Engineering Structures*: This report serves as a comprehensive operational and maintenance framework for hydroengineering structures, outlining detailed procedures for safe handling, monitoring, and maintenance of water infrastructure. Its rigorous guidelines ensure that all activities involving water flow manipulation, equipment operation, chemical handling, and emergency response are conducted under controlled and standardized conditions. By clearly defining responsibilities, operational limits, and inspection protocols, the report directly supports OHS objectives by minimizing risks to workers and preventing hazardous incidents.
- The *Accident Prevention Plan* provides a structured framework for minimizing the risk of accidents that could negatively affect workers, the environment, and surrounding communities at HPP Jajce II. It incorporates legal and regulatory requirements alongside internal quality system procedures of EPHZHB. The plan details organizational responsibilities, risk identification and assessment, operational controls, emergency preparedness, response actions, and continuous monitoring to prevent major incidents.

In accordance with the Law on Fire Protection, EPHZHB maintains a comprehensive Fire Risk Assessment Document along with a corresponding Fire Protection Plan. These documents systematically identify fire hazards, evaluate risks, and establish preventive and reactive measures to safeguard personnel, infrastructure, and the environment at HPP Jajce II. EPHZHB's internal work regulations and occupational health and safety frameworks largely comply with the requirements of ESS2.

Table 5-1 summarizes how well existing EPHZHB labour management requirements meet the requirements of the World Bank and identifies the areas that will need to be augmented in order to meet World Bank standards.

Table 5-1. Assessment of EPHZHB Work Regulations Against Requirements of World Bank ESS2

<i>ESS2 Requirement</i>	<i>Compliance Status</i>	<i>Comments and Recommendations</i>
Employment Conditions (Para. 5)	Partially Compliant	• Covers labour law requirements including contracts, work organization, leave, salaries, protections for

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<i>ESS2 Requirement</i>	<i>Compliance Status</i>	<i>Comments and Recommendations</i>
		women and disabled workers, employment termination remuneration Sexual harassment is not explicitly addressed in the <i>Rulebook on Employment Relations or Ethics Code</i>, therefore, a Code of Conduct should be adopted.
Occupational Health and Safety (Para. 8)	Compliant	- Comprehensive requirements, including PPE use, health monitoring, risk prevention, medical exams, and safety training - Fully meets ESS2 OHS requirements
Risk Management and Incident Prevention (Para. 9-11)	Compliant	Accident Prevention Plan, Risk Mapping, Fire Risk Assessment, and Fire Protection Plan provide robust hazard identification and emergency preparedness
Worker Training and Information (Para. 12)	Compliant	Annual training plans with detailed records ensure ongoing worker safety education and awareness
Worker Engagement and Grievance Mechanisms (Para. 13-14)	Partially Compliant	- Ethics Code promotes integrity but lacks explicit anti-harassment and grievance procedures - Recommended to formalize these policies
Monitoring, Reporting, and Continuous Improvement (Para. 15)	Compliant	Annual OHS and fire protection reports document safety performance, incidents, and risk mitigation, and support continuous improvement.

6. Institutional and Implementation Arrangements

As was mentioned above, In the implementation phase, a Project Implementation Unit (PIU) within EPHZHB will be appointed and will have a coordination role and will be primarily responsible for overseeing the financial management and procedural compliance aspects of the Project.

At the operational level, the Project Management Team (PMT), composed of designated staff from the HPPs on the Vrbas Branch Office and HPP Jajce II, is responsible for day-to-day technical oversight of the rehabilitation activities. The PMT supports implementation by monitoring progress against contractual obligations, reviewing technical submissions, and ensuring that works are executed in compliance with applicable technical standards, environmental and social requirements, and occupational health and safety (OHS) provisions.

The PMT coordinates closely with the Project Implementation Unit (PIU) to ensure effective implementation and timely resolution of technical and operational issues. It facilitates communication between the Contractor, suppliers, plant management, and the PIU, and supports the integration of Project activities with ongoing plant operations.

At the site level, the PMT oversees Contractor and contracted supplier performance, monitors adherence to the Labor Management Procedures (LMP), Environmental and Social Management Plan (ESMP), and OHS measures, and ensures that rehabilitation works are undertaken without compromising operational reliability, worker safety, or environmental compliance.

Contractors and contracted suppliers engaged under the Project will be responsible for managing their workers in accordance with applicable national labour legislation and contractual requirements, the latter of which will include the additional requirements of ESS2 that are noted above. They will be required to identify and implement site-specific OHS measures, ensure adequate supervision of workers, provide PPE, conduct safety training, maintain employment records, and operate grievance mechanisms consistent with the Project's worker grievance mechanism. Contractors will be

contractually accountable to EPHZHB and the PMT through the PIU and will be required to report on labour and OHS performance in accordance with agreed reporting procedures.

Overall accountability for compliance with ESS2 and implementation of this Labour Management Plan rests with EPHZHB. The PIU retains responsibility for monitoring, documentation, and reporting to the World Bank, while operational coordination and technical supervision are shared with the HPPs on Vrbas Branch Office and HPP Jajce II in accordance with their respective roles.

7. Policies and Procedures for the Project

The potential risks summarized in section 3 will be avoided, mitigated, or otherwise reduced to acceptable levels through the application of the policies and procedures described in this section.

7.1 Labour Management

All Project workers will be engaged in full compliance with national labour law, internal acts of EPHZHB, and World Bank ESS2. The Project will create a working environment where every individual—whether directly employed or engaged through contractors—understands their rights and responsibilities, and is treated fairly, consistently, and without discrimination. Recruitment and employment processes will be transparent, publicly accessible, and free from bias based on ethnicity, religion, gender, sexual orientation, disability, or any other characteristic protected under national law or ESS2.

Direct workers will be provided with clear and understandable written terms and conditions of employment as required by FBiH, EPHZHB internal acts, and ESS2. These terms which are described in more detail below, will include job responsibilities, hours of work, wages, compensation and benefits, and provisions for overtime. Where workers may have difficulty understanding the written documentation, these terms will also be communicated and explained orally. In accordance with national requirements, workers will receive advance written notice of termination, including any applicable severance payments. Workers will sign their contracts, and copies of terms and conditions will be accessible at work sites. Recruitment, selection, promotion, and termination decisions will be based strictly on qualifications and performance, ensuring fair treatment without influence from unrelated personal characteristics. Workers will receive training in how to do their jobs safely, in the use of the GM, and in requirements of a Project-specific Code of Conduct (Annex 1).

Contracted workers will likewise be required by their employers to acknowledge and sign written contracts that clearly specify the terms and conditions of their employment in line with national law and ESS2. Contracts will be provided in a language understandable to both the employer and the employee, and oral explanations will be given when necessary. Again, workers will sign their contracts, and copies of terms and conditions will be accessible at work sites. No hiring fees will be charged to workers—if any fees arise, these will be covered by the employer. Contractors will be encouraged to prioritize local hiring, with employment opportunities advertised to communities and groups using appropriate channels, with job descriptions written in clear, inclusive language. Job postings will specify the skills required for each position, and applications will be considered according to established procedures. As needed, special attention will be given to addressing any potential language barriers, especially for foreign workers, who must hold valid work permits to be legally employed. All personnel engaged by contractors and subcontractors will be at least 18 years old, and the principle of equal pay for equal work will be enforced, ensuring that men and women are compensated equally for comparable roles.

Migrant and non-local workers may face increased risks due to social isolation, limited knowledge of local labour rights and language, and reduced access to grievance mechanisms. To mitigate these risks,

the Project will conduct induction training in a language that workers understand, covering labour rights, occupational health and safety procedures, the worker Code of Conduct, and the Worker Grievance Mechanism. The grievance mechanism will be accessible, confidential, and with language support where needed. Furthermore, the Project will ensure that all migrant workers hold valid work and residence permits, as well as travel documents, prior to commencing employment. Practical assistance will be offered to support workers with the application and renewal of these permits, including coordination with relevant authorities. This approach helps safeguard the legal status of migrant workers, facilitates lawful employment, and reduces vulnerabilities related to documentation and residency. Supervisors will regularly monitor workers' wellbeing, safety, and work conditions, and contractors will be contractually required to implement the same measures for their workers. These steps are intended to ensure that all vulnerable workers can safely perform their duties and have equal access to project benefits and grievance mechanisms.

Throughout the Project, workers will be informed about available grievance procedures, including reporting channels and escalation mechanisms, to ensure that concerns can be raised and addressed fairly and transparently. Guidance and training will be provided as needed to help workers understand their rights, responsibilities, and the procedures available to them. By implementing these measures, the Project will foster a safe, respectful, and equitable working environment that fully meets the requirements of FBiH law and ESS2.

7.2 Occupational Health & Safety

All project activities will be carried out in strict compliance with the *Law on Protection at Work* (O.G. FBiH, No. 79/2020), EPHZHB internal acts on OHS, and World Bank ESS2. A safe and healthy working environment will be provided for all direct and contracted workers, which will be accomplished by the systematic identification, assessment, and management of OHS risks. Every worker will be made aware of his or her right to work in conditions that prevent injury, illness, or exposure to hazards, and will be empowered to report unsafe conditions or refuse unsafe work without retaliation.

The Project will implement a comprehensive OHS management framework covering workplace risk assessment, safe work planning, use of PPE, safe work practices, emergency preparedness, and health monitoring. Prior to the start of the rehabilitation works, employers will prepare and communicate worksite arrangements, to all personnel who may be exposed to Project-related risks. These arrangements will include identified hazards, control measures, and emergency response procedures. Risk assessments will be updated periodically and whenever work conditions change. The findings will be documented and shared with workers and supervisors.

All workers will receive appropriate OHS training, tailored to their roles and the risks they may encounter. Training will include the proper use of PPE, safe operation of tools and equipment, electrical safety, fall protection, emergency procedures, and fire prevention. Training programs on occupational health, safety, and fire protection will be conducted for all employees: upon hiring, upon assignment to a new working position, and at least once every two years, in accordance with JP EP HZ HB regulations. Training will be delivered by qualified personnel and documented in internal records. Workers in high-risk positions will receive additional specialized training relevant to their tasks and undergo periodic medical examinations, with frequency determined by the level of risk, to ensure their health and fitness for duty. Besides formal induction and job safety training, workers will attend daily "toolbox talks" that cover safe performance of the work to be performed that day.

PPE, tools, and equipment will be provided at no cost to the workers and will be properly inspected, tested, and maintained at regular intervals. Identified hazards, unsafe conditions, or equipment deficiencies will be promptly addressed and the use of PPE will be checked during toolbox talks, with

work not allowed to proceed if the worker is without proper PPE. Workers will be required to comply with OHS procedures, follow safety instructions, and cooperate with OHS representatives in implementing preventive measures. Supervisors and managers will be responsible for enforcing compliance, monitoring safety performance, and reporting incidents in line with the Project requirements.

All incidents, near misses, and workplace injuries will be recorded, investigated, and reported to the labour inspectorate and relevant health institutions in accordance with national law and EP HZHB internal procedures. In addition, serious incidents will be reported to the PIU and the World Bank. Lessons learned from investigations will be used to continuously improve workplace safety.

7.3 Sexual Exploitation, Abuse, and Harassment and Gender-based Violence

Sexual exploitation, abuse, and harassment (SEA) and Gender-based Violence (GBV) are strictly prohibited by EPHZHB and this will continue under the Project. Under Articles 3–6 of the *FBiH Labour Law*, discrimination and harassment are prohibited in employment, and the dignity of workers must be protected. Articles 177–178 of the *FBiH Criminal Code* provide criminal liability for sexual harassment and other acts that violate personal dignity. Workplace harassment may result in internal disciplinary measures (warnings, suspension, termination, etc.) and may be referred to authorities, which in turn may lead to civil liability or criminal sanctions, depending on the severity and nature of the misconduct.

All employers -- EPHZHB, Jajce II HPP, Contractors -- will be responsible for taking proactive measures to prevent SEA/GBV and to respond promptly to any complaints. This will include establishing clear reporting and grievance channels, investigating complaints thoroughly, maintaining confidentiality, and applying corrective or disciplinary measures when misconduct is substantiated. The Worker Grievance Mechanism (WGM) will be sensitized and equipped to receive and manage SEA/SH-related grievances in a survivor-centered manner, ensuring confidentiality, safety, and appropriate referral pathways. EPHZHB internal policies, including the Rulebook on Employment Relations, Ethics Code, and Code of Conduct, all provide guidance on acceptable behaviour, prohibiting rude, discourteous, or inappropriate communication toward colleagues.

All workers will be informed of their rights and responsibilities regarding SEA/GBV and the procedures available for reporting concerns. All direct and contracted workers will be required to review and sign the Code of Conduct, which is included as Annex 1, as a condition of their employment on the Project.

7.4 Age of Employment

The employer of all direct and contracted workers will verify the identity and age of their employees and will not allow anyone under the age of 18 to support the Project, as a decision of the Project to protect workers from potential risks associated with Project activities. Each employer will require workers to provide official Government-issued documentation, which could include a national identification card, passport, or a government-issued medical or school record (employers will not retain the official documents but will copy and return them to the workers immediately). Each employer will conduct spot-checks of its workers, and PMT and Jajce II HPP will spot-check the Contractor's workers. While the law allows workers aged 15 and above to perform limited, non-hazardous tasks (e.g., administrative work), the Project has set the stricter minimum age of 18 for all Project-related work.

If a person under the minimum age is discovered working on the Project, measures will be taken to immediately terminate the employment or engagement in a responsible manner, taking into

consideration the best interest of the child (but not continuing their employment or engagement), and the PMT and/or HPP will investigate and determine how the employment of a minor occurred and ensure that steps are taken to prevent any recurrence.

In order to prevent engagement of under-aged labour, all construction and consulting contracts will include these minimum age requirements as well as penalties for non-compliance, and it will be well communicated to all potential stakeholders, including the local communities where unskilled workers will be sourced. The HPP and Contractor will be required to maintain a registry of employed persons with age information.

7.5 Forced Labour

Forced labor is strictly prohibited within the Project. As noted above, all EPHZHB employees have voluntary written contracts and all Contractors employed by the Project will be required to enter into contracts that are voluntarily signed by the employees. The PIU and PMT will spot-check contracted employees to verify they have voluntarily entered into employment contracts.

7.6 Terms and Conditions of Employment for Project Workers

The Project will comply with the *FBiH Labour Law* and will ensure that regular working hours do not exceed 40 hours per week, which will normally be organized as eight hours per day over five working days. Overtime work shall be permitted only in exceptional circumstances, subject to prior authorization, and must be limited and compensated at an increased rate in accordance with Articles 47–50 of the Labour Law of FBiH. Before they are engaged on the Project, direct and contracted workers will have signed contracts that include:

- The title and/or description of the job they will perform
- The duration of employment, unless they are permanent employees
- Compensation to be paid, including for overtime
- Paid and unpaid time off, including accruals of leave, if applicable
- Notice required for resignation by the employee or termination by the employer
- Hours of work, which will include a daily rest period of at least 12 consecutive hours within each 24-hour period,
- A weekly rest period of at least 24 consecutive hours, and rest breaks during the working day.

Direct workers are paid through the standard internal payroll system, which is subject to EPHZHB internal controls and audits. The PIU will check that all contracted workers are paid in accordance with their contracts, national labour law, and ESS2, with verification through payroll reviews, periodic on-site checks, and worker-signed receipts.

Where persons with disabilities are employed, the employer will provide reasonable accommodation in accordance with applicable legislation, including the *Law on Professional Rehabilitation and Employment of Persons with Disabilities in FBiH* (Articles 74–75). Such accommodation may include adjustment of the workplace, access routes, work organization, or other appropriate measures, depending on the nature of the work and the needs of the worker.

Men and women will be afforded equal opportunities in recruitment, employment, and career development under the Project.

The above requirements will be reflected in construction and consulting contracts, and compliance will be monitored throughout Project implementation.

7.7 Provision for Termination

In accordance with the *Labour Law* (Articles 49–54), and aligned with World Bank ESS2 requirements, Project workers whose employment is not based on a fixed-term contract must receive written notice of termination, including the applicable statutory notice period and information on severance pay, as required by the Law. In the case of termination of employment, the employer will ensure that all earned wages, compensation for unused annual leave (if applicable), and other monetary entitlements are fully paid on or before the end of employment, either directly to the worker or, where applicable, to the relevant institutions on the worker's behalf. Workers will be provided with evidence of such payments upon request. All mandatory social security contributions, including pension and disability insurance, health insurance, and unemployment insurance, will be paid in accordance with applicable laws.

These measures ensure that workers have access to all earned compensation at the time of termination and protect their rights in line with ESS2.

7.8 Injuries and Death

If Project work results in a serious injury or fatality, the worker's employer must:

- Provide medical assistance and notify the supervising party (the Contractor to the HPP, the HPP to the PMT and PIU)
- Report the accident in writing to the Federation Labour Inspectorate and the Social Security Directorate within 24 hours, and to the police/law enforcement authorities in cases involving fatalities or potential criminal liability.

In addition, in line with the World Bank Environmental and Social Incident Response Toolkit (ESIRT) requirements, the PMT will notify the World Bank of any incident or accident related to the Project that has, or is likely to have, a significant adverse effect on the environment, affected communities, the public, or workers. This includes incidents resulting in death or serious injury, as well as events such as violence, discrimination, protests, environmental pollution, dam failure, forced or child labor, involuntary displacement, allegations of sexual exploitation and abuse (SEA) or sexual harassment (SH), or disease outbreaks. The World Bank will be notified no later than 48 hours after the PMT becomes aware of such an incident, and available details will be provided upon request (see Annex 2- Incident reporting form).

Following the initial notification of a serious accident or fatality, the PMT, in coordination with EPHZH, the PIU, and Jajce II HPP, will appoint an Accident Investigation Team. This team will include representatives from EPHZHB, HPP Jajce II, and (if a contracted worker is involved) the Contractor. The PMT will ensure that an appropriate review of the incident is carried out to determine immediate, underlying, and root causes. A report of the findings and a Corrective Action Plan will be prepared, agreed with the World Bank, and implemented to prevent recurrence, and submitted to the World Bank within 10 days of the initial notification, unless otherwise agreed.

The purpose of this Project-level investigation is to identify the root causes of the incident and to identify and require implementation of corrective and preventive measures to avoid recurrence. It is not intended to assign legal liability, which remains the responsibility of the competent authorities. This internal investigation is distinct from any official investigation conducted by the Federation Labour Inspectorate, Social Security Directorate, or law enforcement authorities, which may be required under the *Law on Safety at Work* (Articles 33–35). The Project's investigation focuses on

identifying both the root causes of the incident and measures to prevent any recurrence. The Team's root cause analysis and investigation report will be submitted to the PIU, which in turn will submit it to the World Bank, within 10 days after the accident. Following PMT and PIU approval of the root cause analysis, the responsible party will implement the corrective measures.

8. Worker Grievance Mechanism

As noted previously, the Project will provide a safe, accessible, and transparent mechanism for all Project workers and stakeholders to raise concerns related to recruitment, labour management, working conditions, harassment, or any other Project-related issue. It is important to note that the worker grievance mechanism (GM), while similar, is distinct from the GRM for external stakeholders. The key principles of the worker GM include:

- **Accessibility:** Grievances may be submitted at any time and in any format (oral, written, email, online form) by any direct or contracted worker
- **Confidentiality:** All grievances will be treated confidentially, and sensitive cases , including those involving sexual exploitation, abuse, or harassment, will follow additional strict protective measures, including secure and restricted access to information, anonymization of records, survivor-centered handling, referral to appropriate support services (medical, psychosocial, and legal), and procedures that ensure protection against retaliation.
- **Non-retaliation:** No worker will face retaliation for raising a grievance
- **Anonymous submissions:** Workers may submit grievances anonymously
- **Timely and transparent resolution:** Grievances will be acknowledged and resolved as soon as practicable, with the resolution communicated to the grievant (except in the case of anonymous grievances)
- **Legal rights:** Using the GM will not limit access to judicial, administrative, or collective grievance processes.

8.1 Submission Channels

Workers may submit grievances verbally or in writing to their supervisors, managers of Jajce II HPP, or representatives of the PMT and PIU,

<i>Channels for submission</i>	<i>Address 1</i>	<i>Address 2</i>
By post or in person at administrative protocol	Josip Mlinar HPPs Vrbas River Basin Baščeluci 3, 70101, Jajce, BiH Adressed to HPPs Vrbas r. Basin Manager	Vito Dodig EPHZHB Production Department Kralja Petra Krešimira,6-A, 88000, Mostar Addressed to Executive director
By email	josip.mlinar@ephzhb.ba	vito.dodig@ephzhb.ba

An example of a form that can be used to submit grievances is provided in the Annex 3, although grievances can be submitted in any format. This GM will remain operational throughout the Project, beginning with disclosure of the Audit Report and this LMP. Any updates to GM contact details or procedures will be disclosed in an update to this LMP.

As noted above, grievances may be submitted anonymously.

8.2 Grievance Handling Process

Grievances will be managed through a clear and time-bound process, as summarized in Table 8-1 and Table 8-2. **Pogreška! Izvor reference nije pronađen..** The process is designed to ensure transparency, predictability, and timely resolution in line with ESS2 and EPHZHB requirements. It is important to note that not all grievances will require action on the part of EPHZHB or other parties. The need for action will be determined during the process of resolution, and the resolution and any required actions will be communicated to the complainant (if known).

Table 8-1. Grievance Handling Process

<i>Step</i>	<i>Description</i>	<i>Timeline</i>
Submission	As described in section 8.1	Any time
Recording	Recorded in grievance log by Grievance Officer (Annex 4)	Within 24 hours
Acknowledgement	Confirmation of receipt to the complainant (unless anonymous)	Within 5 days
Assignment	Assignment by Grievance Officer of person responsible for assessment and resolution	Within 3 days
Assessment/ Investigation	Review and assessment by responsible person of grievance validity, followed by investigation (if determined to be potentially valid). Grievances related to urgent matters, such as unsafe working conditions or immediate risks to health and safety, will be prioritized and addressed without delay.	Within 15 days
Resolution	Propose resolution and communication to complainant (except no communication for anonymous grievances)--see Annex 5. May include "no action"	Within 30 days unless otherwise agreed with complainants
Communication and acknowledgment	- Communication of proposed resolution to aggrieved person by the Grievance Officer and/or responsible person (if not anonymous) - Written acknowledgement of proposed resolution by aggrieved person (again, if not anonymous) - Implementation of required actions, if any	
Acceptance or appeal	- Acceptance by aggrieved party in writing, or - Escalation to EPHZHB or to legal system, as selected by aggrieved person (same steps as above, but with higher-level EPHZHB personnel)	
Closure	Record in grievance log	Upon implementation of required action, if any

Table 8-2 Roles and Responsibilities for Grievance Mechanism

<i>Role / Entity</i>	<i>Key Responsibilities</i>	<i>Related GM Step(s)</i>
Complainant/Aggrieved party	- Submit project-related grievance - Provide additional information if requested - Review proposed resolution - Escalate grievance if not satisfied	- Submission, - Acknowledgment - Acceptance or appeal
Grievance Officer	Receive grievance	All steps

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<i>Role / Entity</i>	<i>Key Responsibilities</i>	<i>Related GM Step(s)</i>
	- Record grievance into grievance log - Acknowledge grievance - Assign responsible person - Monitor and coordinate entire process - Prepare reports for Project management	
Responsible person	- Determine potential validity of grievance - Investigate - Propose resolution	- Assessment/ Investigation - Resolution - Communication
EPHZHB	All steps if Project-proposed resolution is not accepted by complainant	All steps, following Appeal

8.3 Grievance Logging and Monitoring

Each grievance will be assigned a unique reference number and tracked from receipt to closure. Information to be recorded in the Grievance Log will include:

- Submission type (complaint, comment, suggestion)
- Complainant details (if not anonymous)
- Category of issue (labour, OHS, environmental, sensitive/SEA/SH, etc.)
- Assigned investigator
- Date of submission, registration, and communication
- Proposed resolution and implementation date
- Dates of communication with complainant
- Acceptance or appeal status
- Closure date

The topics and resolution of anonymous grievances will be disclosed periodically through Contractor and HPP communication channels if this is considered useful for other parties or involves a change in procedures or practices.

8.4 Sensitive Grievances

Certain grievances will require special handling. Although the Project is assessed as having a low risk of SEA/SH/GBV, the worker GM will be equipped to receive and address sensitive grievances related to SEA/SH/GBV or other sensitive topics. Such grievances will be:

- Handled confidentially--all grievance will be considered confidential, but sensitive ones will have special precautions to protect identities
- Managed by designated personnel who are trained to handle such grievances
- Processed using survivor-centred principles

- Addressed through a separate and secure channel, while following the same response timelines as other grievances.

8.5 Grievance and Stakeholder Feedback Reporting

As noted above, workers who submit a grievance will be informed of the proposed resolution using the person's preferred channel, such as in-person meetings, email, phone, or official letter. For grievances involving sensitive information, high potential impacts, or multiple parties, feedback will provide detailed explanations of the investigation process, corrective actions, and planned monitoring.

8.6 Monitoring and Reporting on Grievances

Information on the functioning of the GM will be included in periodic reports submitted to the HPPs on Vrbas r. Basin office and the PIU. The PIU will in turn report to the World Bank. Reporting will include:

- Status of GM implementation (specifically, changes in procedures, staffing, awareness activities)
- Number and type of grievances received and resolved during the period and cumulatively
- Average resolution times during the period and cumulatively
- Key issues raised and actions taken
- Grievances closed during the period that took longer than 30 days to resolve
- Outstanding grievances, reasons for delay (if over 30 days), and anticipated resolution dates
- Lessons learned and corrective actions implemented.

8.7 World Bank Grievance Redress System

Individuals who believe they are adversely affected by a World Bank-supported project may submit complaints to existing project-level grievance mechanisms or directly to the World Bank's Grievance Redress Service (GRS).

The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project-affected communities and individuals may also submit their complaints to the World Bank's independent Inspection Panel, which determines whether harm has occurred, or could occur, as a result of non-compliance with World Bank policies and procedures.

Complaints may be submitted at any time after concerns have been brought directly to the attention of the project-level GM and Bank Management has been allowed to respond.

Information on how to submit complaints to the World Bank's Grievance Redress Service (GRS) is available at:

www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service

Information on how to submit complaints to the World Bank Inspection Panel is available at www.inspectionpanel.org.

9. Contractor Management

Contractors will be selected by EPHZHB in accordance with World Bank procurement principles and procedures, based on their technical qualifications and financial proposals. All contracts will be based on World Bank Standard Procurement Documents and will include mandatory environmental and social requirements, including requirements of this LMP for labour management, OHS , and prevention of SEA/SH/GBV. As part of the bidding process, all prospective contractors, service providers, and suppliers will be required to submit a signed Statement of Compliance with Labor Legislation and the Project's LMP (Annex 6), in line with ESS2 requirements.

Under their contracts, contractors and their subcontractors are required to comply with applicable national legislation, the World Bank Environmental and Social Framework (ESS2 and ESS4), and the requirements of this LMP. These obligations will form an integral part of bidding documents and contractual agreements.

Contractual provisions will require the implementation of Project-specific labor and OHS measures, including:

- Compliance with working conditions, including working hours, wages, and rest periods, in line with national legislation and ESS2;
- Prohibition of child labor and forced labor;
- Non-discrimination, equal opportunity, and fair treatment of workers;
- Respect for freedom of association and collective bargaining, where applicable;
- Implementation and enforcement of the Project Code of Conduct, including specific provisions addressing SEA/SH/GBV;
- Establishment and maintenance of a worker grievance mechanism accessible to all project workers;
- Provision of appropriate OHS measures, including risk assessments, use of personal protective equipment (PPE), emergency preparedness, and safe work procedures;
- Mandatory induction and regular training of workers on OHS, Code of Conduct, and grievance mechanisms;
- Incident and accident reporting, including immediate notification of serious incidents to the PIU/PMT in line with project procedures;
- Implementation of corrective actions, including sanctions, penalties, or replacement of personnel in cases of non-compliance;
- Management of worker accommodation (where applicable) in line with good international industry practice.

Throughout Project implementation, the PIU and PMT will oversee and supervise labor management and OHS performance of contractors, subcontractors, and suppliers. This will include regular site inspections, review of contractor reports, and verification of compliance with contractual obligations.

Monitoring will include, as applicable:

- Verification of contractor licensing and qualifications;
- Review of labor and employment records;
- Monitoring of working conditions and OHS performance (including incident statistics);
- Confirmation of worker training and awareness;
- Review of grievance records and resolution timelines;
- Monitoring of compliance with the Code of Conduct and SEA/SH/GBV prevention measures.

The PIU/PMT will require contractors to submit periodic reports on labor and OHS performance in a format acceptable to the Project. A standard reporting template is provided in Annex 7: Labor Conditions Compliance Report Template (ESS2) for Third Parties Engaging Contracted Workers, which shall be used by contractors to ensure consistent monitoring and reporting. The PIU/PMT will take corrective actions as needed to ensure full compliance with the LMP and applicable standards.

Annex 1. Sample Code of Conduct

Code of Conduct for Direct and Contracted Workers`

1. Purpose

This Code establishes standards of behaviour that apply to all direct and contracted workers who support the rehabilitation Project for Jajce II HPP.

2. Scope

Applies to all project workers during:

- Working hours and work-related travel
- Field activities, trainings, meetings
- Any interaction with colleagues, beneficiaries, or community members

3. Obligations of Workers

Workers must:

- Treat all persons with dignity, respect, and equality
- Follow all health and safety rules and use personal protective equipment as required
- Follow lawful instructions from supervisors and project management
- Refrain from using, possessing, or being under the influence of illegal drugs or alcohol during work or on project premises
- If smoking is permitted, smoke only in designated areas and only at approved times
- Perform assigned work according to training and job responsibilities, maintaining safety and quality standards
- Report unsafe conditions, accidents, and violations immediately
- Not engage in sexual harassment, exploitation, or abuse
- Report any suspected or actual incidents involving gender-based violence, sexual exploitation, abuse, or harassment
- Participate in mandatory training for occupational health and safety, this Code of Conduct, and gender-based violence, sexual exploitation, abuse, or harassment
- Avoid retaliation against anyone who reports incidents or complaints

4. Prohibited Conduct

The following are strictly prohibited:

- Sexual harassment, exploitation, or abuse, or gender-based violence\
- sexual activity with minors (under 18), regardless of consent
- Use or possession of illegal drugs or alcohol during work or on site
- Smoking outside designated areas
- Disobeying lawful instructions or safety rules
- Retaliation against complainants or witnesses
- Non-compliance with this Code

5. Reporting

- Workers must report any violations or issues, including SEA/SH/GBV and safety concerns to their supervisors or project management, or through the worker grievance mechanism
- Reports may be verbal or written and may be anonymous
- All reports will be handled confidentially, safely, and in compliance with the law and EPHZHB rules

6. Disciplinary Measures

Violations of this code may result in:

- Warning, suspension or termination of employment
- Referral to competent authorities for criminal or civil investigation and action

I, the undersigned, confirm that I have read, understood, and agree to comply with this Worker Code of Conduct.

Name	
Position/Title	
Organization/Company	
Signature	
Date	

Annex 2. Incident Report Form

Environmental and Social Incident Response Toolkit (ESIRT)

To be completed by EPBiH PIU within 48 hours of becoming aware of the incident and submitted to the World Bank Task Team.

B1: Incident Details

Field	Response
Date of Incident	
Time of Incident	
Date Reported to PIU	
Date Reported to WB	
Reported to PIU by	
Reported to WB by	
Notification Type	Email / Phone call / Media notice / Other
Full Name of Main Contractor	
Full Name of Subcontractor (if applicable)	
Location of Incident	

B2: Type of Incident

(Check all that apply)

- ☐ Fatality
- ☐ Lost Time Injury
- ☐ Displacement Without Due Process
- ☐ Child Labor
- ☐ Forced Labor
- ☐ Acts of Violence / Protest
- ☐ Disease Outbreak
- ☐ Sexual Exploitation and Abuse (SEA)
- ☐ Sexual Harassment (SH)
- ☐ Unexpected impacts on heritage resources
- ☐ Unexpected impacts on biodiversity resources
- ☐ Environmental pollution incident
- ☐ BESS thermal runaway / fire event
- ☐ Other (describe below)

If Other, describe: _____

B3: Preliminary Incident Classification

(Select one)

- ☐ **Indicative** — Minor, small or localized; does not result in irreparable harm to people or the environment
- ☐ **Serious** — Causes significant harm to the environment, workers, or communities; complex or costly to reverse
- ☐ **Severe** — Causes great harm to individuals or the environment, or presents significant reputational risks to the World Bank

B4: Description and Narrative of the Incident

Provide responses to the following:

I. What is the incident? What happened? To what or to whom?

II. Where and when did the incident occur?

III. What were the conditions or circumstances under which the incident occurred (if known)?

IV. Are the basic facts of the incident clear and uncontested, or are there conflicting versions? If conflicting, describe:

V. Is the incident still ongoing or is it contained?

VI. Is loss of life or severe harm involved?

VII. Have relevant national authorities been informed? If yes, which ones and when?

B5: Actions Taken to Contain the Incident

Short Description of Action	Responsible Party	Expected Date	Status
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For incidents involving a contractor: Have works been suspended? ☐ Yes ☐ No

Name of Contractor: _____

B6: Support Provided to Affected People

Type of Support Provided	To Whom	Date Provided
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C1: Corrective Actions

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(To be fully described in the Corrective Action Plan, submitted within 10 days of incident notification)

Short Description of Action Responsible Party Expected Completion Date

Submission and Reporting Requirements

Milestone	Timeframe	Responsible Party
Contractor notifies EPBiH PIU	Within 24 hours of incident	Contractor / Supervision Consultant
EPBiH PIU notifies World Bank	Within 48 hours of PIU becoming aware	EPBiH PIU
Full investigation report and Corrective Action Plan submitted to WB	Within 10 days of initial notification	EPBiH PIU
For SEA/SH allegations: notification to WB (subject to survivor safety considerations)	Within 48 hours of PIU becoming aware	EPBiH PIU

Notes

- This form does not replace regular ESHS supervision and monitoring reporting.
- All completed forms shall be filed by EPBiH PIU and made available to the World Bank upon request.
- For SEA/SH incidents, confidentiality of the survivor must be maintained at all times. Do not include identifying information about survivors in this form.
- Upon receipt of this form, the World Bank Task Team will initiate the internal ESIRT process and may request additional information or an investigation report.

Annex 3 Example Grievance Form

HPP Jajce II Worker Grievance Form				
Grievance reference number:				
Contact details (may be submitted anonymously)	Name(s):			
	Address:			
	Telephone:			
	Email:			
How would you prefer to be contacted (check one)	By mail/post: ☐	By phone: ☐	By email ☐	Anonymous ☐

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Preferred language	☐ Bosnian/ ☐ English ☐ Croatian ☐ Other ☐ Serbian						
Provide details of your grievance. Please describe the problem, what happened, who it happened to, when and where it happened, how many times, etc. Describe in as much detail as possible.							
What is your suggested resolution for the grievance, if you have one? Is there something you would like EPBiH or another party/person to do to solve the problem?							
How have you submitted this form?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; padding: 5px;">Website ☐</td><td style="width: 33%; text-align: center; padding: 5px;">email ☐</td><td style="width: 33%; text-align: center; padding: 5px;">In person ☐</td></tr> <tr> <td colspan="3" style="text-align: center; padding: 5px;">Other (specify) ☐</td></tr> </table>	Website ☐	email ☐	In person ☐	Other (specify) ☐		
Website ☐	email ☐	In person ☐					
Other (specify) ☐							
Who filled out this form (If not the person named above)?	Name and contact details:						
Signature							

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Annex 4. Example Grievance Log

No.	Date Received	Grievant / Stakeholder	Contact Information	Stakeholder Type	Grievance Category	Description of Grievance	Assigned To	Date of Acknowledgment	Actions Taken / Investigation	Resolution / Outcome	Date Closed	Follow-up / Comments

Annex 5- Grievance Feedback Form – Final Decision

Project: HPP Jajce II Rehabilitation Works

Grievance Reference No.: _____

Date of Submission: _____

Date of Feedback: _____

1. Stakeholder Information

Name / Organization: _____

Contact Details: _____

Stakeholder Type: ☐ Community Member ☐ Employee ☐ Contractor ☐ Other: _____

2. Grievance Summary

Brief Description of Grievance (as submitted):

3. Investigation Summary

Actions Taken / Investigation Conducted:

Parties Consulted (if applicable):

4. Final Decision / Resolution

Outcome of Grievance:

Justification / Explanation for Decision:

Corrective or Mitigation Actions (if any):

Follow-up Actions (if required):

5. Feedback Communication

Method of Communication: ☐ In-person ☐ Email ☐ Official Letter ☐ Other: _____

Name / Position of Project Representative Providing Feedback: _____

6. Stakeholder Acknowledgment

Stakeholder Signature: _____

Date: _____

Annex 6 Third Parties’ (Prospective Contractors, Service Providers and Suppliers) Statement of Compliance with Labor Legislation Provisions and the Project’s LMP in line with ESS2 “Labor and Working Conditions”

Date and place of issuance: _____

Name and address of the Declarant (bidder/supplier): _____

STATEMENT OF COMPLIANCE WITH LAWS, REGULATIONS AND THE PROJECT LMP

We hereby declare that:

- We comply with all applicable national laws* and regulations governing employment, labor and employee relations, working conditions and occupational health and safety, as well as the relevant requirements of ESS2 “Labor and Working Conditions”.
- We are committed to providing a safe and healthy working environment for our employees and all workers engaged for the purposes of the Project, and to implementing all prescribed occupational health and safety measures in accordance with national legislation and the Project’s LMP.
- We do not tolerate any form of child labor, forced labor or work in conditions analogous to slavery, and we commit not to engage any person under the age of 18 for work related to the Project, in line with applicable legislation and ESS2.
- We prohibit any form of harassment, including sexual harassment and abuse, violence and gender-based violence at work, and we prohibit any direct or indirect discrimination against any employee or group of employees on any ground and for any reason.
- We commit to respect and implement the Project Code of Conduct, including specific provisions on the prevention of sexual exploitation and abuse (SEA) and sexual harassment (SH), and to inform all our workers, subcontractors and suppliers about this Code of Conduct and ensure that they sign it.
- We confirm that we will establish and maintain records related to workers engaged for the purposes of the Project (contracts, working hours, payments, trainings, occupational injuries, occupational diseases, incidents and near-miss events) in accordance with the requirements of ESS2 and the Project’s LMP.
- We confirm that the workers engaged for the purposes of the Project have access to the Grievance Mechanism (GM) for project workers, as defined in the Project’s LMP, and that we will inform them about the procedures for submitting grievances and that no worker will face retaliation for submitting a grievance or participating in the grievance resolution process.
- We commit to ensure that the same obligations are applied to all subcontractors and suppliers we engage for the purposes of the Project, including the prohibition of child and forced labor, the prohibition of harassment and discrimination, compliance with the Code of Conduct and access to the GM for project workers.

We declare that we expect to sign a contract with the Employer/Investor and that we undertake to fully implement the Labor Management Procedures (LMP) applicable to the Project and to integrate them into our internal policies and practices. We understand that failure to comply with the above-mentioned obligations may result in termination of the contract and/or exclusion from further participation in the Project.

Signature: _____

Name: _____

Position: _____

Annex 7 Labor Conditions Compliance Report Template With ESS2 for Third Parties Engaging Contracted Workers

Task Name:	
Contract Reference No.:	
Contract Period:	Start Date (D/M/Y) — End Date (D/M/Y)
Contractor / Service Provider:	
Reporting Period:	
Report Date:	

REPORT ON ADHERENCE TO LABOR AND WORKING CONDITIONS

Company worker statistics:

- Total number of workers by gender: Men ____ / Women ____
- Number of workers with employment contracts: ____
- Number of workers without employment contracts: ____
- Number of workers with social, pension, and health insurance: ____
- Number of workers receiving wages at least monthly: ____
- Number of workers who left the company during reporting period: ____
- Number of workers employed in reporting period: ____
- Average hours worked per worker (monthly): ____
- Total overtime hours (monthly average per worker): ____

Work Injuries (reporting period and cumulative since contract start): ____

Fatalities at work (reporting period and cumulative): ____

Reported violence cases: ____

Reported harassment/abuse cases: ____

Availability of accessible and functional worker grievance mechanism: ☐ Yes ☐ No

Number of grievances submitted to mechanism (reporting period and cumulative): ____

Number of grievances resolved by mechanism (reporting period and cumulative): ____

Number of filed lawsuits related to labor, employment, and OHS: ____

Number of disputes settled amicably/referred to voluntary arbitration: ____

Number of labor/OHS inspectorate visits: ____

Project Worker Statistics:

- Total project workers: ____
- Project workers with employment/service contracts: ____
- Project workers without contracts: ____
- Project workers with social/pension/health insurance (with registry confirmation): ____

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	Condition and Timeline	Yes / No	Remarks
1	All project workers have a written employment contract or engagement agreement.	☐ Yes ☐ No	If “No”, please specify and explain.
2	All project workers receive wages at least once per month.	☐ Yes ☐ No	If “No”, please specify and explain.
3	All project workers worked 8 hours per day and 40 hours per week.	☐ Yes ☐ No	If “No”, please specify and explain.
4	All project workers had regular daily and weekly rest periods.	☐ Yes ☐ No	If “No”, please specify and explain.
5	Number of project workers whose employment contracts were terminated in accordance with national labour law and ESS2.	☐ Yes ☐ No	If “Yes”, specify the number and explain the termination conditions.
6	Number of project workers who participated in occupational health and safety (OHS) training programmes.	☐ Yes ☐ No	If “Yes”, specify the number and provide details.
7	Project workers were granted leave entitlements to which they are legally entitled.	☐ Yes ☐ No	If “Yes”, specify the type and number of leave days.
8	Project workers experienced occupational accidents resulting in injuries or fatalities.	☐ Yes ☐ No	If “Yes”, specify the number and provide details.
9	Project workers reported cases of discrimination, harassment, sexual harassment, or violations of labour legislation.	☐ Yes ☐ No	If “Yes”, specify the number and provide details.
10	All project workers are over 18 years of age.	☐ Yes ☐ No	If “No”, specify the number and explain.
11	Project workers submitted grievances or initiated voluntary arbitration/legal proceedings to resolve disputes.	☐ Yes ☐ No	If “Yes”, specify the number and provide details.
12	During the reporting period, there were incidents related to non-compliance with the Labor Management Procedures (LMP).	☐ Yes ☐ No	If “Yes”, specify the number and provide details.