

APPENDIX III – Labour Management Procedures

LABOUR MANAGEMENT PROCEDURES

Applicable to the Engineer-procure-construct (EPC) contractor and any Sub-Contractor and Service Provider employing or engaging labour in relation to execution of the Section Mateševó-Andrijevica Section of The Bar –Boljare Highway. SEETO Road, Route 4

October 2024

ABBREVIATIONS

E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
ESMP	Environmental and Social Management Plan
GBV	Gender Based Violence
GIIP	Good International and Industry Practices
GM	Grievance Mechanism
GoMNE	Government of Montenegro
GRS	Grievance Redress Service
ILO	International Labor Organization
LHSW	Law on Health and Safety at Work
LL	Labor Law
LMP	Labor Management Procedures
MONTEPUT	TH Project Management Company. In International Federation of Consulting Engineers (FIDIC) terms, referred to as the “employer” (namely, the entity that commissions works).
MoF	Ministry of Finance
OG	Official Gazette
OHS	Occupational Health and Safety
PPE	Personal Protective Equipment
SEA	Sexual Exploitation and Abuse
SH	Sexual Harassment
SMS	Safety Management System

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1 INTRODUCTION

The European Bank for Reconstruction and Development (EBRD) intending to support the Government of Montenegro in its endeavour to continue with construction of another section of the Bar –Boljare Highway i.e. Mateševo is committed to promoting environmentally sound and sustainable development in the full range of its activities, pursuant to the Agreement Establishing the Bank.¹ The Environmental and Social Policy (ESP) is one of the Bank's three good governance policies and a key document that guides this commitment to promoting "environmentally sound and sustainable development" in the full range of its investment and technical cooperation activities.² The EBRD's Board of Directors approved the 2019 Environmental and Social Policy and its 10 related Performance Requirements (PRs) on 25 April 2019. They apply to projects started after 1 January 2020. EBRD Performance Requirement 2 (PR2) is based on a recognition that successful, sustainable businesses are underpinned by sound worker-management relationships and respect for workers' rights, including freedom of association and the right to collective bargaining.³ Workforces are clients' most valuable assets and treating workers fairly, establishing constructive working relationships, and ensuring safe and healthy working conditions⁴ are critical to the efficiency and productivity of their operations, as well as their broader reputation. Conversely, failure to adequately implement the requirements of PR2 has the potential to jeopardize worker-management relationships and undermine worker commitment and retention, in turn negatively affecting productivity, quality and efficiency. This guidance note provides EBRD clients and others with practical guidance on implementing the requirements of PR2 and expands on the key principles underpinning it.

In response to the requirements for the Project to comply with the EBRD ESP, MONTEPUT has adopted these Labor Management Procedures (LMP), laying out the approach to meeting the objectives of EBRD PR 2: Labor and Working Conditions (PR 2) on the Project.

Key aspects of this LMP will be integrated into procurement documents and contractual obligations of contractors, suppliers and sub-contractors. It MONTEPUT commitment to ensure the requirements and enforced and performance monitored.

The LMP is a living document. Any changes in labour and working conditions Montenegrin legislation following the date of this LMP in course of the implementation of the Project will be observed. Should any amended to the law impact compliance to commitments made under this LMP and in general towards the EBRD 's requirements shall be immediately addressed by including additional measures to bridge any newly identified gap.

The document identifies the categories of workers who are expected to be hired/engaged under the Project, sets out the terms and conditions for employment or engagement of workers on the Project, specifies the requirements and standards to be met and the policies and procedures to be followed, assesses risks and proposes the mechanisms for compliance measures implementation. The LMP is developed to help avoid, mitigate and manage risks and impacts in relation to project workers and set out the way in which project workers will be managed, in accordance with the requirements of the national law supplemented by measures to close any gaps to meet the requirements of PR 2.

This LMP consists of 13 chapters.

Chapter 1 serves as introduction and provides background on and where the procedures originated from. Chapter 2 defines the Project description. The scope of application of this LMP and the labour governance structure is presented in Chapter 3. The national labour regulatory framework governing

employment relationship in Montenegro is discussed in chapter 4. Occupational health and safety in country legal requirements are dealt with in Chapter 5. Implementation and enforcement responsibilities are defined in chapter 6. Policies and procedures to be followed by the Project are in chapter 7 while age of employment, terms and conditions are covered in chapter 8 and 9. The Worker's accommodation requirements are set forth in chapter 10 followed by the Worker's grievance management in chapter 11. Finally, Contractors management and community workers are covered in chapters 12 and 13. The LMP concludes with reporting templates applicable to the EPC Contractor.

2 PROJECT DESCRIPTION AND BACKGROUND

Montenegro was supported by a substantial grant from the European Union (EU) via the Project Preparation Facility (PPF) of the EU through services of “Technical assistance for preparation of the Preliminary Design” inclusive of an Environmental and Social Impact Assessment (ESIA), a Stakeholder Engagement Plan (SEP) this document and a Land Acquisition and Livelihood Restoration Framework (LARF) at the level of Preliminary Design developed during 2022, for the 23.5 km section Mateševica-Andrijevica of the Bar-Boljare Highway (SEETO Road Route 4). The Government of Montenegro through the State-owned road operating company MONTEPUT now intends to construct the Section from Mateševica to Andrijevica (the “Project”).

The designate Highway is approximately a 23.5 km long¹ section of the Bar - Boljare Highway from Mateševica to Andrijevica. The starting point is at the entrance portal of the 555 m long tunnel after the constructed and completed Mateševica interchange end point of the completed section Smokovac - Mateševica, and is a continuation of this section which is operational as of July 13, 2022. The Project ends in the area of the Kraštica River, tributary of Lim River in Andrijevica. The Project runs through two administrative municipalities, Kolašin and Andrijevica, respectively and affects with its footprint directly 8 rural local communities, while indirect impacts from construction related impacts might be spread to another 17 surrounding communities.

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The document identifies the categories of workers who are expected to be hired/engaged under the Project, sets out the terms and conditions for employment or engagement of workers on the Project, specifies the requirements and standards to be met and the policies and procedures to be followed, assesses risks and proposes the mechanisms for compliance measures implementation. The LMP is developed to help avoid, mitigate and manage risks and impacts in relation to project workers and set out the way in which project workers will be managed, in accordance with the requirements of the national law supplemented by measures to close any gaps to meet the requirements of PR 2.

¹ The entire length of the Bar Boljare Highway is approximately 169 km long and provides a strategic link from the Port of Bar on the Adriatic Coast to Boljare near to the border with Serbia.

3 SCOPE OF APPLICATION

This LMP applies to all **Project workers** hired under the Project as defined by PR 2².

In the context of this Project the term “**Project worker**” refers to:

- (a) people employed or engaged directly by MONTEPUT to work specifically in relation to the project (**Direct workers**).
- (b) people employed or engaged through third parties (‘Third parties’ may include contractors, subcontractors, brokers, agents or intermediaries) to perform work related to core functions of the project, regardless of location (**non-employee worker**). Contracted workers are expected to be employees of firms and service providers engaged in providing technical assistance, trainings, capacity building, legal and financial

The LMP applies to project workers including fulltime, part-time, temporary, seasonal and migrant (expat) workers.

For any civil servants who may be engaged in carrying out project activities, the terms and conditions of their public sector employment will continue to apply. EBRD PR2 provisions on OHS, as well as prohibition of child and forced labour, will apply to civil servants.

Community workers will not be engaged as the nature of the project does not require engagement of the community labour.

The Montenegrin legal framework guiding Labor and Working Conditions, including OHS, is, except for a few minor gaps, fully aligned with the standards set out in PR 2 as Montenegro is signatory to the International Labor Organization (ILO) and United Nations (UN) Conventions informing the PR 2.³ Montenegro has ratified more than 70 ILO Conventions including the 8 Core Conventions. Where the national legal framework falls short in compliance, measures to bridging the gaps will be implemented as outlined below.

4 BRIEF OVERVIEW OF LABOR LEGISLATION: TERMS AND CONDITIONS

This section sets out the **key aspects** of national labour legislation with regard to terms and conditions of work, and how national legislation applies to different categories of workers identified in Section 1. The

² The term “project worker” refers to: (a) people employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers); people employed or engaged through third parties to perform work related to core functions of the project, regardless of location (contracted workers); (c) people employed or engaged by the Borrower’s primary suppliers (primary supply workers); and (d) people employed or engaged in providing community labour (community workers). PR 2 applies to project workers including fulltime, part-time, temporary, seasonal and migrant workers.

³ These include: ILO Convention 87 on Freedom of Association and Protection of the Right to Organize, ILO Convention 98 on the Right to Organize and Collective Bargaining, ILO Convention 29 on Forced Labor, ILO Convention 105 on the Abolition of Forced Labor 2 Guidance Note – ESS2: Labor and Working Conditions • ILO Convention 138 on Minimum Age (of Employment) • ILO Convention 182 on the Worst Forms of Child Labor • ILO Convention 100 on Equal Remuneration • ILO Convention 111 on Discrimination (Employment and Occupation)

overview focuses on legislation which relates to the items set out in PR 2, paragraph 12 (i.e., wages, benefits and conditions of work).

The Labor Law (hereinafter: “LL”)⁴ is the main law that guides labour practices in Montenegro. It provides for the minimum rights of employees, such as the right to a corresponding salary/wage, occupational health and safety, health care, protection of personal integrity, personal dignity, and other rights in the event of illness, reduction or loss of work ability and old age, including unemployment financial benefits during temporary unemployment, as well as the right to other forms of protection, in conformity with the law and by-laws and the employment contracts. Employed women are entitled to special protection during pregnancy and upon childbirth. Special protection is also guaranteed to employees under the age of 18 years and workers with disabilities. Amended in

In accordance with the Law on of Foreign Citizens (2018,2019 and 2022)⁵, foreign citizens employed in Montenegro enjoy the same rights in terms of work, employment and self-employment as Montenegrin citizens, provided that the conditions set in the law have been fulfilled.

Asylum seekers and the asylees once granted the status of refugees have the right to access the labour market, in accordance with the law regulating employment of foreign citizens (Law on asylum Article 44). The asylum seekers and the asylees are entitled to health care.

A. Working conditions and management of worker relationships

Employees are entitled to limited working hours, leaves, absences, dormancy of employment rights and obligations, security and safety at work, adequate wages, compensation, and benefits in accordance with the law, collective agreements, and employment contracts. Employment is deemed to be concluded for an indefinite period of time if the employee starts working for the employer without having entered into a written contract. (LL Arts. 29 and 30) In this case, the employee must conclude a written contract for an indefinite period of time within five days from the day they began working. (LL Art. 30)

Provision of information and forms of employment contracts

Employers may enter into employment contracts only with persons who meet general and specific requirements stipulated by law, by-laws, and policies on the organization and systematization of jobs. The employment contracts must be in writing and signed by the employers and employees or their authorized representatives.

An employment contract must include the following information: (1) employer’s name and headquarters; (2) employee’s name and address; (3) employees’ unique personal identification number or personal identification number in case the employee is a foreign citizen (4) employees’ qualifications and education; (5) position and brief job description; (6) place of work; (7) period of time for which the contract has been signed, indefinite or definite; (8) contract duration if the contract is for a definite period of time; (9) the start date; (10) working hours, (fulltime, part-time, or reduced hours); (11) length of the notice period in the event of termination of the employment contract; (12) the collective agreements binding on the employer; (13) wages, compensation, and other employment-related benefits; (14) employers’ and employees’ rights, obligations, and responsibilities regarding health and safety at work. (LL Art. 31) Furthermore, contracting parties may include all other relevant information they deem important in accordance with law and collective

⁴ Official Gazette of MNE no. 74/2019,8/2021,68/2021 and 145/2021

⁵ Official Gazette of MNE No. 12/2018, 3/2019 and 86/2022

agreements. (Id.) Under special conditions determined by the LL, employment contracts may also include a non-compete clause. (LL Art. 161)

Employment contracts may provide for a probationary period, which may not exceed six months (LL Art. 34) Employers cannot conclude one or more employment contracts with the same employee for a definite period of time if their duration, continuously or with interruptions shorter than 70 days, exceeds 36 months. The period of 36 months does not include the duration of: (1) internships; (2) the period for which the employment agreement was extended due to pregnancy leave, maternity, or parental leave, or in case of adoption or foster care leave. This limitation does not apply to contracts regulating the work of directors, worker leasing agencies, and employment contracts with athletes. (LL Art. 37)

Part-time employment contracts may be entered into for a definite or indefinite term. (LL Art. 42)

Additionally, employers may hire persons registered with the state Employment Bureau to perform temporary and occasional jobs the duration of which does not exceed 120 working days in one calendar year. This contract must be in writing and shall contain: (1) the name and headquarters of the employer; (2) personal data of the worker (name, surname and unique personal identification number); (3) type and description of work to be performed; (4) the period for which the contract is concluded; it may also stipulate conditions under which the contract can be terminated before the expiration of the term for which it was concluded; (5) place and manner of work; and (6) remuneration. (LL Art. 200)

Employees may be temporarily seconded to work for other employers (beneficiaries) by the Temporary Employee Secondment Agency. (LL Art. 52) In this contractual relationship, the Agency is the employer that concludes an employment contract on temporary employee secondment. (Id.) This type of employment contract must contain the following information: (1) number of employees to be seconded; (2) duration of assignment; (3) place of work; (4) implementation of health and safety measures at the workplace; (5) wages and method of payment. (LL Art. 54) This type of contract cannot be concluded in order to replace workers on strike and the like. (LL Art. 54)

Employers are prohibited from amending contracts and imposing less favourable conditions on employees due to their pregnancy, childbirth or breastfeeding. (LL Art. 120)

Wages and deductions

In Montenegro, remuneration shall be adequate, paid in intervals not exceeding one month, and in legal tender. Employees have equal rights for the same work or work of equal value. Employee wages are set by law, collective agreements, and employment contracts. Employers must deliver the pay slips to the employees at the time of salary payment. A salary shall comprise a base salary, a portion of pay based on the employee's performance, and increased salary in accordance with the LL. Namely, increased salary comprises of earnings for nighttime, overtime and work during public holidays, and years of service. (LL Arts. 94 -100) Employers must keep wage and income records. (LL Art. 107) The minimum wage may not be less than 30% of the average wage in Montenegro in the previous six months, according to official statistical data. (LL Art. 101)

Employers may collect monetary claims against employees by garnishing their wages but only based on a final court decision, in cases determined by the law or with the employee's consent. Furthermore, garnishment may not exceed one half of the wage for the purpose of mandatory alimony or child support pursuant to a final court decision, and one third in case of other obligations. (LL Art. 106)

Pension, social benefits – contributions

Social security contributions for pension and disability insurance, health insurance, and unemployment insurance are calculated and withheld by the employer from the salary paid to an employee. All employees

must pay mandatory pension and disability insurance. (Law on Pension and Disability Insurance (“LPDI”) Art. 9) Therefore, employers must register employees for the purpose of mandatory social insurance (health, pension, disability, and unemployment insurance) as of the date they start work and they must furnish employees with a copy of the registration within the following 10 days. (LL Art. 33) Also, workers who entered into contracts on additional work, temporary and occasional jobs are entitled to retirement benefits and health insurance. (LL Art. 203)

Under the Law on Mandatory Social Security Contributions (“LMSSC”), employers generally pay the following rates: pension and disability insurance - 5.5%; health insurance - 2.3%; unemployment insurance - 0.5%, while the employees pay the following rates: pension and disability insurance - 15%; health insurance - 8.5%; unemployment insurance - 0.5%. (LMSSC Arts. 15-18)

Old-age pension - Insured persons shall be entitled to an old-age pension.

Disability pension - A disability shall be deemed to exist when an insured person suffers complete loss of working capacity due to health impairments that cannot be eliminated by treatment or medical rehabilitation. A disability shall also be deemed to exist when an insured employee suffers a partial loss of working capacity of at least 75% due to health impairments that cannot be eliminated by treatment or medical rehabilitation. A disability may arise as a consequence of a work-related or non-work-related injury or disease. (LPDI Art. 30) Insured employees who have suffered complete loss of working capacity are entitled to a full disability pension, while those who have suffered partial loss of working capacity are entitled to a partial disability pension. (LPDI Art. 31)

Employees are entitled to wage compensation in the amount determined by collective agreements and labour contracts for absence from work during: public and religious holidays that fall on non-business days; annual leave; paid leave; acting upon the invitation by the state bodies (unless paid by the state); professional training at the order of the employer; temporary incapacity to work under health insurance regulation and during use of maternity leave and leave to care for a child in accordance with the LL; work interruption through no fault of their own employee; refusal to work due to non-implementation of the prescribed health and safety measures; absence from work based on previously agreed participation in the work of the employer’s body or trade union’s body; (LL Art. 102)

Additionally, employees are entitled to salary compensation during absence from work due to interruption of work that occurred through no fault of their own. Such compensation shall equal 60% of the compensation base, which cannot be lower than the minimum wage in Montenegro. (LL Art. 103) Employees are also entitled to other labour-related income determined by the collective agreements, and labour contracts. (LL Art. 104) Also, workers who entered into contracts on additional work and contracts on temporary and occasional jobs are entitled to retirement benefits and health insurance. (LL Art. 203)

Under the Law on Mandatory Health Insurance (“LMHI”) employees are entitled to compensation of salary during temporary incapacity for work if they have not exercised the right to retirement, in accordance with the regulations governing pension and disability insurance. Thus, employees are entitled to wage compensation if they are: (1) temporarily prevented from working due to illness or injury; (2) placed under health supervision or quarantined; (3) isolated as carriers or due to the occurrence of an infection in the household; (4) designated to care for a sick member of the immediate family; (5) prevented from working due to voluntary donation of blood, organs, tissues and cells; and (6) designated as a companion of a sick person referred for treatment or medical examination to another place or during hospital treatment. Temporary incapacity for work not exceeding 30 days is determined by the selected medical team or doctor, while incapacity exceeding 30 days is determined by the competent medical commission, depending on the type and nature of the disease, in accordance with the regulations of the Fund. (LMHI Art. 37) Employers are under the obligation to calculate and pay the wage compensation to employees during their temporary incapacity for work. Wage compensation to employees whose incapacity for work exceed 60 days is

calculated and paid by the employers, which are refunded by the Fund. (LMHI Art. 38) In case of longer temporary incapacity for work caused by an illness or injury, after ten months of continuous incapacity for work, or after 12 months during which an employee was unable to work a total of ten months with interruptions, the Fund is obliged to refer the medical documentation to the competent authority for the assessment of the employee's working ability or disability, in accordance with regulations on pension and disability insurance. (LMHI Art. 44)

Working hours

Article 60 of the Labor Law defines working hours as the period during which employees are required to perform tasks for their employers in accordance with their employment contracts. The time employees are at the employer's disposal, whether they are at the workplace or elsewhere, is also considered working hours. (LL Art. 60) However, periods when employees are on standby to report for duty, if necessary, are not considered working hours. The duration of standby periods and remuneration for those hours shall be regulated by collective agreements. Work performed by employees on standby, and their commute to the workplace are considered working hours. (LL Art. 60)

The legal workweek is 40 hours unless a shorter workweek is provided for under a collective agreement. (LL Art. 61) However, the working hours may be reduced if the workers cannot be protected against adverse harmful effects despite compliance with health and safety regulations. In such cases, the hours worked must be reduced in proportion to the harmful effects of the working conditions, but not under 36 hours a week. In such situations, the reduced hours shall be deemed full working hours. (LL Art. 63)

Overtime

Employees may work over 40 hours a week if a suddenly increased workload cannot be completed by an appropriate organization of work and working hours, in case of a force majeure and in other exceptional circumstances. (LL Art. 64) Overtime must be pre-notified in writing, except when circumstances preclude such pre-notification. However, when overtime is pre-notified orally, the employers are under the obligation to subsequently furnish a written decision to employees, no later than three days from the moment the reasons for introduction of overtime have ceased. (LL Art. 64) Employers are also under the obligation to inform the labour inspector about the introduction of overtime within three days from the day they rendered the decision. (Id.) The overtime work may last only as long as necessary but, in general, it should not require work over 48 hours a week (but it can go up to 50 hours) within a period of four months. (LL Art. 64) Exceptionally, collective agreements may provide that overtime work per year can be 250 hours per annum. The LL does stipulate the right to increased pay for overtime work. (LL Art. 98)

However, an employee who works full time may conclude a contract on additional work with the same or another employer, for a period of up to one half of full time. (LL Art. 202)

The LL allows redistribution of hours if so required by the nature of the job, better or more rational use of resources, and the like. Accordingly, employees may work longer hours during one period and shorter hours during another period, but the working hours cannot be longer than determined in the employment contract. (LL Art. 68) The redistribution of hours cannot last less than one month nor more than six months per annum. (LL Art. 68) Employees working overtime due to redistribution of hours may not work more than 48 hours a week. (Id.) Exceptionally, overtime work in such situations may last up to 54 hours per week or up to 60 hours per week for seasonal workers. (LL Art. 68)

Employees, who cannot be protected against harmful effects regardless of their employers' compliance with health and safety regulations, may not work overtime. (LL Art. 63)

One of the parents, adoptive parents, guardians, or foster parents of children with developmental disabilities, as well as single parents of children under seven may work overtime or at night only with their written consent. (LL Art. 124)

Nightwork and Shift Work

Night-time work entails work performed between 10 pm (22:00) and 6 am (06:00). (LL Art. 70) Employees who work at least three hours a day during night-time are entitled to special protection under OHS regulations. (LL Art. 70) Employees, who work at least three hours a day during night-time for four months, shall not work more than eight hours a night every 24 hours. (LL Art. 70) The same limitation applies to employees working at three hours a day during night-time who are exposed to danger and hard mental and physical labour. (LL Art. 70) All employers who organize night-time work must notify Labor Inspection thereof. (Id.) Employees may work night-shifts for a maximum of one week. (LL Art. 74) Employees shall be paid higher remuneration for night-time work. (LL Art. 98)

See below for specific rules regarding employees under the age of 18, women, and persons with disabilities.

Rest period

Employees working six or more hours a day are entitled to at least a 30-minute break, while employees working between four and six hours a day are entitled to minimum 15-minute breaks during working hours. Employees working more than 10 hours a day are entitled to at least a 45-minute break. (LL Art. 73) While daily rest periods shall be minimum 12 continuous hours within each 24-hour period. (LL Art. 75)

Employees are entitled to a weekly uninterrupted 24-hour rest period in addition to a daily rest period of at least twelve hours between two consecutive working days, usually Sunday. Employers must offer alternative days of rest to employees required to work on their weekly rest day. (LL Art. 76) There are certain exceptions that allow employers to organize daily and weekly rest periods differently, e.g. if so required by the nature of business. (LL Art. 78).

Leaves

Annual leave

In general (1) employees, who have not worked 6 months continuously in a calendar year shall be entitled to 1/12 of the annual leave (proportional part) for each month of work that calendar year; (2) employees are entitled to paid annual leave of at least 20 working days; (3) employees working six days a week are entitled to paid annual leave of at least 24 days; and (4) employees working under conditions impinging on their health are entitled to paid annual leave of at least 30 days. (LL Arts. 79 - 81) Employees may not waive their right to annual leave nor may they be denied it. Monetary compensation in lieu of annual leave is prohibited except in case of termination of the employment contract. (LL Art. 79) Employees with disabilities are entitled to paid annual leave of at least 26 working days. (LL Art. 119) Employees under 18 are entitled to paid leave of at least 24 working days. (LL Art. 120) One of the adoptive or foster parents of a child under eight is entitled to one-year paid leave. (LL Art. 135)

Annual leave shall not include public holidays, absence from work with wage compensation and temporary inability to work in accordance with regulations on health insurance. (LL Art. 80)

Paid leave

Employees are entitled to paid leave every year in special circumstances, such as entry into marriage, birth of a child, illness of an immediate family member, professional examination, and other events specified in collective agreements and employment contracts. The duration of such leave shall be specified in the

collective agreements or agreements between employees and employers. Furthermore, employees are entitled to seven workdays of paid leave due to death of a close relative. (LL Art. 87)

Unpaid Leave

Employees may use unpaid leave from work in cases determined by collective agreements and employment contracts. Employees on unpaid leave are entitled to health care, which is to be paid by their employers, while their other employment related rights and responsibilities shall be dormant. (LL Art. 88) Additionally, one of the parents is entitled to unpaid childcare leave until the child turns three and may not continue exercising it if they go back to work in the meantime. Employees on such unpaid leave are entitled to health and pension - disability insurance, while their other rights and obligations are dormant. Funds for health care and pension-disability insurance shall be paid from the health and pension-disability insurance funds. (LL Art. 138)

One of the parents is entitled to unpaid childcare leave until the child turns three and may not continue exercising it if they go back to work in the meantime. Employees on such unpaid leave are entitled to health and pension - disability insurance, while their other rights and obligations are dormant. Funds for health care and pension-disability insurance shall be paid from the health and pension-disability insurance funds. (LL Art. 138)

Maternity/Family Leave

Female workers are entitled to mandatory 98 days of paid maternity leave, 28 of which shall be used before delivery and 70 days after it. Fathers may also exercise the right to paternity leave if the mother has passed away, abandoned the baby, been incarcerated, or deprived of parental rights. (LL Art. 126) Parents of twins or more children are entitled to use maternity leave in the duration of 70 days at the same time. (LL Art. 126)

Parental leave is the right of each parent to go on paid leave from work to care for the child. Parental leave may be used after the expiration of 98 days until the child turns one. (LL Art. 127) Any parent may go on parental leave, and such leave may be transferred from one parent to another, after the expiration of a period of 30 days from the moment it is taken. (Id.)

Sick Leave

Employees are entitled to paid sick leave in case of temporary disability due to illness, injury at work or in other cases in accordance with health insurance regulations. They must inform their employers of such leave within three days at the latest and submit a report on temporary disability to the employer within five days from the day it was issued. Furthermore, employees are entitled to be absent from work due to their voluntary donation of blood, tissues and organs, in accordance with the law and the collective agreements. (LL Art. 90)

Written notice and severance payments

Employment may be terminated by force of law, by agreement between the employee and the employer, and by termination of the employment contract by the employer or employee. (LL Art. 163) On the day of termination, the employers are obliged to return to the employees their duly completed employment booklets (certifying duration of employment). (LL Arts. 204 and 205)

Employers may terminate an employment contract for a justified reason without conducting any procedure for determining the employee's accountability. (LL Art. 172) The employer may issue a decision on termination only after previously warning the employee of the reasons for dismissal in writing. The warning must include the reasons for dismissal and the deadline for response, which cannot be shorter than five workdays. (LL Arts. 172 and 174). Warnings, notices, invitations to oral hearings, and decisions shall be

delivered to the employee in person at the employer's premises or the employee's address. Employers unable to deliver such enactments to the employee must draft a notice thereof and post it on the bulletin board at their premises. The employee will be deemed notified eight days later. (LL Art. 176)

The employee has the right and duty to remain working at least 30 days from the day of delivery of the notice or the decision on termination of employment. (LL Art. 177) However, the employer may terminate the employment contract without a notice period in specific situations, such as serious breach of employment conditions by the employee. (LL Art. 177)

Employees who cease work before the expiry of the notice period at their employer's request are entitled to wages and other employment-related rights as if they had worked until the expiration of the notice period. During the notice period, the employees are entitled to spend at least four working hours a week seeking new employment. (LL Art. 177)

In case of termination of employment, employers must pay all outstanding wages, compensations, social security benefits, and other incomes earned by the employee until the day of termination of employment, within 30 days from the day of termination at the latest. (LL Art. 179).

Non-discrimination and equal opportunities

The Constitution prohibits both direct and indirect discrimination on any grounds. (Con. Art. 8) The Labor Law prohibits any direct or indirect discrimination against jobseekers and employees, based on their gender, birth, language, race, colour of skin, age, pregnancy, health or disability, ethnic origin, religion, marital status, family obligations, sexual orientation, gender reassignment, political or other beliefs, social background, financial status, membership in a political organization, trade union, or any other personal characteristic. Furthermore, discrimination against employees is prohibited in relation to working conditions, professional education and training, promotion, and employment termination. (LL Art 7-9; 11-13) Discrimination against employees is prohibited in relation to working conditions, professional education and training, promotion, and employment termination. (LL Art 7 – 9; 11-13) Also, harassment and sexual harassment at work and in relation to work are prohibited.

Worker's Organizations

Employees are free to associate in and join trade unions. Employers are entitled to set up and join associations of employers. Trade unions and associations of employers may be established without any prior approval and membership is voluntary. (LL Arts. 188-190) Employers must inform unions of major developments and other issues stipulated in the LL at least once a year. (LL Art. 192)

Collective agreement

Collective agreements may be concluded at different levels and include general, branch, and individual collective agreements. Employers are under the obligation to submit to the Ministry of Labor collective agreements with their employees. (LL Arts. 181-187)

The successor employer is obliged to apply the collective agreement of the predecessor employer for at least one year from the day of change of employer and under the same terms, unless: (1) the time for which the collective agreement was concluded with the predecessor employer expired in the meantime; (2) a new collective agreement has been concluded with the successor employer in the meantime. (LL Art. 109)

B. Protecting the work force

Minimum age of employment

Minors between 15 and 18 years of age may conclude employment contracts, i.e., take up employment with the consent of their legal representative, provided they have obtained a medical certificate of general health proving their ability to work; additionally, the work may not adversely affect or pose greater risks to their lives and health, education, development, or morality. Furthermore, they are not allowed to work underwater or underground and may not be reassigned to jobs outside their place of residence. (LL Arts. 20, 22, 120) However, children between the age of 15 and 18 attending compulsory education may not be employed. (LL Art. 20)

Working hours shorter than full time hours may be deemed full time employment if provided in collective agreements. (LL Art. 120) Employees under 18 working at least four hours a day are entitled to a 30-minute continuous break, two-day weekly breaks, and at least 24 days of paid annual leave. (LL Art. 120)

Forced Labor

Article 68 of the Constitution prohibits forced labour. The Criminal Code also prohibits forced labour and trafficking in persons. (CC Arts. 444-446). In addition, Montenegro ratified the ILO Forced Labor Convention.

C. Grievance mechanism

Labor disputes

Employees who think that their employer has violated their employment related rights may submit them a request to ensure the exercise of such rights. However, the filing of the aforementioned request does not stay the execution of the employers' decision or action contested by the employee. Employers must forward a written notice to the employee or decide on their request within 15 days from the day the request was filed. This decision is deemed final. Employees may also apply to the Labor Inspection for the protection of their rights. (LL Art. 139)

Employees are entitled to contest annexes to their employment contracts with the Labor Inspection, the Agency for the Peaceful Settlement of Labor Disputes, the Alternative Dispute Resolution Centre or the relevant court within 15 days from the day of their conclusion. (LL Art. 48)

Before initiating proceedings before a competent court, employees who believe that their employment right have been violated are obliged to file a motion for amicable settlement of their dispute with the Agency for the Peaceful Settlement of Labor Disputes or Alternative Dispute Resolution Centre. In this case, the employer is obliged to accept the procedure for the amicable settlement of the labour dispute. If the labour dispute is not resolved before the aforementioned authority, the employee may bring the dispute before the competent court. However, individuals whose employment has been terminated may immediately initiate court proceedings. (LL Arts. 16 and 140) Job seekers who believe that they have been discriminated against may file a complaint with the competent court without initiating proceedings before the dispute resolution authorities. (LL Art. 16)

The procedure before the court may be initiated within 15 days from the day of delivery of the decision by which the procedure for the peaceful settlement of the dispute has been suspended. The employer is obliged to execute the final court decision within 15 days from the day of delivery of the decision, if no other deadline has been set in the court decision. (LL Art. 141)

5 BRIEF OVERVIEW OF LABOR LEGISLATION: OCCUPATIONAL HEALTH AND SAFETY

This section sets out the **key aspects** of the national labour legislation concerning occupational health and safety, and how national legislation applies to the different categories of workers .

The Occupation Health and Safety Law (hereinafter “OHS”) is the key legislative act in this area. This Law defines the occupational health and safety measures, the employers’ obligations and the employees’ rights and duties in the field of occupational health and safety, as well as preventive measures against occupational risks, elimination of accident-related risk factors, information, consultation, training of workers and their representatives and their engagement in planning and implementing occupational health and safety measures. The provisions of this Law shall apply to all persons employed in the territory of Montenegro with legal entities and entrepreneurs in all sectors, government bodies, state administration and local self-government units, employees who were sent to work abroad if the regulations of the receiving State provide less favourable measures of health and safety at work (hereinafter referred to as protective measures) than those provided for in this Law, unless otherwise regulated by a special law.

Identification of potential hazards to project workers, particularly those that may be life threatening

Employers are under the obligation to issue a risk assessment enactment for all workplaces, to determine the methods and measures to eliminate any risks and ensure their implementation. In their risk assessment enactments, the employers must specify at-risk jobs, the health requirements to be met by employees for performing specific work, and the use of specific work equipment based on an expert assessment of the institution charged with the employees’ health care.

The risk assessment enactment specify: (1) any risks; (2) jobs exposed to the identified risks; (3) the probability of injury, occupational or work-related disease; (4) the acceptability of the risks; and (5) measures to be introduced to reduce unacceptable risks.

Employers must amend the risk assessment enactment in the event: (1) of appearance of any new risk and changes in the level of risk; (2) the existing measures of protection are insufficient or inappropriate; (3) of adaptation, reconstruction, disaster, overhaul; (4) of serious, collective and fatal injuries at work; (5) the risk assessment is based on data that do not correspond to the actual situation; and (6) of changes in activity. (OHS Art. 17) Employees must be familiarized with the risk assessment enactment in a transparent manner. (OHS Art. 17)

Employers must inform their employees, among other things, about obligations and responsibilities arising from the regulations on protection and health at work. (LL Art. 19) Furthermore, employers are, among other things, under the obligation to put OHS, signs, labels and warnings in the official language and languages in official use at the workstations and on the work equipment in accordance with the act of the state authority in charge of labour. (OHS Art. 18)

Preventive and protective measures

The employer shall take protective measures involving the prevention, control and elimination of risks at work, notification and training of employees, and provision of the necessary means and organization of works. (OHS Art. 14) Furthermore, employers must inform all employees who are or may be exposed to a serious or imminent danger of the type of risk and protective measures involved. (OHS Art. 29)

Protective measures are planned and provided in all work processes to prevent or reduce risks to life and health of employees, in the process of: (1) design, construction, operation and maintenance of facilities designated as working and auxiliary facilities, and facilities for outdoor work, in order to secure safe work

processes; (2) design, construction, operation and maintenance of technological work processes with all the accompanying work equipment in order to secure safe work, as well as compliance of chemical, physical and biological hazards, microclimate and lighting at the workplace, work and auxiliary premises with the prescribed measures and standards for the activity performed in such workplaces and premises; (3) design, manufacturing, operation and maintenance of the work equipment, construction and facilities for collective protection and health at work, ancillary structures and facilities and other resources used or in any way associated with the work process to ensure prevention of any injury or damage to the health of employees; (4) production, packaging, transport, storage, use and destruction of hazardous substances in the manner and in accordance with rules and regulations aiming to prevent injuries or damage to the health of employees; (5) design, manufacture and use of personal protective equipment at work, the use of which eliminates the risks or hazards that cannot not be eliminated by the relevant protective measures; (6) education and training in OHS.

The design, manufacture and use of work equipment and personal protective equipment, the use of which eliminates the risks or hazards that cannot not be removed by applying the relevant protective measures, shall be applied in the manner and in accordance with the implemented technological procedure. The employer shall procure and provide employees with work equipment and personal protective equipment required for their jobs, only if he possesses the appropriate documentation in the official language and languages in official use in which the manufacturer or supplier has specified all the safety and technical data relevant to the risk assessment of working with such equipment and has put in place all protective measures prescribed in the documentation in accordance with OHS regulations. In exceptional cases, an employer unable to provide adequate documentation may acquire it from legal entities or entrepreneurs registered for such work. The employer shall ensure that employees use the work and personal protective equipment in accordance with their intended use and apply all the protective measures while using it. (OHS Art. 27)

Employers must implement all measures for protection and health at work by preventing, eliminating, and controlling risks at work. (LL Art. 19) As mentioned, the employees' working hours may be reduced if they cannot be protected against harmful effects, regardless of compliance with health and safety regulations. In such cases, the hours worked must be reduced in proportion to the harmful effects of the working conditions, but may not be lower than 36 hours a week. (LL Art. 63)

Employers organizing night work or work in shifts, are under the obligation to make sure that the organization of work is adjusted to the employees, as well as the conditions for protection and health at work, in accordance with the nature of work. (LL Art. 72) Furthermore, employers must provide employees working at least three hours during the night with OHS and the relevant protective equipment. (LL Art. 72) Employers also have to organize regular check-ups of employees working at least three hours during the night. (Id.) Employees working at least three hours during the night every day shall be reassigned to day-time work if a relevant health professional finds that night-time work would impinge on their health. (Id.)

Training of project workers and maintenance of training records

Employers are under the obligation to provide trainings in safe operations to employees when hiring them, assigning them to other positions, introducing new technologies, introducing new or replacing work equipment, in case of changes in the work process, and re-assigning them after an absence exceeding one year. The training of employees must be tailored to new and evolving risks, and if necessary, it shall be repeated at regular intervals. The training must be organized during working hours and the training costs shall be borne by the employer. (OHS Art. 20) Also, employers who engage employees of another employer under a contract or on other legal grounds must provide those employees with adequate instructions on life and health risks and familiarize them with safety measures. (OHS Art. 20) Furthermore, employers must provide appropriate OHS training to employees' representatives. (OHS Art. 25)

Employers must keep employee records, which contain data on employees, working hours, and annual and other leaves. (LL Art. 19) However, neither the Labor Law nor the OHS Law require of employers to keeping training records.

Documentation and reporting of occupational accidents, diseases, and incidents

Employers are obliged to keep records of occupational and work-related diseases/injuries. (OHS Art. 50) Furthermore, employers must submit a written report to the Labor Inspection of each death, collective, serious and other injury at work resulting in an employee's absence from work for more than three days, and any dangerous phenomena that might jeopardize the employees' health or safety, immediately and not later than 24 hours from their occurrence. Also, they must issue to the injured employee and the medical facility that examined said employee a report on the employee's injury at work, within the deadline and in the template prescribed by the enactment of the state authority responsible for health. (OHS Art. 51)

Furthermore, employers must inform employees or their representatives in writing of reports on occupational injuries resulting in the employee's absence from work exceeding three working days. (OHS Art. 23)

Emergency prevention and preparedness and response arrangements to emergency situations

Employers must take the necessary measures and designate employees charged with providing first aid, firefighting, and the evacuation of employees, depending on the type of job and activities, and the number of employees and the involvement of other persons in accordance with the OHS and the regulations governing this area. The number of designated employees, their training and available equipment depends on the size and/or specific hazards at the workplace. (OHS Art. 28)

Remedies for adverse impacts such as occupational injuries, deaths, disability, and disease

As mentioned, employers are under the obligation to provide mandatory insurance to employees against industrial accidents, occupational and work-related diseases. Insurance premiums shall be borne by the employer, depending on the level of risk from injury, occupational and work-related diseases. (OHS Art. 30) Furthermore, they are under the obligation to compensate employees who suffered work-related injuries or damages. The amount, circumstances under which the injury or damage occurred, who caused it and the manner of compensation shall be determined by a special commission formed by the employer. If not, the competent court shall decide on the damage. (LL Art. 159)

Employers must arrange medical examinations of employees assigned jobs with special conditions of work or at increased risk and of employees returning after an absence exceeding one year. At the request of the employee, the employer shall arrange their medical examination suitable to OHS risks, as well as in cases not covered by paragraph 2 of this Article, at least once every three years. (OHS Art. 19) If the doctor performing the medical examination ascertains that the employee does not meet specific health requirements for carrying out work with special conditions or at-risk work, the employer shall assign them to another position suiting their health, in accordance with the enactment on systematization of jobs. If this is impossible, the employer must provide the employee with other rights in accordance with the law. (OHS Art. 19)

Procedures to establish and maintain a safe working environment

Besides the aforementioned duties, under the Health Care Law (HCL), when planning and performing their activities, employers are under the obligation develop and use technologies not harmful to human health and the environment and introduce and implement specific measures to protect the health of their employees. Such specific measures shall provide for: the prevention and detection of occupational diseases, prevention of injuries at work and administration of appropriate first aid; protection of health of employees

exposed to specific health hazards at work; and health care measures established by specific regulations. (HCL Art. 19)

Specific health measures shall include: medical examinations for ascertaining the employees' work capacity; monitoring the employees' state of health; identification and assessment of health risks at work; general medical check-ups, pre-employment, periodic, and follow-up medical examinations of employees considering their gender, age, and working conditions, incidence of occupational diseases, injuries at work, and chronic diseases; counselling on health, safety, hygiene at work, organization, and protection devices; medical examinations of employees at risk of hazard, protection of consumers or service users and other mandatory medical examinations; organization and administration of first aid and urgent interventions on the scene and in the working process; assessment of working conditions of particular jobs for the protection from occupational diseases; assessment of the needs and referral of workers who are exposed to health hazards at work and those chronically overtired and physically exhausted to health-preventive active rest and early rehabilitation and monitoring results of such rest and rehabilitation; health education of employees. Specific health care of employees extended by the employer shall be implemented on the basis of an agreement between the employer and the health institution. (HCL Arts. 20-21)

Jobs with special conditions of work are those may be assigned to and performed only by employees who fulfil both the general employment requirements and special requirements in terms of sex, age, level of education, vocational training, health and mental abilities. (OHS Art. 21)

Employers are required to keep and maintain detailed records of: (1) jobs with special conditions or increased risk; (2) employees assigned to positions, especially the employees assigned to jobs with special conditions of work or increased risk; (3) injuries, occupational and work-related diseases; (4) employees trained in safe operation; (5) hazardous substances used at work; (6) performed tests of working environment; (7) examination and testing of work and personal protective equipment; (8) annual reports on health and safety at work; (9) pre-employment and periodic medical examinations; (10) technical documentation (major projects); (11) OHS documentation (attestation, expert reports, work equipment handling and maintenance instructions, and the like). (OHS Art. 50)

Right and responsibility to report unsafe situation, right to leave the workplace and prohibition of retaliation for reporting

Employers are under the obligation to take measures and issue instructions enabling employees to halt work in the event of a serious, imminent and unavoidable danger and proceed to a place of safety. The employer cannot require of employees to resume work in the presence of persisting serious and imminent danger, unless to save lives. (OHS Art. 29)

Employees must inform their employers of any type of potential life and health threatening conditions they can deal with on their own or of any situation giving the employees reasonable grounds to believe that it poses an immediate and serious danger to their life or health. (LL Art. 18) Employees are entitled to refuse to work if: (1) they were not previously familiarized with the dangers or hazards and risks at work, or if the employer did not arrange their prescribed medical examination; (2) there is an immediate threat to their life and health because the prescribed protective measures have not been applied, pending their implementation; (3) the protective measures are not in place on the work equipment, and so it poses immediate threat to their life and health. Employees refusing to work must require of their employer in writing to take measures that, in their opinion, have not been implemented. In the event the employees refused to work, and the employer considers their request ill-founded, the employer shall inform the Labor Inspection. (OHS Art. 33)

In the event of a serious and imminent threat to life and health, employees may take appropriate measures in accordance with their knowledge and technical means at their disposal. In case of an unavoidable danger,

they are entitled to leave the dangerous workplace, work processes or work environment and will not be held liable for any damage that may occur, unless they had acted in a careless or negligent way. (OHS Art. 34)

Among other things, employers must inform, in writing, employees or their representatives of decisions on protective measures to be taken, and if necessary, of personal protective equipment to be used and make available to them records and reports on occupational injuries resulting in an employee's absence from work exceeding three working days. (OHS Art. 23)

Facilities for workers

The employer shall ensure that employees perform work in a safe manner through the safe design, construction of new and reconstruction of existing work processes, and their use and maintenance and the accompanying facilities and work equipment, and through the compliance of chemical, physical (except for ionizing and non-ionizing radiation) and biological hazards, microclimate and lighting at the workplace and the working and auxiliary premises comply with the relevant protective measures and regulations. (OHS Art. 10)

Contractors and collaboration with project workers on OHS

Employers are under the obligation to ensure that the planning and introduction of new technologies is the subject of consultations with the employees or their representatives in charge of health and safety at work (hereinafter referred to as the employees' representatives) about the choice of work equipment, the working conditions, the working environment and their implications for health and safety at work. (OHS Art. 14) Furthermore, employees have the right and obligation to give suggestions and comments to and inform their employers of OHS issues. (OHS Art. 32)

System for regular OHS review

Employers are under the obligation to organize and carry out professional activities depending on the organization, nature and extent of the work process, the number of employees involved in the process, number of shifts, the estimated risks and the number of separate units. In order to carry out the activities they may: (1) designate a qualified employee; (2) organize a professional OHS service (hereinafter referred to as the professional service); (3) hire a legal person or entrepreneur authorized to perform professional activities. An employer's professional service may not extend professional services to other employers. However, employers are responsible for the health and safety at work of employees regardless of the manner of organization and implementation of these tasks. (OHS Art. 38) Employers shall, among other things, allow designated qualified employees adequate absence from work, without loss of pay, and provide them with all the necessary means to carry out tasks related to health and safety at work. (OHS Art. 39)

Professional tasks may be performed by a legal entity or an entrepreneur meeting the requirements in terms of personnel, organization, technical and other requirements imposed by the state authority responsible for labour affairs. (OHS Art. 41)

OHS risks which may be specific to female workers and children

Special rights, liabilities and measures related to workplace health and safety of youth (particularly in connection with their mental and physical development), women doing jobs potentially jeopardizing maternity, disabled employees and employees suffering from occupational diseases are governed by the LL, OHS, other regulations, collective agreements, general employers' acts and employment contracts.

The Law does not require a balanced representation of women on OHS committees to help design policies responding to the needs of female project workers.

6 RESPONSIBLE STAFF

MONTEPUT, will be responsible for the following:

- Implement this labour management procedure to direct workers
- Maintain records of recruitment and employment process of direct workers
- Monitor employment process of contracted workers to ensure it is carried out in accordance with this labour management procedure and national labour law
- Ensure that the grievance mechanism for project workers is established, monitor and report on its implementation

The Supervision Consultant will monitor and ensure that:

- Apply this labour management procedure to project workers.
- Ensure that contractor(s) adopt this labour management procedure, in compliance with this labour management procedure, and occupational health and safety plan before Construction stage.
- Monitor and report on implementation of project contractors' labour management procedures.
- Monitor employment process of contracted workers to ensure it is carried out in accordance with this labour management procedure and Montenegrin labour law.
- Monitor that occupational health and safety standards are met at workplaces in line with national occupational health and safety legislation
- Ensure that project workers receive training on SEA/SH prevention and Code of Conduct at the start of the employment and monitor SEA/SH prevention measures implementation during the life of the project.
- Ensure and monitor training of the project workers on OHS, and any other required trainings.
- Ensure that the grievance mechanism for project workers is established, monitor and report on its implementation.
- Ensure that dedicated SEA/SH grievance mechanism is established, monitor and report on its implementation.
- Monitor implementation of the workers Code of Conduct.
- Establish and implement a procedure for documenting specific incidents such as project-related occupational injuries, illnesses, lost time accidents and incidents related to sexual exploitation and abuse and sexual harassment. Maintain such records and require from all third parties and primary suppliers to maintain them. Such records will form an input into the regular review of OHS performance and working conditions.
- Implement disciplinary measures in instances of sexual exploitation and abuse and sexual harassment misconduct.
- In instances of medium, severe, fatal and mass accidents, inform the law enforcement bodies and Labor Inspectorate.

Any third party hiring contracted workers shall be responsible to manage employee relations/HR issues in line with this LMP and national labour and OHS laws. The requirements will be embedded into the bidding documents through which this LMP will become contractually binding for any third-party providing goods and services to the Project. The Bidding documents shall include a written Commitment Statement (please refer to Annex 02) that in case contract is awarded, the LMP shall be implemented and a Monitoring template to be used for monitoring of labour management performance (please refer to Annex 01). As for the implementation of these Labor Management Procedures, unless a Labor and Employee Relations/HR Manager or OHS Specialist is assigned to the project by the third party, the team leader/authorized representative will be responsible for compliance with the LMP provisions.

The Contractors will be responsible for the following:

- Employ or appoint qualified social, labour and occupational safety experts to prepare and implement project specific labour management procedure, occupational health and safety plans, and to manage subcontractor performance.
- Develop their own labour management procedure and occupational health and safety plan, consistent with this LMP and PR 2, which will apply to contracted and sub-contracted workers. These procedures and plans will be submitted to the Supervision Consultant for review and approval before the contractors mobilize for the design stage.
- Contractors will supervise their subcontractors' implementation labour management procedures and occupational health and safety plans.
- Maintain records of recruitment and employment process of contracted workers.
- Clearly communicate job description and employment conditions to contracted workers and provide them with one copy of the employment contract.
- Develop, implement and maintain Workers' Grievance Mechanism and address the grievance received from the contracted and sub-contracted workers. Report on grievance mechanism implementation to the Supervision Consultant and the Employer
- Have a system for regular review and reporting on labour, and occupational safety and health performance.
- Deliver regular work induction trainings including but not limited to OHS, HSE, social induction, SEA/SH prevention training to employees.
- Ensure that all contractor and sub-contractor workers understand and sign the Code of Conduct prior to the commencement of works. Ensure that contracted and sub-contracted workers receive training on SEA/SH prevention and Code of Conduct at the start of the employment and monitor SEA/SH prevention measures implementation during the life of the project.
- Ensure that dedicated SEA/SH grievance mechanism is established, monitor and report on its implementation. Establish and implement a procedure for documenting specific incidents such as project-related occupational injuries, illnesses, lost time accidents and incidents related to sexual exploitation and abuse and sexual harassment. Maintain such records and require all third parties and primary suppliers to maintain them. Such records will form an input into the regular review of OHS performance and working conditions.
- Implement disciplinary measures in instances of sexual exploitation and abuse and sexual harassment misconduct.
- In instances of medium, severe, fatal, and mass accidents, inform the law enforcement bodies and Labor Inspectorate.

After the bidding process is completed and the Contractors are known, this labour management procedure can be updated to include additional details about companies, as necessary.

7 POLICIES AND PROCEDURES

This section sets out information on OHS, reporting and monitoring and other general project policies. Where relevant, it identifies applicable national legislation.

The Contractors will prepare labour management procedures in line with this labour management procedure and national labour code. The principles and procedures presented below represent the minimum requirements but is not an exhaustive list of requirements.

As specified in the LL of Montenegro, the employment of project workers will be based on the principles of non-discrimination and equal opportunity. There will be no discrimination with respect to any aspects of the employment relationship, such as recruitment, compensation, working conditions and terms of employment, access to training, promotion or termination of employment. The following measures will be developed by

the contractors and monitored by the MNTEPUT and supervision consultant to ensure fair treatment of all employees:

- As per Labor Law requirements, recruitment procedures will be transparent, public and non-discriminatory with respect to ethnicity, religion, sexual orientation, disability, gender, and other grounds included in the Labor Law and other relevant laws.
- Applications for employment will be considered in accordance with the application procedures established by the contractors.
- Clear job descriptions will be provided in advance of recruitment and will explain the skills required for each post.
- All workers will have written contracts describing terms and conditions of work and will have the contents explained to them. Workers will sign the employment contract. Terms and conditions of employment will be available at work sites.
- Merit-based employment is needed; however, the contractors may prioritize candidates from local communities and disadvantaged groups such as women and the disabled.
- Employers intending to carry out a collective dismissal of at least 20 employees within a period of 90 days, must initiate consultations, request and consider the opinion and proposals of the trade union or employees or their representatives in the absence of a trade union, before they render the dismissal decision. These consultations may not last less than 30 days.
- The contracted workers will not pay any hiring fees. If any hiring fees are to be incurred, these will be paid by the Employing party.
- Depending on the employer's and employee's origin the contracts will be developed in corresponding language understandable for both parties.
- In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulties with understanding the documentation.
- While communication language related problems are not expected, attention should be given to ensuring coordination between different contractors and means to address any language differences.
- Foreign workers will require residence permit, which will allow them to work in Montenegro.
- MONTEPUT will include in contracts that all contractor (and subcontractor) personnel must be of the age of 18 years or older.
- The LL allows work at night for persons under the age of 18 however only under specific legally defined circumstances.

For example, to address OHS issues, the bellow approach can be used:

OHS Plans: The Borrower will include into the bidding documents specific OHS standard requirements that all contractors and sub-contractors will meet under this project. The standards will be consistent with local regulations. The following OHS standard requirements should as a minimum be included in the OHS Plan to be prepared by the contractors:

- Risk Assessment Procedure.
- Work permitting for hazardous work (working at heights, hot work, work on energized lines, work within confined spaces).
- Golden rules for life threatening works.
- Emergency response procedure.
- Fall prevention and working at heights.
- Excavation, ladders, and scaffolders safety; welding and cutting safety; cranes, derricks, and forklifts safety; power and hand tools safety.
- Construction PPE.
- OHS training.
- Refuse to work policy.

OHS Staff: In addition, occupational health and safety plans, will among other issues, include the following: the construction contractor will define an OHS accountability matrix for all staff including Project manager, contract manager, OHS staff, foremen, and all employees with clear roles and OHS responsibilities. Each Contractor must have its own OHS staff that will be responsible for the implementation and supervision of the OHS program.

Risk Assessment: All contractors are required to develop risk assessment analysis to identify hazards and OHS risk at the workplace. The contractors will develop risk management plans, including Risk Assessment Procedures, to mitigate OHS risks. The procedure should aim to establish and maintain a safe working environment, including that workplaces, machinery, equipment, and processes under their control are safe and without health risk. The Contractors must keep the training records.

Safety Standards and Personal Protective Equipment (PPE): Contractors will provide a safe workplace; therefore, a risk assessment will be completed before the commencement of any construction activities, and safety measures will be implemented in accordance with applicable safety standards. PPEs and other preventive measures will be provided at no cost for employees. All employees will strictly follow Golden rules⁶ for life threatening works (OHS rules that cannot be broken in any circumstances), which will be enforced under contractual matrix of consequences. The employer will provide special clothing, footwear, and other personal protective equipment (PPE) to employees free of charge. Such PPE is to be delivered to employees involved in work related to the elimination of the consequences of accidents and natural disasters. When the PPE is dysfunctional, the employer is obliged to replace PPE at their own expense without the employee's responsibility. If the employee purchases PPE at their own expense, the employer is obliged to reimburse such costs.

OHS Trainings: The employer is responsible for providing OHS training to employees in language understandable to the workers before the work is commenced on:

- General principles of health and safety.
- Working procedures, equipment, machinery, and manual and instructions for the use and repair of work equipment.
- Emergencies and evacuation plans, and their implementation activities.
- Existing threats and risks and also on measures to be taken with regards to overcoming such situations.

Contractors will control the access to the construction site only to authorized people and verify if workers are meeting training and accreditation requirements in accordance with the set training standards and applicable regulatory requirements (i.e., in many countries truck drivers, crane and derrick operators must be accredited, as well as electricians. Workers must be trained to perform hazardous works such as working at heights, confined spaces, welding etc.). All workers must complete at minimum an OHS induction to have access to the construction site.

Refuse to Work Policy: Employees have a right to refuse to perform tasks or instructions assigned by the employer, creating health and safety risks for the employees. Employees are entitled to leave the workplace in the event of danger. The contractors will not dismiss an employee from their job or place them in a less

⁶ Golden rules usually address issues such as work at heights, work in confined spaces, excavation work, personal protective equipment (PPE), system of work permits, lifting, working on powered systems, traffic, work in high risk situations, etc. Employers should define their Golden rules in accordance with the nature of work.

advantageous position than other employees if such employees exercise the rights of reporting or leaving the workplace during the threat of danger.

All contractors are obliged to take appropriate protective measures whenever avoidance of health and safety hazards is not possible. These measures include controlling the hazard at source using protective solutions and providing adequate Personal Protective Equipment (PPE) at no cost to the project/sub-projects worker.

The employer will develop and implement reporting system for any accidents, diseases, and incidents.

OHS Committee: There will be a construction OHS committee with representatives of employees, the Borrower and all subcontractors. Biweekly OHS meetings will be conducted to discuss preventive measures, deviations and non-compliances, accidents and corrective actions. Contractors will conduct internal OHS surveys and audits to verify compliance of OHS practices. Non-compliances will be documented and reported internally. A time frame for a corrective action will be set and followed up. Daily OHS briefings will be conducted before the commencement of the works highlighting the hazards and preventive measures from each job. Contractors will document and report to the Borrower all accidents and illnesses with a day lost or more, fatalities or serious injuries that may happen at the work site.

First Aid: There must be on site resources for first aid and for more serious injuries. Furthermore, there must be a pre-approved health facility for medical treatment, as well as appropriate transportation of injured workers. Projects with major civil works should have medical doctors on site.

Worker's accommodation: If accommodations are provided for workers, Contractors will ensure that they are provided in good hygiene standards, with fresh drinking water, clean beds, restrooms and showers, clean bedrooms, good illumination, lockers, proper ventilation, safe electrical installation, fire and lightening protection, separate cooking and eating areas. There will be separate facilities provided for men and women. The contractors will be liable to comply with "Workers' Accommodation: processes and standards A guidance note" by IFC and the EBRD

Monitoring and Reporting: The Supervision Consultant will conduct periodic supervision of contractor's OHS performance, including site visits, at least monthly and weekly in case of large infrastructure works. These supervisions will cover compliance with above mentioned standards, accidents, violations of golden rules, recommendations, and progress of ongoing corrective actions. The Borrower will include in the contract(s) as requirement for contractors to report on issues such as number of accidents rates, severity rates, number of recurring non-compliances, violations of Golden rules, fatalities and serious injuries; and penalties for non-completion. Furthermore, the supervision consultant will review and approve contractors' safety plans and procedures. The contractors will be required to provide the periodic information on the performance in terms of labour, occupational health and safety issues. The information will be included in the construction contractor's monthly report and will be reviewed by the supervision consultant's team.

In addition, the contractor shall report to the Borrower about any inspections and audits carried out by the respective ministries such as the Labor Inspection. The findings of the labour audits will be presented to the Borrower and the EBRD, if requested.

Reporting on accidents and incidents: Immediately or not later than 24 hours, the PIU or the contractor shall report to the labour Inspectorate and the Ministry of Interior (police), verbally and in writing, any fatality, collective or individual serious injury, due to which the employee is unable to work for three consecutive working days, as well as any dangerous event that may put health and safety of the employees at risk.

The Borrower will inform the EBRD within 48 hours about any incident or accident related to the project which has or is likely to have a significant adverse effect on the environment, the affected communities, the public or workers (labour, health and safety, or security incident, accident or circumstance), but no later than three calendar days after the occurrence of the event. Such events can include strikes or other labour

protests, serious worker injuries or fatalities, project-caused injuries to community members or property damage. The Borrower will prepare a report on the event and the corrective action and submit to the EBRD within 30 calendar days of the event.

Code of Conduct: The construction contractor will develop and implement Code of Conduct. The construction contractor should also submit the Code of Conduct to supervision consultant for review and approval. The Code of Conduct will reflect the company's core values and overall working culture.

Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH): Sexual exploitation is any actual or attempted abuse of a position of vulnerability, differential power or trust for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another (UN Glossary on Sexual Exploitation and Abuse 2017, pg. 6). Sexual abuse is actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions (UN Glossary on Sexual Exploitation and Abuse 2017, pg. 5). Sexual harassment is any unwelcome sexual advances, request for sexual favours, and other verbal or physical conduct of a sexual nature. Project workers are prohibited to commit any acts of SEA/SH. Project workers are required to sign a Code of Conduct at the start of employment. Project workers will receive a training on the Code of Conduct and prevention of SEA/SH.

Montenegrin law prohibits harassment and sexual harassment in the workplace. Harassment is defined in the Labor Law as any unwanted conduct aiming at or amounting to the violation of dignity of a person that seeks employment, or an employed person, which causes fear or creates a hostile, degrading or offensive environment. Sexual harassment is any verbal, non-verbal or physical behaviour aiming at or amounting to the violation of dignity of a person seeking employment, as well as of an employed person in the sphere of sexual life, and which causes fear or creates a hostile, degrading or offensive environment.

Montenegrin Law on Gender Equality provides that harassment, sexual harassment or sexual extortion at work or related to work, which is committed by an employee to other employee are considered violation of duties at work and the grounds to terminate the employment contract and to expel the employee from work. An employee should inform the employer in writing about the circumstances indicating his/her exposure to harassment, sexual harassment or sexual blackmail and request efficient protection.

8 AGE OF EMPLOYMENT

The minimum working age in this project will normally be 18 years of age. The national legislation prohibits child labour. However, in exceptional circumstances, persons between the minimum age (15 years) and the age of 18 years will be allowed to work in certain tasks which are in line with national law and subject to the screening and risk assessment of such tasks. No person under 18 years will be allowed to be engaged in hazardous work.

The contractors will be required to verify the identity and the age of all workers. This will require workers to provide official documentation to verify age such as a national identification card, passport, driver's license, birth certificate, valid medical or school records. No other restrictions regarding the age of employment will be imposed. The age of workers will not be used as a criterion in deciding on hiring and promoting project workers or terminating their contracts. The contractors will be required to verify their workers identify and age. This will require workers to provide official documentation, which could include a birth certificate, national identification card, passport, or medical or school record.

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

The Project will not engage persons under the age of 18.

Conduct regular monitoring of health, working conditions, hours of work payment of wages, and other requirements of ESS2 and Montenegrin employment and safety legislations.

9 TERMS AND CONDITIONS

This section sets out details regarding:

- Specific wages, hours and other provisions that apply to the project
- Maximum number of hours that can be worked on the project
- Any collective agreements that apply to the project. When relevant, provide a list of agreements and describe key features and provisions
- Other specific terms and conditions

The terms and conditions applying to PIU and CFU employees are set out in their internal regulation or human resources policy which provides for the rights of employees in line with the national Labor Code. These internal labour rules and regulations will apply to PIU and CFU employees who are assigned to work specifically in relation to the project (direct workers).

Existing Collective Agreements will apply to employees.

Wages will be paid at least once a month.

As per Montenegrin Labor Law, the working week lasts five days, and regular working time per week is 40 hours. The overtime work may last only as long as necessary but, in general, it should not require work over 48 hours a week (but it can go up to 50 hours) within a period of four months. Exceptionally, collective agreements may provide that overtime work per year can be 250 hours per annum. If the project engages workers below the age of 18 years, working hours of such workers cannot exceed 35 hours a week nor eight hours a day.

Project workers shall be compensated: for working on a holiday which is a non-working day, for working at night, if such work has not been considered when the base salary was determined and for overtime work in line with the internal regulations of the company employing the workers.

Project workers are entitled to a weekly rest for a minimum of 24 consecutive hours plus 12 hours (within 24 hours). The weekly rest is normally on Sunday. However, an employer may determine another day for using the weekly rest, should the nature or organization of work be so required.

The project workers shall have a right to annual, sick, and parental leave as provided in the Montenegrin Labor Law.

All wages earned, social security benefits, unused leave time, pension contributions and any other entitlements will be paid on or before termination of employment contract. The notice periods shall be compliant with Montenegrin Labor Law requirements.

The contractors' labour management procedure will set out terms and conditions for the contracted workers. These terms and conditions will be in line, at minimum, with this labour management procedure, Montenegrin Labor Law and EBRD PR2.

10 ACCOMODATION

The national law is silent on requirements on workers accommodation. Hence if accommodation is provided for workers it will be in compliance with EBRD /IFC 2009 Workers' accommodation: processes and standards available at https://www.ebrd.com/downloads/about/sustainability/Workers_accomodation.pdf

11 GRIEVANCE MECHANISM

MONTEPUT will develop and implement a grievance mechanism for direct workers to address workplace concerns. The grievance mechanism will be established by the beginning of the project MONTEPUT will require contractors to develop and implement a grievance mechanism for their workforce (contracted workers) including sub-contractors, prior to the start of works. The construction contractors will prepare their labour management procedure before the start of civil works, which will also include detailed description of the Workers Grievance Mechanism.

The Workers Grievance Mechanism will include, at minimum:

- Procedures to receive grievances such as comment/complaint form, suggestion boxes, email address, a telephone hotline, focal point department;
- Stipulated timeframes to respond to grievances and to address cases.
- Register to record and track the timely resolution of grievances.
- Responsible department to receive, record, address and track resolution of grievances.

The PIU will monitor the contractors' recording and resolution of grievances, and report these to PIU in their monthly progress reports. The process will be monitored by the GRM Focal Point, a PIU representative who will be responsible for the project GRM.

The Workers Grievance Mechanism will be described in staff induction trainings, which will be provided to all project workers. The mechanism will be based on the following principles:

- The process will be transparent and allow workers to express their concerns and file grievances.
- There will be no discrimination and retaliation against those who express grievances, and any grievances will be treated confidentially.
- Anonymous grievances will be treated equally as other grievances, whose origin is known.
- Management will treat grievances seriously and take timely and appropriate action in response.
- Any worker including subcontracting workers can express concerns, complaints, and grievances at any time, without fear of retribution and retaliation.
- All grievances will be treated in a fair and respectful manner.
- When a grievance is received, the PIU will ensure to confirm its receipt within 3 business days. At this time, the complaint will also be provided information about response times, next steps and a contact within the team.
- All grievances will be documented to the grievance mechanism, including those received by supervisors, project managers, or any management staff.
- Grievance mechanism will have a dedicated procedure to address complaints related to workplace harassment and sexual harassment. The sexual harassment grievance mechanism shall be operated by the trained staff and complaints will be recorded and kept in a data protected data base,

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

GRM Focal Points shall be trained to operate grievance mechanism and to maintain confidentiality.

The Project workers' grievance mechanism will not prevent workers from using any other administrative or judicial mechanisms provided by the national laws.

12 CONTRACTOR MANAGEMENT

The Borrower will use the EBRD standard Procurement Documents for solicitations and contracts, and these include labour and occupational, health and safety requirements.

As part of the process to select contractors who will engage contracted workers, MONTEPUT may review the following information:

- Information in public records, for example, corporate registers and public documents relating to violations of applicable labour law, including reports from labour inspectorates and other enforcement bodies.
- Business licenses, registrations, permits, and approvals.
- Documents relating to a labour management system, including OHS issues, for example, labour management procedures.
- Identification of labour management, safety, and health personnel, their qualifications, and certifications.
- Workers' certifications/permits/training to perform required work.
- Records of safety and health violations, and responses.
- Accident and fatality records and notifications to authorities.
- Records of legally required worker benefits and proof of workers' enrolment in the related programs.
- Worker payroll records, including hours worked and pay received.
- Identification of safety committee members and records of meetings; and
- Copies of previous contracts with contractors and suppliers.

The contracts with selected contractors will include provisions related to labour, working conditions, and occupational health and safety, and require contractors to comply with this LMP and Montenegrin labour, occupational health and safety, and employment laws.

MONTEPUT will manage and monitor the performance of Contractors in relation to contracted workers, focusing on compliance by contractors with their contractual agreements (obligations, representations, and warranties). This may include periodic audits, inspections, and/or spot checks of project locations or work sites and/or of labour management records and reports compiled by contractors. Contractors' labour management records and reports may include: (a) a representative sample of employment contracts or arrangements between third parties and contracted workers; (b) records relating to grievances received and their resolution; (c) reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions; (d) records relating to incidents of non-compliance with national law; and (e) records of training provided for contracted workers to explain labour and working conditions and OHS for the project.

13 COMMUNITY WORKERS

Community workers will not be involved in the project.

ANNEX 1 - Sample Code of Conduct

CODE OF CONDUCT FOR PROJECT WORKERS

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

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

This Code of Conduct identifies the behaviour that we require from all Contractor’s Personnel.

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

REQUIRED CONDUCT

Contractor’s Personnel shall:

1. carry out his/her duties competently and diligently;
2. comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and well-being of other Contractor’s Personnel and any other person;
3. maintain a safe working environment including by:
 - a. ensuring that workplaces, machinery, equipment and processes under each person’s control are safe and without risk to health;
 - b. wearing required personal protective equipment;
 - c. using appropriate measures relating to chemical, physical and biological substances and agents; and
 - d. following applicable emergency operating procedures.
4. report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and danger to his/her life or health;
5. treat other people with respect, and not discriminate against specific groups such as women, people with disabilities, migrant workers or children;
 - a. Not engage in use of child labour. Young people below the age of 18 years will not be engaged under the Project.
6. not engage in any form of sexual harassment including unwelcome sexual advances, requests for sexual favours, and other unwanted verbal or physical conduct of a sexual nature with other Contractor’s or Employer’s Personnel;
7. not engage in sexual exploitation, which means any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another.
8. complete relevant training courses that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters, and sexual exploitation, and sexual abuse (SEA);

9. report violations of this Code of Conduct; and
10. not retaliate against any person who reports violations of this Code of Conduct, whether to us or the Employer, or who makes use of the [Project Grievance [Redress] Mechanism].

RAISING CONCERNS

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

1. Contact [enter name of the Contractor's Social Expert with relevant experience in handling gender-based violence, or if such person is not required under the Contract, another individual designated by the Contractor to handle these matters] in writing at this address [] or by telephone at [] or in person at []; or
2. Call [] to reach the Contractor's hotline (*if any*) and leave a message.

The person's identity will be kept confidential, unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. We take seriously all reports of possible misconduct and will investigate and take appropriate action. We will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

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

CONSEQUENCES OF VIOLATING THE CODE OF CONDUCT

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

FOR CONTRACTOR'S PERSONNEL:

I have received a copy of this Code of Conduct written in a language that I comprehend. I understand that if I have any questions about this Code of Conduct, I can contact [*enter name of Contractor's contact person with relevant experience in handling gender-based violence*] requesting an explanation.

Name of Contractor's Personnel: [insert name]

Signature: _____

Date: (day month year): _____

Countersignature of authorized representative of the Contractor:

Signature: _____

Date: (day month year): _____

ANNEX 2 - LABOR AND WORKING CONDITIONS COMPLIANCE REPORT (to be used by third parties engaging contracted workers)

Assignment name:
Contract ref. No:
Contract period: Start date (M/D/Y) End date (M/D/Y)
Service Supplier:
Reported period:
Date of report:
Signature of authorized person:

LABOR AND WORKING CONDITIONS COMPLIANCE REPORT

I/ COMPANY EMPLOYEES* STATISTICS:

1. Total number of employee's gender disaggregated¹: M _____ F _____
2. Number of employees with an employment contract
3. Number of persons engaged without established employment relationship
4. Number of employees with access to social security, pension and health insurance
5. Number of employees/engaged persons who receives wages/salaries regularly at least once a month
6. Number of employees who left the company in the reported period
7. Number of employees hired in the reported period
8. Number of hours worked per employee (monthly average)
9. Total overtime (monthly average per employee)

10. Number of injuries at work (in reporting period and cumulative since contract start)
11. Number of fatalities at work (in reporting period and cumulative)
12. Number of reported violence
13. Number of reported harassment/ abuses
14. Availability of an accessible and functioning employee grievance mechanism (Y/N)
15. Number of grievances raised with the GM (in reporting period and cumulative since contract start)
16. Number of grievances resolved by GM (in reporting period and cumulative since contract start)
17. Number of suits filed with regard to labour, employment and OHS issues
18. Number of disputes brought to peaceful settlement/ voluntary arbitration procedure
19. Number of visits by labour/ OHS inspection

*The employee is any natural person employed or engaged to work or perform service for the employer

¹The number of employees refers to the actual number/headcount on the date of the report.

II/ PROJECT WORKERS STATISTICS:

1. Total number of project workers:
2. Number of project workers with an employment contract:
3. Number of project workers with other types of contract:
4. Number of project workers with access to social security, pension and health insurance verified by confirmation from the registry:

Working and Labor Conditions Screening Check List

	Terms and conditions	Yes / No	Notes
1	All project workers have an employment contract or engagement agreement in writing.	Yes "" No ""	If "No" please specify and explain
2	All project workers are paid at least once a month	Yes "" No ""	If "No" please specify and explain
3	All project workers worked 8 hours a day, 40 hours a week, or less	Yes "" No ""	If "No" please explain and specify the hours worked
4	All project workers had a regular daily and weekly rest	Yes "" No ""	If "No" please specify and explain
5	Project workers were terminated from employment	Yes "" No ""	If "Yes" please specify number and explain conditions of termination
6	Project workers attended OHS related training program	Yes "" No ""	If "Yes" please specify number and explain
7	Project workers were granted leaves they are entitled to	Yes "" No ""	If "Yes" Please specify the type and number of leaves
8	Project workers were involved in accidents at work resulting in injuries or fatalities	Yes "" No ""	If "Yes" please specify and explain
9	Project workers reported on cases of discrimination, harassment, sexual harassment or non-compliance with law	Yes "" No ""	If "Yes" please specify and explain

	Terms and conditions	Yes / No	Notes
10	Project workers raised grievances or started voluntary arbitration / legal proceedings to settle a dispute	Yes "" No ""	If "Yes" please specify and explain
11	In the reported period there were some incidents on noncompliance with the LMP	Yes "" No ""	If "Yes" please specify and explain

ANNEX 3- THIRD PARTIES STATEMENT ON COMMITMENT TO COMPLY WITH PROVISIONS OF LABOR LEGISLATION AND THE PROJECT'S LMP

Date and place of issuance: _____

Name and address of the issuer (Bidder): _____

STATEMENT OF LEGAL AND REGULATORY COMPLIANCE

Hereby we declare that

- We are aware of, and comply with, the standards laid down in the EBRD PR 2;
- We conform to all national laws* and applicable regulations concerning employment, labour and employee relations, and labour and working conditions;
- We are committed to providing a safe and healthy environment for our employees and to implementing all occupational health and safety requirements as stipulated by national legislation and EBRD PR 2;
- We do not tolerate any form of child, forced or slavery work.
- We prohibit any form of harassment, sexual harassment, abuse, violence, including Gender Based Violence (GBV) at work and forbid direct or indirect discrimination against any employee or groups of employees on any ground and for whatever reason.
- We confirm that a Worker Grievance Mechanism will have been available to all our employees and persons hired to work with us by the commencement date of the contract.

We hereby state that should we be awarded with the contract; we shall adopt the Labor and Working Conditions and Labor Management Procedures in line with EBRD PR 2, applicable to the project, and incorporate them in our practice.

We hereby acknowledge our understanding that our company may be subjected to announced and unannounced visits, site checks and labour and working condition audits by authorized Employer's representatives or independent third parties with the aim to verify compliance with the above statement.

We understand that the failure to respect any of the above stated commitments could lead to termination of the contract and exclusion from the project.

Signature:

Name:

Position:

*National Laws refers both to the Laws of Republic of Montenegro and the domicile Law of the country in case the Bidder is foreign