



Labour and Working Conditions

This guideline expands on what is expected by the criteria statements in the Hydropower Sustainability Assessment Protocol for the Labour and Working Conditions topic, relating to Assessment, Management, Stakeholder Engagement, Conformance/Compliance and Outcomes. Labour and working conditions good practice criteria are expressed for the different life cycle stages of the Protocol tools, contained in topic P-16 for the Preparation stage, topic I-12 for the Implementation stage, and topic O-12 for the Operation stage. Insets show the exact criteria statements from the Protocol topics.

The labour and working conditions guideline seeks to ensure employee and contractor opportunity, equity, diversity, health and safety. The intent is that workers are treated fairly and protected.

The scope of labour and working conditions assessment and management must consider human resources policies, staff and workforce planning, occupational health and safety, equal

opportunity, staff development and training, and grievance and bargaining mechanisms. These aspects should be considered for both staff of the developer and for staff of contractors, sub-contractors, intermediaries, suppliers and service providers.

Intermediaries are workers engaged through third parties who are either performing work directly related to the functions essential for the project for a substantial duration or who are geographically working at the project location. They are workers involved with the project who are neither employees nor contractors. They may be appointed as an in-kind contribution from another agency, for example to provide a facilitation role with indigenous communities. Clarity around the role, responsibilities, entitlements and accountabilities of these individuals would need to be defined and understood.

Labour and working conditions should consider all project-related offices, workshops, storage areas, worksites, locations of ancillary services or activities (e.g. quarries, revegetation areas, reservoir clearing, catchment treatment, monitoring stations), surrounding areas accessible to workers (e.g. waterways, forest), and transport routes used for the project.

Occupational health and safety (OH&S) is a critical issue for the development and management of hydropower projects. OH&S relates to protecting the safety, health and welfare of people engaged in work or employment, for example through preventing disease or injury that might arise as a direct result of workplace activities. OH&S approaches and norms can vary widely from country-to-country. In some countries standards are not high, and while a particular project may proudly state that higher standards are in place than other projects in the region, overall standards may still be low and workers not safe. Poor, partial or inconsistent implementation of OH&S policies and plans may also be an area of weakness.

Assessment

Assessment criterion - Preparation Stage: An assessment has been undertaken of human resource and labour management requirements for the project, including project occupational health and safety (OH&S) issues, risks, and management measures, with no significant gaps.

For hydropower projects at the preparation stage, assessments need to inform workforce planning for all project stages. These assessments should establish compliance requirements for the labour force, identify any risks or challenges that have arisen in relation to the project location, and inform the development of labour policies, plans and procedures.

The assessment should address occupational health and safety issues associated with the preparation, implementation and operations stages, which will differ substantially from each other. The assessment should involve a systematic risk assessment by people with appropriate OH&S risk assessment expertise and experience with projects of similar size and complexity. The assessment should involve staff that will be working on the project as they will have the most informed idea of local issues and risks. The assessment should cover all workers on the project, regardless of whether they are employees, contractors or intermediaries, as well as visitors who may or will be on-site. The assessment should include an analysis of all compliance requirements for the project. The assessment should identify management measures that can be

taken to address the identified issues and risks.

Requirements for baseline labour and working conditions information include the following:

- All of the aspects listed under the scope of this guidance are addressed.
- All available sources of secondary data are identified and included, including previous studies, information on labour issues from comparable projects, national statistics, local government information, and from all relevant institutions.
- Local knowledge and information is included, including from communities in the project affected areas, for example on unemployment, skills levels, and interest in project-related employment.

Preparation stage studies require a high level and diversity of contracted and staff labour to: conduct field investigations, carry out geotechnical drilling and excavation works; provide hydrographical services; establish monitoring sites; and undertake social and environmental baseline studies. At this stage there may be unique labour issues associated with the logistics, health, security and safety of workers working in remote areas with limited infrastructure (e.g. no roads or limited communications available).

Labour and working conditions risks at the implementation stage may include:

- inadequate or unsafe living conditions in labour camps or individual accommodations
- hazardous working conditions, including: (i) work underground, underwater, exposed to landslides and rockfall, exposed to floods, working at heights, or in confined spaces; (ii) work with dangerous machinery, equipment, or tools, or involving handling of heavy loads; (iii) work in unhealthy environments exposing the worker to hazardous substances, agents, processes, temperatures, noise, or vibration damaging to health; (iv) work under difficult conditions such as long hours, late nights, inadequate leave, or confinement by the employer; (v) work at ancillary structures or activities; or (vi) work on roads or through other means of transport
- hazards for workers away from the worksites including risks of drowning, human-wildlife interactions, and on roads

- the financial burden on workers and their families due to illness, injury, disability and death
- inadequate workforce planning, recruitment, training, or retention, possibly leading to project delays, inadequate quality of work or safety issues caused by worker turnover
- deficiencies in human resource policies and procedures or their implementation, which may relate to, for example, contracting, working hours, wages, leave entitlements, and local worker targets
- discrimination, harassment, breach of contract, denial of fair treatment, and limited or no access to effective grievance mechanisms
- conflicts between labour and management, or the workforce and the local population

Labour and working conditions risks at the operation stage are essentially the same, but much easier to assess and manage because of the comparatively small number of operations personnel, more permanent accommodation facilities, and generally safer workplace activities.

Labour and working conditions opportunities should also be assessed. These may include, for example: provision of local employment and training opportunities, sometimes in remote project locations; and capacity-building for hydropower industry professionals.

Assessment

Assessment criterion - Implementation Stage: Human resources and labour management requirements have been identified through an assessment process, including occupational health and safety (OH&S) issues and risks; and processes are in place to identify any emerging or ongoing issues, and to monitor if management measures are effective.

Further to the above guidance, at the implementation stage, the focus should be on construction-related activities and implementation of plans. There will be significant occupational health and safety risks requiring management. The construction workforce can be very large for a number of years and often needs to be brought in rather than drawn from local labour pools, which can be a cause of safety and security concerns for both labourers and local communities.

Monitoring of the labour force and working conditions is an important assessment focus during implementation and operation. Monitoring processes should be designed to detect if an identified issue or risk is being manifested, and to verify that management measures are being implemented. Parameters commonly used for monitoring include:

- the numbers, origin, skills levels, and time employed in project for workers;
- health and safety statistics such as numbers of visits to clinics, number of reported incidents, lost time/recordable injury frequency rates;
- worker grievances registered and resolved; and
- unemployment levels in local communities.

The exact nature of the monitoring will be specific to the issue and management measure. For example, there may be a risk of vehicle accidents with workers walking around the site; the management measures are that workers are required to wear high-visibility clothing, speed limits are established, and there are random checks by designated personnel of adherence to clothing requirements and speed limits. Associated monitoring might include the number of vehicle accidents with workers walking around the site and the number of breaches of the clothing and speed rules each month.

Assessment

Assessment criterion - Operation Stage: A periodically updated assessment has been undertaken of human resource and labour management requirements for the operating facility, including occupational health and safety (OH&S) issues, risks, and management measures, with no significant gaps; monitoring is being undertaken to assess if management measures are effective; and ongoing or emerging labour management issues have been identified.

Many of the implementation considerations also apply at the operations stage. At the operations stage, the labour and work conditions issues will be centred on operation and maintenance of assets, monitoring and implementation of plans and programmes, and a diversity of corporate activities. Assessment activities need to be tailored to fit the context and involve re-assessments over time as the situation evolves. There is often a lower proportion of contracted labour in the operations

stage and a more stable long-term employee workforce. On-site workforce sizes can vary from an unmanned remotely operated power station with visiting maintenance crews to a power station with hundreds of staff and living quarters provided on site for staff families. Workforce arrangements vary greatly depending on whether it is one of many power stations owned by the operator or an operation wholly owned and operated by a dedicated company. Large on-site staff may be because an operating power station is used as a training facility to build a wider capacity of staff for new power stations that are coming through the project development cycle.

Management

Management criterion - Preparation Stage: Human resource and labour management policies, plans and processes have been developed for project implementation and operation that cover all labour management planning components, including those of contractors, subcontractors, and intermediaries, with no significant gaps.

Management criterion - Implementation and Operation Stages: Human resource and labour management policies, plans and processes are in place that address all labour management planning components, including those of contractors, subcontractors, and intermediaries, with no significant gaps.

Workforce planning is an important requirement at all stages for a hydropower project. The preparation stage of a hydropower project involves a high level of staff and contracted labour over several years. Decisions on where to use contractors and sub-contractors versus permanent or temporary employees are part of major procurement strategies including on how risks are allocated (see the Procurement guideline).

Planning for labour and working conditions needs to occur early in the preparation stage, with policies and procedures in place prior to the commencement of detailed feasibility studies. Corporate policies and processes should encompass all aspects of human resources and be readily accessible to the labour force. Aspects of labour and working conditions that human resource policies should address include:

- the workforce structure which defines categories such as executive, management, administrative, technical, and levels within these categories linked to roles, responsibilities and compensation;
- recruitment and retention;
- equal opportunity, equity and diversity;
- compensation and entitlements for different staff levels, including salaries, bonuses, leave entitlements and leave purchasing;
- employee and contractor obligations such as number of working hours, workplace, travel, uniform, etc.;
- standards of behaviour including anti-bribery and ethical practices;
- disciplinary and dismissal procedures;
- occupational health and safety obligations, commitments and procedures;
- retirement and retirement benefits fund contributions;
- collective bargaining;
- staff development and training;
- grievance mechanisms;
- workforce record keeping;
- contractor and sub-contractor policies; and
- workforce planning.

Policies, plans and processes need to be consistent with national labour regulatory requirements. In some cases the company directly refers to the national legislation in its company policies, whereas in others there are approaches specific to the project or operating facility that are spelled out in company documentation.

Policies, plans, and processes need to address contractors, sub-contractors and intermediaries. This can be done through text in the relevant documentation and also through references to corporate policies and plans incorporated into tender and contract documentation. Monitoring reports related to labour and working conditions should include information on contractors, sub-contractors and intermediaries.

The project Environmental and Social Management Plan (ESMP) should include mitigation actions to address risks relating to the labour force. Labour-related management plans

need to be outlined separately for construction and operation. Guidance on what to look for regarding mitigation options for labour and working conditions risks is provided below.

- Measures to mitigate risks of inadequate or unsafe living conditions in labour camps include: worker campsites and accommodation provide an adequate minimum space, supply of safe water, adequate sewage and garbage disposal system, appropriate protection against heat, cold, damp, noise, fire and disease-carrying animals, adequate sanitary and washing facilities, ventilation, cooking and storage facilities, natural and artificial lighting, medical services, and entertainment; project design documents, budgets, contracts, and supervision arrangements ensure requirements are met; preventative measures such as immunisations and, at a minimum, annual health screenings are provided; and information on conditions including medical status of project staff is systematically collected, analysed and used to guide improvements.
- Measures to mitigate risks of hazardous working conditions include: design documents, budgets, contracts, supervision arrangements, and procedures demonstrate awareness and avoidance of work hazards; health and safety regulations such as measurement of gas content in tunnels, slope stabilisation requirements, adherence to speed limits, restrictions on access; permit and authorisation processes and wearing of personal protective equipment (PPE) are strictly enforced; workers are trained and encouraged to report unsafe and unhealthy conditions; safety officers are appointed and given additional training at worksites; injury response and emergency systems are in place, including notification systems, evacuation plans, ambulance facilities, and readily accessible health services; information on injuries, accidents and near misses is systematically collected, analysed and used to guide improvements, using internationally recognised safety indicators; and managers and contractors have performance targets and contractual incentives to ensure safe and healthy working conditions.
- Measures to mitigate risks of hazards for workers away from the worksites include: guidance, procedures, exclusion zones and other rules are in place to minimise hazards for workers away from the worksites; policies to help minimise the financial burden on workers and their families due to work-related illness, injury, disability and

death, such as through access to free health care on the worksite; and adequate insurance coverage and/or compensation payments.

- Measures to mitigate risks of inadequate workforce planning, recruitment, training, or retention include: workforce requirements that are realistic and detailed; contractors start recruitment processes with sufficient lead times; a workforce database is maintained with records of all qualifications, training, authorisations, leave, visas, etc. available for the entire project workforce; and high workforce turnover is discouraged by surveys among workers and adaptive management of labour and working conditions.
- Measures to mitigate risks of discrimination, harassment, breach of contract, denial of fair treatment and access to grievance mechanisms include: a code of conduct and/or manual for employee behaviours; workers are well-informed of their rights; workers have collective representation and access to grievance mechanisms with thorough and timely feedback; grievances are systematically tracked and resolved, and analysis of grievances is used to guide improvements; and labour inspectors and representatives of the developer cooperate to ensure fair treatment of all workers, including contractors, sub-contractors, intermediaries, suppliers and service providers.
- Measures to mitigate risks arising from deficiencies in human resource policies and procedures or their implementation (e.g. affecting contracting, working hours, wages, leave entitlements, local worker targets, etc.) include: ensuring human resources staff have adequate qualifications and experience; provision of continuing professional development training for human resources staff; clearly documented human resources policies and procedures made readily available to all staff; effective grievance mechanisms for employees to raise issues if policies and procedures are not being followed; independent audits and reviews to ensure proper implementation; and ensuring all of the above also apply to contractors and intermediaries through appropriate contract and agreement documentation.
- Measures to mitigate risks of conflicts between labour and management, or the workforce and the local population, include: clear rules are established to avoid potential conflicts; grievances are systematically tracked and resolved and analysis of grievances is used to guide improvements; and measures to address this risk are included in the Social Management

Plan (SMP) and SMP induction training is broadly implemented.

- Measures to promote local employment opportunities include: information and training to local communities during the pre-construction stage; employment preferences given to local workers in general and affected households in particular; and encouragement of capacity development within the local workforce and knowledge transfer from foreign specialists.

Stakeholder Engagement

Stakeholder Engagement criterion – Preparation, Implementation and Operation Stages: Ongoing processes are in place for employees and contractors to raise human resources and labour management issues and get feedback.

Good practice requires that employees, contractors, sub-contractors, intermediaries, suppliers and service providers are all able to raise issues and concerns through a clearly established and functional process. This is effectively one form of a grievance mechanism applicable to employees (as described in the Communications and Consultation topic guidance). The business should establish indicators to ensure employee grievance processes are accessible and being used, and to check timeliness of response and closure on issues.

Processes by which workers could raise issues should be well-communicated. Examples include through nominated contact people, a designated platform on an internal website for workers, periodic workforce briefings or question/answer opportunities, suggestion boxes, complaints boxes, an employee assistance programme, and/or a toll free telephone number. An incident reporting system, whistle-blowing mechanism, and workplace support officers or representatives can also be evidence that this criterion is met.

Regular staff and contractor team meetings, surveys, information sessions, and designated contact people are often used as communication processes for raising issues and getting feedback. Feedback on issues raised by workers should be documented and could be demonstrated by means such as emails, records of telephone conversations, written correspondence, meeting minutes, and/or provision of responses to frequently asked questions on the company website.

Records should be kept of issues raised, how they were raised, how they were responded to, and when and how they were fully closed and communicated back to the worker(s) who raised the issue.

Further guidance can be found in the Communications and Consultation guideline.

Conformance/Compliance

Conformance/Compliance criterion - Implementation and Operation Stages: Processes and objectives relating to human resource and labour management have been and are on track to be met with no major non-compliances or non-conformances, and any labour-related commitments have been or are on track to be met.

Assessment processes and management measures relating to labour and working conditions should be compliant with relevant legal and administrative requirements. These may be expressed in licence or permit conditions or captured in legislation. Implemented measures should be consistent with what is in the plans to demonstrate conformance with the plans. Labour commitments may be expressed in policies of the developer or owner/operator, or in company statements made publicly or within management plans. Evidence of adherence to commitments could be provided through, for example, internal monitoring and reports, government inspections, or independent review. Variations to commitments should be well-justified and approved by relevant authorities, with appropriate stakeholder liaison.

The significance of not meeting a commitment is based on the magnitude and consequence of that omission and will be context-specific. For example, a failure to demonstrate delivery of a licence requirement to provide potable drinking water to all workers is likely to be a significant non-compliance, as would be unfair dismissal of an employee in violation of the company's own policy. A slight delay in delivery of a monitoring report could be a non-significant non-conformance.

The obligations of contractors, sub-contractors and intermediaries with respect to corporate policies versus the contractor's own policies would need to be made clear in any contract.

Outcomes

Outcomes criterion – Preparation, Implementation and Operation Stages: There are no identified inconsistencies of labour management policies, plans and practices with internationally recognised labour rights.

Project-specific labour policies, plans or processes should be consistent with labour rights and there should be no conflicts.

Internationally recognised labour rights are documented in places such as IFC Performance Standard 2, the International Labour Organisation standards, and the Human Rights Council 2008 Report of John Ruggie “Protect, Respect and Remedy: a Framework for Business and Human Rights”. These rights include:

- freedom of association;
- the right to equal pay for equal work;
- the right to organise and participate in collective bargaining;
- the right to equality at work, the right to non-discrimination;
- the right to just and favourable remuneration;
- abolition of slavery and forced labour;
- the right to a safe work environment;
- abolition of child labour;
- the right to rest and leisure;
- the right to work; and
- the right to family life.

An evidence-based approach should demonstrate that workers experience all of these rights. Well-documented and communicated policies, plans and processes are important to demonstrate that the rights are recognised and provided for. Evidence should be documented to show how these rights are met during implementation and operation. Monitoring systems should be robust with periodic checks that they are capturing the information that would inform if labour rights are met. Worker grievance procedures should be well-documented and tracked.

For OH&S, inspections of worksites, power stations and other facilities should demonstrate the use of signage, safety practices, protective clothing and equipment, barriers, tagging out systems and sub-contractor work standards and conditions. Worker safety data needs to be centralised, collated, analysed against agreed indicators, and regularly reported.

In some cases, the national regulations prevent a company from enabling all rights to be realised, such as the right to collective bargaining or freedom of association. While it is important that the company is compliant with national legislation, international good practice expectations may not be met.

