# REPUBLIC OF INDONESIA

# Strengthening Food Security and Green Economy Development in Indonesia's Village (SEHATI)

# (P515935)

# LABOUR MANAGEMENT PROCEDURES (LMP)

*DRAFT*

| | |
|---|---|
| **Document status** | Second working draft for project and Indonesian legal/technical review |
| **Version 2.0** | 14 October 2026 |

# Table of Contents

*1. Introduction* ..... *1*

1.1 Project Background ..... 1

1.2 Purpose of the LMP ..... 1

1.3 Relationship with Other Instruments ..... 2

1.4 Legal and Regulatory Framework ..... 2

*2. Overview of Labor Use* ..... *3*

Workforce Estimates ..... 3

*3. Key Labor Risks* ..... *3*

*4. Labor Policies and Procedures* ..... *7*

4.1 Terms and Conditions of Employment ..... 7

4.2 Non-Discrimination and Equal Opportunity ..... 7

4.3 Child Labor ..... 8

4.4 Forced Labor ..... 8

4.5 Code of Conduct ..... 8

4.6 Anti-fraud and Corruption ..... 9

*5. Occupational Health and Safety* ..... *9*

5.1 General OHS Requirements ..... 9

5.2 OHS Requirements by Level of Activity ..... 9

5.3 OHS for Community Workers ..... 10

5.4 Emergency Preparedness ..... 10

5.5 Incident Reporting ..... 10

*6. Management of Contractors and Primary Suppliers* ..... *11*

6.1 ESS2 Requirements in Procurement ..... 11

6.2 Contractual Obligations ..... 11

*7. Worker Grievance Mechanism* ..... *12*

7.4 Resolution Process ..... 14

*8. Roles and Responsibilities* ..... *15*

*9. Capacity Building and Monitoring* ..... *17*

9.1 Capacity Building ..... 17

**9.2 Monitoring and Reporting ..... 18**

***ANNEX I: GUIDELINES ON CODE OF CONDUCT ..... 19***

***ANNEX II: TEMPLATE OF CODE OF CONDUCT FOR CONTRACTORS AND SUPPLIERS .. 21***

***ANNEX III: TEMPLATE OF CODE OF CONDUCT AT THE VILLAGE LEVEL (VILLAGE CASH-FOR-WORK) ..... 23***

***ANNEX IV: TEMPLATE OF VILLAGE GOVERNMENT DECLARATION OF COMPLIANCE (FOR COMMUNAL WORK/VOLUNTARY WORK) ..... 25***

# 1. Introduction

## 1.1 Project Background

The Strengthening Food Security and Green Economy Development in Indonesia's Village (SEHATI) aims to strengthen rural livelihoods, food security, and climate-resilient local economic development through investments in village-level infrastructure, productive facilities, and community capacity building across approximately 5,000 villages in Indonesia. Project implementation will involve a range of workers, including direct workers, contracted workers, community workers, and primary supply workers. The Project is expected to generate significant employment opportunities while supporting community participation and local economic development.

Given the Project's scale, geographic coverage, and reliance on decentralized implementation arrangements, labor-related risks may arise during project implementation, including occupational health and safety risks, inadequate working conditions, discrimination, child labor, forced labor, workplace harassment, and risks associated with contractor and community worker management. To address these risks, the Project will be implemented in accordance with applicable Indonesian labor legislation and the World Bank Environmental and Social Framework (ESF), particularly Environmental and Social Standard 2 (ESS2): Labor and Working Conditions and also Environmental and Social Standard 4 (ESS4): Community Health and Safety. This Labor Management Procedure (LMP) establishes the overarching framework for labor management under SEHATI and defines the principles, requirements, and responsibilities for protecting workers and promoting safe, fair, and inclusive working conditions throughout Project implementation.

## 1.2 Purpose of the LMP

The purpose of this Labor Management Procedure (LMP) is to establish the framework and minimum requirements for the management of labor under the SEHATI Project, in accordance with applicable Indonesian labor legislation and the World Bank Environmental and Social Standard 2 (ESS2): Labor and Working Conditions, and also Environmental and Social Standard 4 (ESS4): Community Health and Safety. The LMP aims to ensure that labor is managed in a fair, safe, inclusive, and transparent manner throughout Project implementation. Specifically, the LMP seeks to:

- Ensure compliance with applicable Indonesian labor laws, ESS2 and ESS4 requirements throughout Project implementation.
- Promote fair treatment, non-discrimination, and equal employment opportunities for all project workers, including women, persons with disabilities, and other vulnerable groups.
- Protect workers' rights by ensuring appropriate terms and conditions of employment, including fair wages, working hours, rest periods, and access to information on employment conditions.
- Promote safe and healthy working conditions through the implementation of occupational health and safety (OHS) measures appropriate to Project risks.
- Prevent and prohibit child labor, forced labor, workplace harassment, sexual exploitation and abuse, and sexual harassment (SEA/SH) in all Project activities.

- Provide an accessible, transparent, and worker-centered grievance mechanism through which workers may raise concerns without fear of retaliation.
- Define the roles and responsibilities of implementing agencies, village governments, facilitators, contractors, and other relevant parties in managing labor-related risks and obligations under the Project.

### 1.3 Relationship with Other Instruments

This LMP should be read together with the Environmental and Social Commitment Plan (ESCP), Environmental and Social Management Framework (ESMF), Stakeholder Engagement Framework SEF), Project Operation Manual (POM), procurement documents, technical guidelines, and other project implementation guidance. The LMP will initially be maintained as a standalone document and subsequently integrated into the ESMF, consistent with the ESCP. Relevant LMP requirements will also be incorporated into the Project's operational guidance, procurement and contractual arrangements, and implementation tools, as applicable. This LMP establishes Project-level labor management requirements. Detailed operational guidance, procedures, checklists, and implementation tools for village governments, facilitators, contractors, supervision consultants, and community workers will be prepared separately through the ESMF, POM, procurement documents, and other implementation guidance.

### 1.4 Legal and Regulatory Framework

The management of labor under the SEHATI Project shall be implemented in accordance with applicable Indonesian laws and regulations and the requirements of the World Bank Environmental and Social Standard 2 (ESS2): Labor and Working Conditions, and also Environmental and Social Standard 4 (ESS4): Community Health and Safety. Compliance with national legislation provides the foundation for protecting workers' rights, ensuring safe working conditions, and promoting fair and inclusive employment practices throughout Project implementation.

Key national legislation relevant to labor management under the Project includes:

- Law No. 13 of 2003 on Manpower, as amended by Law No. 6 of 2023 concerning Job Creation, which governs workers' rights, equal employment opportunity, prohibition of child labor, wage protection, and working hours.
- Law No. 1 of 1970 on Occupational Safety, which requires employers to provide safe working conditions and appropriate personal protective equipment (PPE).
- Law No. 12 of 2022 on the Crime of Sexual Violence, which provides the legal basis for the prevention and management of gender-based violence (GBV), sexual exploitation and abuse, sexual harassment, and other forms of sexual violence in the workplace.
- Law No. 8 of 2016 on Persons with Disabilities, which promotes accessibility, non-discrimination, and equal employment opportunities for persons with disabilities.
- Law No. 6 of 2014 on Villages, which provides the basis for community-based implementation arrangements, including labor-intensive village development activities.

To support implementation at the village level, village governments may adopt relevant labor, occupational health and safety (OHS), and social inclusion requirements through local regulations, village decrees, or other administrative instruments, as appropriate.

## 2. Overview of Labor Use

There are at least four categories of worker in SEHATI Project, including direct workers, contracted workers, community workers, and primary supply workers.

*Table 1. Labor Categories for SEHATI Project*

| Category | Definition | Examples | Remarks |
|---|---|---|---|
| **Direct Workers** | Personnel directly involved in project management and assistance, coordinating directly with the Ministry of Villages and Development of Disadvantaged Areas (MoVDA) | Central Project Management Unit (CPMU), Central Project Implementing Units (CPIUs), Project Implementing Units (PIUs), E&S Specialists, Individual Consultants. | ● Workers in this category are directly engaged and work intensively with the implementing agencies. |
| **Contracted Workers** | Workers employed by a third party or local vendor/contractor. They are specifically engaged by the Village Government to perform construction work or other specialized field duties. | National Management Consultants (NMCs), firm-hired consultants, contractors, supervision consultants, internet connectivity providers | ● Engaged through firms or contracts.<br>● Consultants and specialists engaged through the National Management Consultant (NMC), including E&S specialists and other firm-hired project support personnel, are classified as Contracted Workers under ESS2. |
| **Community Workers** | Local community members who participate directly in project implementation. | Village cash-for-work (*Padat Karya Tunai Desa* / PKTD), community implementation arrangements, voluntary community participation, communal work | ● Subject to voluntary participation requirements |
| **Primary Supply Workers** | Personnel engaged by local suppliers, responsible for supplying essential materials necessary for project operations, including sand, stone, and cement. | Workers employed by key suppliers of construction materials and equipment | ● Implementing agencies shall take reasonable measures to assess and address significant labor risks associated with primary suppliers, particularly risks related to child labor, forced labor, and unsafe working conditions. Supplier due diligence is needed.<br>● Where serious labor violations are identified and not adequately addressed, the Project may discontinue engagement with the supplier and seek alternative sources consistent with Project requirements. |

Workforce Estimates

The SEHATI Project is expected to engage direct workers, contracted workers, community workers, and primary supply workers throughout implementation. The exact number of workers is not known at this stage and will vary according to the scale, timing, and type of Project activities. Workforce numbers and composition will be monitored and reported periodically during implementation.

## 3. Key Labor Risks

The SEHATI Project will be implemented across approximately 5,000 villages, involving village infrastructure investments, productive economic activities, and community participation in rural and

remote locations. Given the scale, geographic coverage, and decentralized implementation arrangements, labor-related risks may arise during project implementation. These risks need to be identified and managed to ensure worker protection, compliance with applicable national labor policies and regulations, and alignment with ESS2 and also ESS4 World Bank.

*Table 2. Key Labor Risks of SEHATI Project*

| Key Labor Risks | ESS Category | Risks Description at Village Level (SEHATI Project) | Risk Level | Required Mitigation Measures | Required Documentation |
|---|---|---|---|---|---|
| **Weak Occupational Health and Safety (OHS)** | ESS 2 | OHS-related risks that may arise include: Workers injured by heavy machinery or manual tools (hoes, machetes), struck by falling materials in warehouses, falling from bridges, oxygen depletion when excavating wells, suffering burns during road paving, and drowning during construction over rivers, lakes, or coastal areas. | **High** | - Provide basic mandatory Personal Protective Equipment (PPE) (helmets, boots, gloves).<br>- Conduct OHS briefings before starting the project<br>- Provide First Aid kits at every project site.<br>- Halt work during extreme weather conditions (heavy rain/lightning, extreme heat wave).<br>- Developing Emergency Response Plan or Incident Reponse Procudure<br>- Corrective Action Plan when an incident occurs | - Worker Code of Conduct Form<br>- Standard Operating Procedures (SOP)<br>- Evidence of socialization/training<br>- Incident report form<br>- Corrective Action Plan |
| **Child Labor** | ESS 2 | Minors (under 18 years of age) participating in road or reservoir projects to earn pocket money, or assisting their parents working on site. | **Medium** | - The Village Government mandates age verification using ID cards (KTP) or Family Cards (KK) during worker recruitment.<br>- Include a "No Child Labor" clause in employment contracts with contractors or village community groups.<br>- Install "No Children Allowed" signage at project sites.<br>- Conduct due diligence for suppliers of workers and materials. | - Worker Code of Conduct Form<br>- Standard Operating Procedures (SOP)<br>- Evidence of socialization/training |
| **Forced Labor** | ESS 2 | Although forced labor is not expected under the Project, risks may arise in decentralized implementation environments where labor arrangements are informal or oversight is limited. Potential indicators of forced labor include delayed payment of wages, withholding of personal documents, debt-related coercion, compulsory overtime without compensation, intimidation, restrictions on freedom of movement, or involuntary participation in community activities.<br><br>The risk is relevant to all worker categories, including community | **Low** | - Ensure all construction work is voluntary and remunerated according to project standards.<br>- Prohibit the retention of ID cards or workers' personal documents for any reason.<br>- Provide clear employment contracts or attendance registers detailing wage agreements.<br>- Conduct due diligence for suppliers of workers and materials. | - Worker Code of Conduct Form<br>- Standard Operating Procedures (SOP)<br>- Evidence of socialization/training |

| Key Labor Risks | ESS Category | Risks Description at Village Level (SEHATI Project) | Risk Level | Required Mitigation Measures | Required Documentation |
|---|---|---|---|---|---|
| | | workers, contracted workers, and workers employed by suppliers. | | | |
| **Unfair Wage Conditions** | ESS 2 | Payment of wages below the agreed standard, delayed payments, or wage disparities between male and female workers for the same type of work (discrimination). | Medium | - Establish transparent project wage standards and display them on the village hall notice board.<br>- Implement the principle of Equal Pay for Equal Work regardless of gender.<br>- Disburse wage payments punctually (as initially agreed) and ensure they are well-documented.<br>- Conduct due diligence for suppliers of workers and materials. | - Worker Code of Conduct Form<br>- Standard Operating Procedures (SOP)<br>- Evidence of socialization/training |
| **Workplace SEA/SH and Harassment** | ESS 2 & 4 | Gender-based violence (GBV), sexual exploitation and abuse (SEA), sexual harassment (SH), and other forms of workplace harassment may occur where unequal power relationships, vulnerable populations, and decentralized implementation arrangements intersect.<br><br>Risks may include sexual exploitation linked to access to project benefits, workplace harassment of workers and beneficiaries, abuse of authority, discrimination, and inappropriate interactions between external workers and local communities. These risks may be heightened in remote locations with limited reporting mechanisms and support services. | Medium | - Mandate all workers to sign an Anti-Harassment Integrity Pact / Code of Conduct (CoC).<br>- Provide separate and enclosed toilet/sanitation facilities for men and women if female workers are present.<br>- Provide a brief GEDSI education session during worker orientation (project initiation phase). | - Worker Code of Conduct Form<br>- Standard Operating Procedures (SOP)<br>- Evidence of socialization/training |

| Key Labor Risks | ESS Category | Risks Description at Village Level (SEHATI Project) | Risk Level | Required Mitigation Measures | Required Documentation |
|---|---|---|---|---|---|
| | | The risk applies to all Project personnel, including government officials, consultants, contractors, facilitators, supervision consultants, community workers, and village-level implementation teams. | | | |
| **Community Health & Safety Risks** | ESS 4 | Infrastructure development works in the village often have negative impacts on the health and safety of the surrounding community. Examples include pollution caused by high-intensity heavy machinery and passing trucks, dust and dirt from construction activities, leftover excavation holes filled with water posing drowning hazards to individuals or children, construction waste carelessly disposed of by workers, accidents involving heavy machinery on village roads, and other potential health and safety hazards. | **High** | - Implement a maximum speed limit for project vehicles within the village area (e.g., 20 km/h).<br>- Install temporary barriers (barricades/ropes) around reservoir excavations or bridge repair areas.<br>- Regularly sprinkle dirt roads with water to reduce material-induced dust.<br>- Restrict noisy working hours (e.g., only from 08:00 to 17:00) to avoid disturbing residents' rest. | - Worker Code of Conduct Form<br>- Standard Operating Procedures (SOP)<br>- Evidence of socialization/training |
| **Weak Grievance Mechanisms** | ESS 2 | Weak grievance mechanisms allow practices that harm workers such as wage deduction happening unchecked. Weak grievance mechanism also threats workers when there is no confidential reporting channel. | **Medium** | - Establish a Worker-Specific Grievance Mechanism (GM) (separate from the community mechanism), for example, via a locked suggestion box in a neutral area or a dedicated WhatsApp number.<br>- Guarantee the confidentiality of the complainant and strictly prohibit retaliation.<br>- Appoint a neutral facilitator (not the project foreman) to receive, follow up, and manage complaints. | - Village Regulation (*Perdes*) regarding the grievance mechanism at the village level.<br>- The appointment and formation of a complaint-handling team by the Village Head (evidenced by an assignment letter from the Village Head). |

| Key Labor Risks | ESS Category | Risks Description at Village Level (SEHATI Project) | Risk Level | Required Mitigation Measures | Required Documentation |
|---|---|---|---|---|---|
| **Discrimination and Exclusion** | ESS 2 | Without adequate safeguards, vulnerable groups may face barriers to participate in Project employment opportunities and decision-making processes. Potential risks include unequal employment opportunities for women, persons with disabilities, poor households, and other vulnerable groups; unequal wages; inaccessible worksites; discriminatory recruitment practices; and exclusion from project benefits. | Medium | - Establish an inclusive & transparent recruitment process by publicly announcing employment opportunities through accessible channels (e.g., village notice boards, community meetings, local radio).<br>- Promote inclusive access to Project employment opportunities for women, persons with disabilities, poor households, and other relevant vulnerable groups, consistent with the nature of the work, worker safety requirements, and applicable Project arrangements .<br>- Implement a strict "equal pay for work of equal value" policy.<br>- Assess and modify physical worksites to remove barriers for persons with disabilities. This includes providing accessible pathways, appropriately designed sanitary facilities, and safe rest areas that accommodate diverse mobility needs. | - Evidence of transparent recruitment process (e.g. announcement placed at village notice boards, minutes of meetings)<br>- Signed Worker Code of Conduct<br>- Accessible GRM Logbook & Protocol |

# 4. Labor Policies and Procedures

## 4.1 Terms and Conditions of Employment

All Project workers shall be engaged in accordance with applicable Indonesian labor legislation, ESS2 and ESS4 requirements, and the labor management measures established under this LMP. Terms and conditions shall be communicated clearly to workers prior to engagement and shall include information on remuneration, working hours, rest periods, grievance procedures, and applicable workplace requirements.

For direct workers, contracted workers, community workers, and primary supplier workers, recruitment and worker selection processes shall be transparent, fair, and based on qualifications, experience, competence, and operational needs. Recruitment processes shall be free from discrimination, coercion, nepotism, and undue influence.

For community workers engaged through village-based labor-intensive activities, participation shall be organized through transparent and inclusive community arrangements. Recruitment should prioritize vulnerable groups, including poor and extremely poor households, unemployed or underemployed individuals, women, and persons with disabilities, where appropriate and consistent with worker safety considerations.

Working hours shall be reasonable and consistent with applicable legal requirements. Workers shall receive fair and timely payment of wages, adequate rest periods, access to drinking water, sanitation facilities, and other welfare facilities necessary to support safe and healthy working conditions. Where appropriate, reasonable accommodation and flexibility may be provided to workers with caregiving responsibilities and persons with disabilities.

Key principles include:

- transparent recruitment and worker selection processes;
- fair and timely payment of wages;
- clearly defined working hours and rest periods;
- provision of basic welfare facilities, including drinking water, rest areas, and sanitation facilities; and
- access to worker grievance mechanisms.

## 4.2 Non-Discrimination and Equal Opportunity

The Project shall promote equal employment opportunities and fair treatment for all workers, regardless of gender, disability, ethnicity, religion, social status, age, or other personal characteristics unrelated to job requirements. Recruitment, worker selection, assignment of duties, remuneration, promotion, training opportunities, and termination shall be conducted in a transparent and non-discriminatory manner.

All implementing entities, including CPMU, CPIUs/PIUs, participating line ministries, district governments, village governments, facilitators, contractors, supervision consultants, and suppliers, shall ensure that Project workers are treated fairly and have equal access to employment opportunities. Particular attention shall be given to ensuring meaningful participation of women, persons with disabilities, and other vulnerable groups in Project employment opportunities and labor-intensive activities.

### 4.3 Child Labor

The Project prohibits child labor in all Project activities. The minimum age for employment under the Project shall be 18 years for construction-related work, operation of machinery, handling of hazardous materials, and other hazardous activities.

Age verification shall be conducted prior to recruitment through government-issued identification documents or other acceptable documentation. CPMU, CPIUs/PIUs, district governments, village governments, contractors, supervision consultants, facilitators, and suppliers shall ensure effective age-verification procedures are applied before any worker is engaged. Records of worker age verification shall be maintained and made available for monitoring and audit purposes.

### 4.4 Forced Labor

Forced labor in any form is prohibited. Workers shall participate voluntarily, be free to leave employment in accordance with agreed terms and conditions, and shall not be subject to coercion, intimidation, withholding of wages, withholding of personal documents, debt bondage, restrictions on freedom of movement, involuntary overtime, or any other form of forced labor.

Particular attention shall be paid to labor-intensive village activities and community worker arrangements to ensure that participation remains voluntary and that no worker is compelled to participate through political, social, economic, or community pressure. CPMU, CPIUs/PIUs, district governments, village governments, contractors, facilitators, supervision consultants, and suppliers shall take appropriate measures to prevent, identify, and address any indicators of forced labor throughout Project implementation.

### 4.5 Code of Conduct

All Project personnel, including direct workers, contracted workers, community workers, facilitators, consultants, contractors, supervision consultants, and other personnel engaged under the Project, shall comply with a Code of Conduct acceptable to the Project and consistent with ESS2 and ESS4 requirements.

The Code of Conduct shall require workers to:

- comply with occupational health and safety requirements;
- treat co-workers, beneficiaries, and community members with dignity and respect;
- refrain from discrimination, intimidation, bullying, harassment, and abuse;
- comply with measures to prevent sexual exploitation and abuse and sexual harassment (SEA/SH);
- avoid the use of alcohol or illegal substances while performing Project-related duties;

- respect local customs, community norms, and cultural practices; and
- protect community assets, Project resources, and the surrounding environment.

### 4.6 Anti-fraud and Corruption

The SEHATI Project maintains a strict, zero-tolerance policy against all forms of fraud, bribery, and corruption. We are committed to upholding the highest standards of transparency, integrity, and accountability across every phase of our operations to ensure that all resources directly serve the project's intended beneficiaries.

To safeguard these resources, the SEHATI Project adopts a proactive risk management approach focused on the continuous prevention, early detection, and thorough investigation of any suspected fraudulent activity. Rather than treating compliance as an isolated requirement, this anti-fraud framework is seamlessly integrated into our core business processes, management practices, and internal controls.

These rigorous standards are explicitly codified within the SEHATI Project's financial and procurement procedures. By establishing clear operational guidelines, strict auditing protocols, and robust oversight mechanisms, we ensure that all team members, implementing partners, and external stakeholders remain fully aligned with our commitment to ethical conduct and responsible fund management.

## 5. Occupational Health and Safety

### 5.1 General OHS Requirements

The Project shall implement occupational health and safety measures appropriate to the nature and scale of Project activities. OHS requirements apply to all Project workers, including direct workers, contracted workers, community workers, and primary supply workers.

### 5.2 OHS Requirements by Level of Activity

| Implementation Level | Required OHS Management Measures | Responsible Entities |
|---|---|---|
| Central and subnational activities | Apply travel and field-mission safety arrangements; communicate emergency contacts; manage fatigue and weather exposure; and record work-related incidents during missions. | CPMU, CPIUs/PIUs, participating line ministries/agencies, and subnational governments. |
| Village infrastructure and facility investments | Prepare proportionate OHS planning; identify hazards and controls; designate OHS responsibility; provide worker induction, PPE, first aid, site controls, safety briefings, and emergency arrangements; and supervise compliance. | Village governments, TPK, facilitators, contractors, supervision consultants, and district oversight teams. |

| Implementation Level | Required OHS Management Measures | Responsible Entities |
|---|---|---|
| Productive equipment and agricultural activities | Provide safe operating instructions and training; restrict equipment operation to competent persons; ensure guarding and electrical safety; manage chemicals and agricultural inputs; and provide task-appropriate PPE. | Village governments, TPK, facilitators, equipment suppliers/service providers, and relevant technical agencies. |

Construction and rehabilitation works shall be subject to basic OHS planning and risk management measures appropriate to small-scale village infrastructure activities. These measures should include:

- identification of workplace hazards and corresponding mitigation measures;
- designation of responsible personnel for oversight of safety measures;
- regular workplace safety briefings;
- safe use of construction equipment and tools;
- site demarcation and warning signage where required; and
- maintenance of safe working conditions throughout implementation.

Project activities involving physical works shall provide access to basic first aid supplies, drinking water, sanitation facilities, and suitable rest areas. Emergency arrangements shall be established to facilitate access to medical assistance when required.

### 5.3 OHS for Community Workers

Village governments, Village Implementation Teams (TPK), contractors, and facilitators shall ensure that community workers engaged in Project activities are provided with safe working conditions appropriate to the assigned tasks.

At a minimum, community workers shall have access to:

- basic PPE appropriate to workplace risks;
- first-aid facilities and emergency response arrangements;
- safe drinking water;
- sanitation facilities;
- appropriate rest areas; and
- basic safety briefings before commencement of work.

### 5.4 Emergency Preparedness

Emergency preparedness measures shall include:

- access to first aid supplies;
- identification of emergency contact persons and medical referral facilities;
- procedures for responding to accidents or serious incidents (Emergency Response Plan); and
- communication arrangements appropriate to local conditions

### 5.5 Incident Reporting

All work-related incidents and accidents shall be recorded, investigated, and reported through Project reporting channels. Serious incidents shall be managed and reported in accordance with the World

Bank's Environmental and Social Incident Response Toolkit (ESIRT) and Project incident reporting procedures. Specific timelines, responsibilities, and reporting formats will be further elaborated in the ESMF, POM, and associated implementation guidance.

Project-specific incident notification and escalation timelines shall be aligned with the ESCP and the applicable World Bank incident response requirements. The borrower needs to notify the Bank no later than 48 hours after learning about the incident or accident. If severe incidents occur, such as fatalities, severe injuries, or Sexual Exploitation and Abuse/Sexual Harassment allegations, notify the Bank no later than 24 hours. The review report and Corrective Action Plan will be submitted to the Bank no later than 10 days following the initial notice, unless a different timeframe is agreed in writing by the Bank.

Workers shall have the right to remove themselves from work situations they reasonably believe present an imminent and serious danger to life or health, without retaliation, and shall promptly report the condition through the applicable supervision channel.

# 6. Management of Contractors and Primary Suppliers

### 6.1 ESS2 Requirements in Procurement

All procurement documents, contracts, purchase orders, service agreements, including applicable village-level contracts or agreements, and other contractual arrangements financed under the Project shall incorporate labor management, occupational health and safety (OHS), environmental and social, and worker protection requirements consistent with ESS2, applicable Indonesian legislation, and this LMP.

Contractors, material suppliers, consultants, supervision consultants, internet service providers, and other third parties engaged under the Project shall be required to:

- comply with labor and OHS requirements established under this LMP;
- comply with the Project Code of Conduct;
- prohibit child labor and forced labor;
- implement measures to prevent gender-based violence (GBV), sexual exploitation and abuse (SEA), and sexual harassment (SH);
- pay fair wage based on the agreed standard, pay the workers wage on time, avoid the wage disparities between male and female workers for the same type of work (discrimination).
- provide workers with access to grievance mechanisms; and
- comply with Project monitoring and reporting requirements.

Prior to commencement of works, contractors and primary suppliers shall communicate these requirements to their workforce, including locally recruited workers.

### 6.2 Contractual Obligations

Contractors and suppliers shall ensure that all workers:

- receive information regarding terms and conditions of employment;

- receive required OHS inductions and training;
- have access to appropriate personal protective equipment (PPE);
- are informed of applicable grievance mechanisms;
- are protected from workplace harassment, discrimination, forced labor, and child labor; and
- comply with the Project Code of Conduct.

### 6.3 Monitoring and Supervision

CPMU, CPIUs/PIUs, district governments, village governments, facilitators, and supervision consultants are responsible to conduct the due diligence process to ensure that contractors and suppliers possess the legal, financial, and technical capacity to deliver the project while adhering to strict ethical, environmental, and social standards. Contractor and suppliers compliance shall be monitored through supervision arrangements established by CPMU, CPIUs/PIUs, district governments, village governments, facilitators, and supervision consultants, as appropriate.

Monitoring and supervision may include:

- site inspections and worker interviews;
- review of worker records;
- verification of worker age and employment arrangements;
- review of wage payment records and working hours;
- review of contractor grievance records;
- verification of OHS measures and PPE use; and
- review of incidents, accidents, and corrective actions.

### 6.4 Corrective Actions and Non-Compliance

Where non-compliance is identified, corrective measures shall be proportionate to the severity of the violation.

| **Level** | **Examples** | **Illustrative Action** |
|---|---|---|
| Minor | Failure to use PPE, missing signage, inadequate first-aid supplies | Verbal warning and corrective action within specified timeframe |
| Moderate | Repeated OHS violations, delayed wage payments, failure to address worker grievances | Written warning and suspension of payments until corrective measures are completed |
| Severe | Child labor, forced labor, severe OHS negligence, GBV/SEA/SH violations, fatality linked to negligence | Suspension of activities, contract termination, exclusion from future Project participation, and referral to competent authorities for legal enforcement where appropriate |

Detailed contractual remedies, sanctions, and escalation procedures will be specified in procurement documents and contractual agreements.

## 7. Worker Grievance Mechanism

### 7.1 Objectives

The Project will establish and maintain a Worker Grievance Mechanism (Worker GRM) to provide all Project workers with an accessible, transparent, and timely process to raise work-related concerns and complaints. The Worker GRM aims to:

- provide workers with a safe mechanism to raise concerns related to employment conditions, wages, occupational health and safety (OHS), workplace conduct, discrimination, and other labor-related matters;
- promote timely and fair resolution of grievances;
- strengthen accountability and transparency across all levels of Project implementation; and
- ensure that workers can raise concerns without fear of retaliation.

### 7.2 Scope

The Worker GRM applies to all categories of Project workers, including:

- Direct Workers employed by CPMU, CPIUs/PIUs, participating ministries and agencies, district governments, and village governments;
- Contracted Workers engaged by contractors, consultants, supervision consultants, internet service providers, and other third parties;
- Community Workers engaged through labor-intensive village activities and community implementation arrangements; and
- Primary Supply Workers, where applicable.

The Worker GRM operates separately from the Project GRM established for community members and other Project stakeholders. Where appropriate, a worker grievance may be referred to another competent mechanism only with the complainant's informed consent and subject to applicable confidentiality requirements.

### 7.3 Submission Channels

Workers may submit grievances through one or more of the following channels:

| Worker Category | Initial Submission Channels |
|---|---|
| CPMU, CPIUs/PIUs, Participating Ministries and Agencies | Supervisors, designated focal points, email, telephone, digital reporting systems, or other established institutional channels.<br>The official MoVDA GRM channels:<br>• Call center: 1500040<br>• SMS: 081288990040<br>• Whatsapp: 087788990040<br>• Portal Sipemandu: sipemandu.kemendesa.go.id<br>• SP4N-LAPOR!: lapor.go.id<br>• Facebook: kemendesapdt<br>• X: @kemendesapdt<br>• Layanan Surat Elektronik (Email): eppid@kemendesa.go.id<br>• Persuratan: Jl. TMP Kalibata No. 17 Jakarta Selatan - 12750<br>• PPID (Pejabat Pengelola Informasi dan Dokumentasi): Jl. Jl. TMP Kalibata No. 17 Jakarta Selatan - 12750<br>• Pusat Pengaduan dan Layanan Informasi Desa dan Daerah Tertinggal: Jl. TMP Kalibata No. 17 Jakarta Selatan - 12750 |

| | |
|---|---|
| District Governments, Facilitators, and Subnational Personnel | Immediate supervisor, designated labor focal point, project management unit, email, telephone, or digital reporting channels at the district level. |
| Contractors, Consultants, and Supervision Consultants | Contractor focal point, supervision consultant, designated Project focal point, email, telephone, or digital reporting channels. |
| Community Workers and Village-Level Workers | Verbal or written complaints to the Village Implementation Team (TPK), Village Government, facilitators, complaint boxes located at project sites or village offices, telephone, or other accessible reporting channels. |

Grievances may be submitted verbally or in writing and may be submitted anonymously if requested by the complainant. Should a violation encompass civil disputes (e.g., sub-minimum wages, unilateral termination of employment) or constitute severe Occupational Health and Safety (OHS) negligence resulting in permanent disability or fatality, reports must be directed to the District Manpower Office (*Disnaker*) Grievance Post. Labor Inspectors possess the statutory authority to temporarily suspend project operations and impose administrative sanctions upon the organizing entities (contractors or suppliers).

## 7.4 Resolution Process

Worker grievances shall be addressed through a graduated resolution process.

| **Level** | **Responsible Entity** | **Indicative Timeframe** |
|---|---|---|
| Level 1 | Immediate supervisor, Village Implementation Team (TPK), contractor representative, or relevant focal point | Within 3 working days of receipt |
| Level 2 | Facilitator, district-level focal point, contractor management, or subnational project management arrangement | Within 7 working days of escalation |
| Level 3 | CPMU, CPIUs/PIUs, or designated Project management authority | Final review and resolution for unresolved or complex cases |

The grievance process shall include:

1. Registration and acknowledgment of the complaint.
2. Review and investigation of the issue.
3. Identification of corrective actions, where necessary.
4. Communication of the outcome to the complainant.
5. Closure and documentation of the case.

The CPMU shall maintain a centralized grievance database and ensure that grievances received from all implementing entities and levels of the Project are consolidated and reported through Project monitoring and reporting systems.

The centralized record shall use anonymized and aggregated information for Project reporting and shall not include personally identifiable or sensitive SEA/SH case details beyond the minimum information necessary for safe referral and reporting.

### 7.5 SEA/SH Complaints

Special procedures shall apply to complaints related to gender-based violence (GBV), sexual exploitation and abuse (SEA), sexual harassment (SH), workplace harassment, intimidation, and other sensitive matters.

The Project shall:

- provide confidential reporting channels;
- apply a survivor-centered approach;
- protect the privacy, dignity, and safety of complainants;
- limit disclosure of information to authorized personnel only; and
- facilitate referral to appropriate medical, psychosocial, legal, and protection services where available and appropriate.

The Project-specific SEA/SH reporting pathways, referral arrangements, and focal points will be further detailed in the ESMF, SEF, and related implementation procedures.

### 7.6 Non-Retaliation

Workers who raise concerns or submit grievances through the Worker GRM shall be protected from retaliation, intimidation, discrimination, harassment, wage deductions, dismissal, or any other adverse action resulting from the submission of a grievance. Confidentiality shall be maintained to the extent possible and consistent with the need to investigate and resolve the matter.

## 8. Roles and Responsibilities

Effective implementation of the SEHATI Project requires clear roles and responsibilities across all levels of project implementation. Labor management responsibilities extend from the CPMU and national institutions to district governments, village governments, facilitators, contractors, supervision consultants, and community implementation teams. Responsibilities include compliance with labor requirements, occupational health and safety (OHS), worker grievance management, prevention of child labor and forced labor, and prevention of workplace harassment and SEA/SH.

| Entity | Key Responsibilities |
|---|---|
| **National Level** | |
| CPMU | ● Provide overall oversight of labor management under the Project; establish labor management policies and procedures;<br>● Ensure compliance with ESS2 and applicable Indonesian labor regulations;<br>● Oversee implementation of OHS, SEA/SH prevention, and worker grievance mechanisms; coordinate monitoring and reporting; and<br>● Support capacity building for implementing agencies and project personnel. |

| Entity | Key Responsibilities |
|---|---|
| | ● Maintain a centralized labor management monitoring system covering workforce data, worker grievances, labor and OHS incidents, training, and corrective actions reported by all implementing entities. |
| CPIU / PIUs and Participating Line Ministries | ● Support implementation of labor management requirements under their respective project activities;<br>● Supervise compliance by consultants, contractors, and service providers;<br>● Support worker grievance handling and incident reporting; and participate in monitoring and capacity-building activities.<br><br>*Specific institutional responsibilities for participating ministries and agencies will be confirmed during Project preparation.* |
| NMC | ● Monitor contractor compliance with labor and OHS requirements;<br>● Verify corrective actions;<br>● Monitor implementation of labor-related mitigation measures; and<br>● Support reporting on contractor performance.<br>● Support CPMU consolidation of labor management data and implementation follow-up, consistent with the NMC contract and terms of reference.<br><br>*Detailed supervision and reporting responsibilities will be further defined in procurement and contract documents.* |
| E&S Specialists (under NMC) | ● Provide technical oversight and support for implementation of the LMP;<br>● Monitor compliance with ESS2 requirements;<br>● Support management of labor-related grievances and incidents;<br>● Coordinate capacity building; and<br>● Provide advice on labor and OHS issues arising during implementation. |
| **Subnational Level** | |
| District Governments / District Project Management Units (DPMUs) | ● Provide field-level oversight of labor management practices;<br>● Monitor compliance with OHS requirements and worker protection measures;<br>● Support village governments in implementation of labor-related requirements;<br>● Consolidate implementation information from village-level activities; and<br>● Facilitate resolution of labor-related grievances that cannot be resolved at the village level. |
| Supervision Consultants | ● Monitor contractor compliance with labor and OHS requirements;<br>● Verify corrective actions;<br>● Review contractor labor records and incident reports; and<br>● Report material non-compliance to the responsible implementing entity. |
| **Village Level** | |
| Village Governments | ● Ensure compliance with labor management requirements for village-level activities; |

| Entity | Key Responsibilities |
|---|---|
| | ● Support transparent recruitment processes; verify minimum age requirements;<br>● Oversee payment of wages under labor-intensive activities;<br>● Ensure implementation of basic OHS measures;<br>● Facilitate worker grievance handling at the village level; and<br>● Promote awareness of the Code of Conduct and SEA/SH prevention measures. |
| Village Implementation Teams (TPK) / Community Implementation Committees | ● Conduct day-to-day supervision of workers;<br>● Verify worker attendance and fitness for work; oversee use of PPE;<br>● Conduct safety briefings;<br>● Identify and manage workplace hazards;<br>● Maintain records of incidents and near misses; and<br>● Report labor-related issues to village governments and facilitators. |
| Facilitators and Community Facilitators | ● Support implementation of labor management measures at the village level;<br>● Support worker awareness and training;<br>● Monitor compliance with child labor, forced labor, and OHS requirements;<br>● Assist in documenting grievances and incidents; and<br>● Support worker consultations and engagement activities. |
| Contractors and Service Providers | ● Comply with all labor, OHS, SEA/SH, and grievance requirements included in contracts;<br>● Provide safe working conditions, appropriate PPE, worker induction, and training;<br>● Prohibit child labor and forced labor;<br>● Maintain records of workers; and<br>● Promptly report labor-related incidents and accidents. |
| Community Workers | ● Comply with Project labor management requirements, occupational health and safety measures, and the Code of Conduct;<br>● Participate voluntarily in Project activities;<br>● Use PPE provided; and<br>● Promptly report grievances, unsafe conditions, incidents, and accidents. |
| Primary Suppliers | ● Ensure that supply-chain activities do not involve child labor, forced labor, or unsafe working conditions;<br>● Cooperate with due diligence and verification processes; and<br>● Comply with applicable labor requirements where relevant to Project activities. |

# 9. Capacity Building and Monitoring

## 9.1 Capacity Building

Capacity building shall be proportionate to the responsibilities of each implementing entity and worker category. Topics may include:

- ESS2 and the requirements of this LMP;
- terms and conditions of employment;
- OHS, emergency preparedness, and incident reporting;
- child labor and forced labor prevention;
- non-discrimination, Code of Conduct, and SEA/SH awareness;
- Worker GRM operation and non-retaliation;
- contractor, community worker, and primary supplier management; and
- monitoring, recordkeeping, and corrective action follow-up.

## 9.2 Monitoring and Reporting

CPMU shall consolidate labor management information from CPIUs/PIUs, participating line ministries/agencies, subnational entities, village governments, contractors, and service providers. Monitoring should use disaggregated data where appropriate and protect personal and sensitive information.

Indicative monitoring information includes:

- number and type of Project workers engaged;
- worker age-verification and recruitment records, as applicable;
- wage-payment and working-hour compliance for relevant worker categories;
- OHS inspections, incidents, near misses, and corrective actions;
- worker grievances received, resolved, pending, and escalated;
- Code of Conduct and LMP training completed;
- contractor and primary supplier non-compliance and follow-up; and
- community worker participation, including voluntary participation and inclusion measures.

Reporting frequency and formats shall be aligned with the ESCP, ESMF, POM, and Project monitoring arrangements.

# ANNEX I: GUIDELINES ON CODE OF CONDUCT

## 1. Introduction

This Guideline on the Code of Conduct (CoC) is developed as an annex to the Labor Management Procedures (LMP) for the SEHATI Project, implemented by the Ministry of Village, Development of Disadvantaged Regions, and Transmigration (MoVDA) of Indonesia. It sets out the minimum requirements for contractors, primary suppliers, and village governments to ensure that all project workers adhere to the World Bank's Environmental and Social Standard 2 (ESS2) on Labor and Working Conditions, as well as applicable Indonesian labor laws.

## 2. Objective

The objective of this Code of Conduct is to promote a safe, healthy, and respectful working environment. It aims to prevent any form of misconduct, including Occupational Health and Safety (OHS) violations, Child and Forced Labor, Discrimination, and Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) during the implementation of the SEHATI project.

## 3. Scope and Applicability

These guidelines apply to all entities engaging workers for the SEHATI project, including:

Contractors and sub-contractors

Primary suppliers

Village governments managing community workers

All workers (direct, contracted, and community workers) must be oriented on this Code of Conduct and sign an individual agreement prior to commencing work.

## 4. Minimum Requirements for the Code of Conduct

Contractors, suppliers, and village governments must draft their specific Code of Conduct incorporating, at a minimum, the following principles:

**Compliance with Laws and Regulations:** Strict adherence to Indonesian national labor laws and World Bank ESS2 standards.

**Occupational Health and Safety (OHS):** Ensure a safe working condition by providing necessary Personal Protective Equipment (PPE) at no cost to the workers. Workers must actively participate in OHS training, safety briefings (e.g., Toolbox Talks), and report unsafe conditions or broken machinery.

**Prohibition of Child and Forced Labor:** Strictly prohibit the employment of individuals under the minimum legal working age. Proof of age (such as a National Identification Card/KTP or Birth Certificate) must be verified prior to employment. Forced, indentured, or bonded labor is strictly forbidden.

**Non-Discrimination and Equal Opportunity:** Ensure equal pay for equal work and promote a fair workplace free of discrimination based on gender, ethnicity, religion, disability, or social status.

**Prevention of SEA/SH and GBV:** Explicitly prohibit Gender-Based Violence (GBV), Sexual Harassment (SH), and Sexual Exploitation and Abuse (SEA). Workers must maintain acceptable professional behavior and attend mandatory SEA/SH training orientations, understanding the consequences of non-compliance.

**Respect for the Local Community:** Respect local culture, traditions, and customs in the project villages. Workers must avoid any behavior that could spark social conflict or harm community members.

**Protection of Project Property:** Workers must responsibly use and protect project materials, machinery, and facilities.

### 5. Implementation and Monitoring

**Orientation and Training:** The employer (contractor, supplier, or village government) must explain the Code of Conduct to all workers in a language they understand (Bahasa Indonesia or local dialects).

**Display:** The Code of Conduct must be visibly displayed at work sites, worker accommodations (camps), and village project offices.

**Sanctions for Non-Compliance:** The CoC must clearly state the disciplinary actions for violations, which may range from verbal/written warnings and financial penalties to immediate termination of employment or reporting to local law enforcement for severe breaches (e.g., SEA/SH or illegal activities).

### 6. Grievance Redress Mechanism (GRM)

All workers must be provided access to a secure, transparent, and accessible Grievance Redress Mechanism to report workplace issues, safety hazards, or CoC violations without fear of retaliation. The GRM must include special, confidential provisions for handling GBV/SEA/SH complaints.

# ANNEX II: TEMPLATE OF CODE OF CONDUCT FOR CONTRACTORS AND SUPPLIERS

**Project Name:** Strengthening Community Resilience and Sustainable Economic Development in Rural Indonesia (SEHATI) Project ID: P515935
**Contractor/Supplier Name:** [Insert Company Name]
**Work Location / Village:** [Insert Location]

**1. COMPANY DECLARATION**

[Company Name] is fully committed to implementing the SEHATI project in compliance with the Government of Indonesia's labor laws and the World Bank's Environmental and Social Standard 2 (ESS2) on Labor and Working Conditions. We are committed to providing a safe, healthy, and fair working environment for all project workers and ensuring that our operations do not harm the local communities or the environment.

**2. SCOPE**

This Code of Conduct applies to all our employees, sub-contractors, and primary suppliers working on the SEHATI project.

**3. CORE PRINCIPLES AND RULES OF CONDUCT**

**A. Occupational, Health, and Safety (OHS / K3)**

- All workers must comply with all applicable Environmental, Health, and Safety (EHS) and OHS regulations.
- Workers must wear required Personal Protective Equipment (PPE) properly at all times while on the job site.
- Workers must follow standard operating procedures for disease prevention, including any active COVID-19 prevention and control measures.
- Any accidents, near-misses, or unsafe working conditions must be immediately reported to the site supervisor.

**B. Prevention of Violence and Harassment**

- **Zero Tolerance for GBV/SEA/SH:** We maintain a strict zero-tolerance policy against Gender-Based Violence (GBV), Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH).
- Workers must not engage in any form of sexual misconduct, harassment, or inappropriate behavior toward colleagues or members of the local community.
- **Zero Tolerance for Violence Against Children (VAC):** No worker shall engage in any form of physical or psychological violence, exploitation, or abuse of children.

**C. Prohibition of Child and Forced Labor**

- No person under the legal working age (18 years for hazardous work) will be employed in any capacity.
- Workers must provide valid identification (e.g., KTP or Kartu Keluarga) to verify their age prior to employment.
- All work is voluntary. No worker will be forced to work against their will, and workers have the right to terminate their employment with appropriate notice.

**D. Non-Discrimination and Respectful Workplace**

- Workers must treat all colleagues, supervisors, and community members with respect, regardless of gender, religion, ethnicity, disability, or background.
- Bullying, intimidation, or discrimination of any kind is strictly prohibited.

**E. Community Relations and Local Customs**

- Workers must respect local wisdom, traditions, and customary laws (adat) of the villages where the project is implemented.
- Workers must not engage in illegal activities on or off the site, including gambling, consuming illegal drugs, or alcohol abuse, which could disturb community peace.

**F. Use of Grievance Redress Mechanism (GRM)**

- Workers have the right to report grievances regarding working conditions, payment issues, or safety hazards through the project's Grievance Redress Mechanism (GRM).
- Reports can be made confidentially, and [Company Name] guarantees there will be no retaliation against any worker who files a complaint in good faith.

**4. DISCIPLINARY ACTIONS**

Failure to comply with this Code of Conduct will result in disciplinary action. Depending on the severity of the violation, sanctions may include:

1. Verbal or written warning.
2. Suspension from work without pay.
3. Immediate termination of the employment contract.
4. Reporting to local law enforcement for severe offenses (such as criminal acts, SEA/SH, or VAC).

**INDIVIDUAL WORKER ACKNOWLEDGEMENT**

I, the undersigned, confirm that I have read (or have had read to me) and understand the **[Company Name] Code of Conduct** for the SEHATI project.
I agree to comply with all the rules and principles stated above. I understand that failure to follow this Code of Conduct may result in disciplinary action, including the termination of my employment.
**Worker Name: _____ ID Number (NIK):**
**_____ Position/Role: _____**
**Date: _____**
**Worker Signature: _____**
*To be filled by the Supervisor/HR:* **Acknowledged by Supervisor:**
**_____ Date: _____**

# ANNEX III: TEMPLATE OF CODE OF CONDUCT AT THE VILLAGE LEVEL (VILLAGE CASH-FOR-WORK)

**Village:** [Insert Village Name]
**Sub-district / District:** [Insert Sub-district / District Name]
**Date of Issuance:** [Insert Date]
**Approving Authority:** [Name/Title of Village Head or Project Leader]

**1. Introduction and Purpose**
This Code of Conduct applies to all individuals working on the SEHATI Project within [Village Name], including direct workers, contracted workers, community workers, and primary supply workers. The purpose of this document is to ensure a safe, respectful, and legally compliant working environment that protects workers, community members, and the integrity of the SEHATI Project.

By signing this document, workers agree to abide by these standards. Failure to comply may result in disciplinary action, including immediate termination of employment or legal prosecution.

**2. Core Obligations and Working Standards**
All project workers are required to adhere to the following principles:

**A. Health, Safety, and Environment (HSE)**
**Comply with Safety Rules:** Always wear required Personal Protective Equipment (PPE) provided by the project (e.g., helmets, boots, gloves, high-visibility vests).
**Report Hazards:** Immediately report any unsafe working conditions, accidents, or injuries to the supervisor or Project Leader.
**Environmental Protection:** Dispose of project waste properly in designated areas. Do not pollute local water sources, soil, or air.

**B. Respect for the Community and Local Customs**
**Cultural Sensitivity:** Respect local village customs, traditions, and the authority of the Village Government.
**Community Interactions:** Maintain peaceful and respectful relationships with community members. Do not engage in physical altercations, intimidation, or property damage.
**Substance Abuse Prohibition:** The consumption, possession, or distribution of illegal drugs or alcohol while on the project site or during working hours is strictly prohibited.

**C. Zero Tolerance for Harassment, Abuse, and Exploitation**
**Gender-Based Violence (GBV) and Sexual Exploitation (SEA):** Do not engage in any form of sexual harassment, exploitation, or abuse toward fellow workers or community members. This includes inappropriate comments, physical contact, or demanding sexual favors in exchange for employment or project benefits.
**Non-Discrimination:** Treat all colleagues and villagers with respect, regardless of gender, religion, ethnicity, disability, or social status.

**Child Labor:** The SEHATI Project strictly prohibits the employment of anyone under the age of [Insert Legal Minimum Age, e.g., 18] years for hazardous work.

**D. Protection of Project Assets**
**Authorized Use:** Use project machinery, tools, and materials only for authorized SEHATI Project activities.
**Theft and Fraud:** Do not steal, sell, or misuse project funds, materials, or equipment.

**3. Grievance Redress Mechanism (GRM)**
If you witness a violation of this Code of Conduct, or if you have a complaint regarding your working conditions, payment, or treatment, you have the right to report it without fear of retaliation.
**To report an issue, contact:** [Insert Name and Phone Number of Grievance Officer or Village Desk]
**Anonymous Reporting:** [Insert details on how to report anonymously, e.g., a drop box location at the Village Hall].

**4. Sanctions for Violations**
Breaches of this Code of Conduct will be handled through the SEHATI Project's disciplinary procedures. Depending on the severity of the violation, sanctions may include:
Verbal warning.
Written warning.
Suspension without pay.
Immediate termination of employment.
Referral to local law enforcement for criminal acts (e.g., theft, physical assault, sexual abuse).

**5. Acknowledgment and Signatures**
**Worker Declaration:** *I have read (or have had read to me) and understood the SEHATI Project Code of Conduct. I agree to comply with these rules and understand the consequences of violating them.*
**Worker Name:** _____
**Worker Role:** _____
**Signature:** _____
**Date:** _____

**Endorsed and Monitored By:**
**Name:** _____
**Title:** [Village Head / SEHATI Project Leader]
**Signature:** _____
*(Village Stamp / Seal Here)*
**Date:** _____

# ANNEX IV: TEMPLATE OF VILLAGE GOVERNMENT DECLARATION OF COMPLIANCE (FOR COMMUNAL WORK/VOLUNTARY WORK)

**Village:** [Insert Village Name]
**Sub-district / District:** [Insert Sub-district / District Name]
**Project Phase/Activity:** [Insert Project Activity, e.g., Water Pipeline Installation, Road Clearing]
**Date of Declaration:** [Insert Date]

**1. Statement of Commitment**

We, the undersigned Village Government of [Village Name], hereby declare our full commitment to implementing the SEHATI Project in accordance with the project's Labor Management Procedures (LMP) and the principles of Environmental and Social Standard 2 (ESS2).
We recognize that community participation and communal work (*gotong royong*) are vital to the success of this project. Therefore, we guarantee that all communal labor organized under the SEHATI Project will be conducted ethically, safely, and fairly, protecting the rights and well-being of every participating community member.

**2. Core Principles for Communal Work**

The Village Government actively ensures and enforces the following working conditions for all community workers involved in the SEHATI Project:

**A. Voluntary Participation (No Forced Labor)**

- **Free Will:** All communal work is strictly voluntary. No community member will be coerced, threatened, or penalized for choosing not to participate or for withdrawing their labor at any time.
- **No Repercussions:** Non-participation will not result in the loss of access to project benefits, village services, or social standing.

**B. Protection of Minors (No Child Labor)**

- **Age Restrictions:** No child under the age of [Insert Minimum Legal Age, e.g., 18] will be permitted to engage in hazardous project activities (e.g., heavy lifting, operating machinery, working in trenches, or handling chemicals).
- **Safe Roles:** If minors (typically 15-17 years old) participate in non-hazardous, light community work, it will only be outside of school hours and under strict adult supervision, in full compliance with national law and ESS2 guidelines.

**C. Occupational Health and Safety (OHS)**

- **Safe Environment:** We will assess project sites for physical hazards before communal work begins and take steps to eliminate or minimize risks.
- **Safety Gear and Tools:** Community workers will be provided with, or instructed to use, appropriate tools and necessary Personal Protective Equipment (PPE) (e.g., gloves, closed-toe shoes) suitable for the task.
- **First Aid and Emergencies:** Basic first aid supplies will be available on-site during communal work days. In the event of an injury, the Village Government will ensure immediate medical attention and report the incident to the SEHATI Project management.
- **Appropriate Hours:** Communal work will be scheduled with adequate rest breaks, access to safe drinking water, and protection from extreme weather conditions.

**D. Inclusivity and Non-Discrimination**

- **Equal Opportunity:** All community members, regardless of gender, ethnicity, religion, or social status, have equal opportunity to participate in and benefit from the project.
- **Vulnerable Groups:** Work tasks will be adapted to accommodate the physical capabilities of participating women, elderly community members, and persons with disabilities, ensuring they are not assigned strenuous or dangerous tasks.

**E. Safe and Respectful Environment (Zero Tolerance for GBV/SEA)**

- **Respectful Conduct:** The Village Government strictly prohibits any form of physical abuse, verbal abuse, intimidation, or harassment during communal work.
- **Protection against SEA/SH:** We maintain a zero-tolerance policy regarding Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH). All community workers must treat each other with dignity.

**3. Access to Grievance Redress Mechanism (GRM)**

We confirm that all community members participating in communal work have been informed about the SEHATI Project Grievance Redress Mechanism (GRM).

- Workers have the right to raise concerns regarding working conditions, safety, or mistreatment without fear of reprisal or retaliation.
- The Village Government has established a designated reporting channel and will escalate unresolved or severe grievances (especially related to safety or harassment) directly to the SEHATI Project management.

**4. Monitoring and Accountability**

The Village Government accepts responsibility for actively monitoring communal work activities to ensure continuous compliance with this declaration. We agree to cooperate fully with SEHATI Project supervisors, social/environmental safeguards specialists, and external monitors during site visits and audits.

**Authorized by the Village Government:**

*By signing below, the Village Head confirms that this declaration has been discussed with the Village Council (BPD) and community representatives, and that its principles will be strictly enforced during all SEHATI Project communal work.*

**Name of Village Head:** _____

**Signature:** _____

**Date:** _____

*(Affix Official Village Stamp / Seal Here)*

**Witnessed By (Village Council / BPD Representative):**

**Name:** _____

**Title:** _____

**Signature:** _____

**Date:** _____