

Environmental and Social Consulting Services for the Baku Metro Expansion Project



Labor Management Plan, December 2025

Prepared by Baku Metropolitan CJSC for Baku Metro Expansion Project

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Acronyms and Abbreviations

Acronym	Definition
ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
BMEP	Baku Metro Expansion Project
CAP	Corrective Action Plan
CAR	Corrective Action Request
CMP	Contractor Management Plan
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
EPC	Engineering, Procurement and Construction
ESF	Environmental and Social Framework
ESHS	Environmental, Social and Health and Safety

Acronym	Definition
ESP	Environmental and Social Policy
ESS 1	Environmental and Social Standard 1
GBV	Gender-Based Violence
GBVH	Gender-Based Violence and Harassment
GoA	Government of Azerbaijan
HR	Human Resources
HSE	Health and Safety
IFC	International Finance Corporation
ILO	International Labor Organization
JSA	Job Safety Analysis
LMP	Labor Management Plan
LMS	Learning Management System
LOTO	Lock-Out/Tag-Out
LTIFR	Lost Time Injury Frequency Rate
MEWP	Mobile Elevated Work Platform
NGO	Non-Governmental Organization
OCC	Operations Control Centre
OHS	Occupational Health and Safety
PPE	Personal Protective Equipment
PPM	Project-affected People's Mechanism (AIIB)
PTW	Permit to Work
RAMS	Risk Assessment and Method Statement(s)



Acronym	Definition
RCD	Residual Current Device
SEA	Sexual Exploitation and Abuse
SH	Sexual Harassment
TMP	Traffic Management Plan
TRIR	Total Recordable Incident Rate
WGM	Worker Grievance Mechanism

EXECUTIVE SUMMARY

This Labor Management Plan (LMP) has been developed for the Baku Metro Expansion Project (BMEP), covering the Darnagul and Khojasan depots as well as the Green Line expansion. It ensures that all workers engaged in construction and operations are managed in line with the Labor Code of the Republic of Azerbaijan, the Asian Infrastructure Investment Bank (AIIB) Environmental and Social Framework (ESF), and relevant International Labour Organization (ILO) conventions.

The LMP applies to direct Baku Metro staff, contracted workers, and primary supply chain labor, setting out standards for fair treatment, safe workplaces, and respect for fundamental labor rights. It addresses potential risks specific to the Project — such as excavation, electrical works, tunneling, heavy equipment operation, confined spaces, and fatigue from vehicle use — and establishes systems to prevent child labor, forced labor, and workplace violence, harassment, or discrimination.

Key features of the LMP include:

- Fair and transparent recruitment, prioritizing local hiring and equal opportunity.
- Occupational health and safety measures tailored to Project risks, supported by emergency preparedness and worker training.
- Freedom of association and collective bargaining, consistent with Azerbaijani law and ILO conventions.
- Accessible Worker Grievance Mechanism (WGM), with confidential channels and survivor-centered procedures for gender-based violence, harassment, and other sensitive cases.
- Oversight of contractors and supply chains through due diligence, contractual obligations, and ongoing monitoring.
- Safe and dignified worker accommodation where housing is provided.
- Monitoring and reporting against measurable Key Performance Indicators (KPIs), including sex-disaggregated data and compliance audits.
- Capacity-building and training for workers, supervisors, grievance committees, and gender focal points, with refresher programs throughout implementation.

The LMP will be implemented by Baku Metro with contractor support and oversight from AIIB. It will be updated periodically to reflect lessons learned, legal developments, and evolving project needs. In doing so, it provides both a compliance framework for Lenders and a practical management tool to safeguard workers' rights and wellbeing throughout the life of the Project.



1. Introduction

1.1. Project Description

The Government of Azerbaijan (GoA), through Baku Metropolitan Closed Joint Stock Company (Baku Metro), is implementing the BMEP to enhance the city's public transport network in line with national transport and urban development strategies. The project is planned for financing by the AIIB, with potential parallel financing from other multilateral development banks.

The project includes upgrades to the existing Darnagul Depot and Khojasan Depot and the extension of the Green Line from Khatai to Hazi Aslanov, including the construction of four stations and approximately 8.6km of tunnelling. The Project is currently designed to include three phases of work.

1.2. Context

An Environmental and Social Screening Report was prepared, covering the construction and commissioning of the Darnagul and Khojasan depots in line with the Environmental and Social Policy (ESP) of AIIB and Azerbaijani legislation, and provides an early assessment of potential environmental and social (E&S) risks and impacts associated with the Project.

The objective of the screening was to identify key risk areas, propose preliminary mitigation measures and determine appropriate safeguard instruments to guide implementation, including the development of this Labor Management Plan, to address labor, gender and OHS risks and address gaps between Azerbaijani legislation and AIIB's requirements.

1.3. Purpose and Objectives of the Labor Management Plan

The purpose of the LMP is to outline the approach, systems, and measures that will be used to manage labor and OHS-related risks and ensure fair, safe, and legally compliant working conditions for all workers engaged on the Project. The LMP ensures that the Project:

- Complies with the Labor Code of the Republic of Azerbaijan and other national laws governing employment and Occupational Health and Safety (OHS).
- Meets the requirements of the AIIB Environmental and Social Framework, particularly provisions relating to Labor and Working Conditions, Health and Safety, Child Labor and Forced Labor under Environmental and Social Standard (ESS) 1.
- Minimizes labor-related risks such as unsafe working conditions, labor rights violations and discrimination, and promotes gender equality and inclusion.
- Provides clear gender-sensitive procedures for workforce management, occupational safety, and grievance resolution.

The key objectives of this Labor Management Plan are to:



- Define labor management and worker OHS roles and responsibilities.
- Identify types of workers who fall under the scope of the LMP.
- Ensure compliance with national labor laws, AIIB ESS 1, and ratified ILO standards.
- Promote local employment and ensure responsible recruitment practices across contractors and suppliers.
- Promote fair and transparent labor practices.
- Promote safe and healthy workplaces.
- Mitigate risks related to child labor, forced labor, and violence, harassment and discrimination.
- Establish accessible, transparent, and confidential grievance mechanisms for all workers, including sensitive cases such as violence, harassment, discrimination and safety incidents.
- Ensure safe working and living conditions, including in worker accommodation facilities.
- Ensure good practice contractor and subcontractor and supply chain management.
- Ensure monitoring and reporting.
- Enable training and capacity-building.
- Enable gender equality and inclusion.

1.4. Report Structure

This LMP is structured as follows:

1. **Introduction** – including *sub-sections* on Project Description, Context, Purpose and Objectives of the Labor Management Plan, Report Structure.
2. **Scope and Application** – including Scope, Link to other E&S Instruments, Effective Date, Authorization and Review.
3. **Roles and Responsibilities** – of personnel across Baku Metro, contractors and subcontractors, third-party monitor/auditor and AIIB.
4. **Applicable Standards** – including national laws and regulations (Republic of Azerbaijan), AIIB Standards, and ILO Conventions ratified by Azerbaijan.
5. **Labor and Working Conditions** – including management controls relating to Local Content and Responsible Recruitment, Employment Terms and Conditions, Anti-Violence, Anti-Harassment and Anti-Discrimination, Prohibition of Child Labor, and Prevention of Forced Labor.



6. **Occupational Health and Safety (OHS)** – including Project OHS Risks, Key Safety Measures, Emergency Preparedness and Response, and Working Training and Capacity-Building.
7. **Freedom of Association and Collective Bargaining**
8. **Grievance Management** – including Introduction, Purpose, Objectives, Grievance Mechanism Scope, Grievance Mechanism Governance, Key Features of the Grievance System, Worker Grievance Handling Steps, Sensitive and Urgent Cases, and Monitoring and Reporting.
9. **Project Accommodation.**
10. **Contractor and Subcontractor Management** – including Introduction, Pre-Contractual Due Diligence, Contractual Requirements, and During Contract Due Diligence.
11. **Supply Chain Management** – including Introduction, Supply Chain Risk Assessment, Due Diligence During Contract, Monitoring and Oversight, Corrective Action and Escalation, Grievance Management for Supply Chain Workers, and Reporting and Documentation.
12. **Monitoring and Reporting** – including Introduction, Monitoring Scope, Monitoring Tools and Indicators, Corrective Action Management, and Reporting Requirements and Record-Keeping.
13. **Training and Capacity-Building.**

2. Scope and Application

2.1. Scope

The LMP applies to all categories of workers engaged in the Baku Metro Transport Project, whether employed directly or indirectly, at any stage of the Project lifecycle (planning, design, construction, operation, and maintenance). The LMP follows the worker classification set out in the AIIB ESF and national law.

Direct Workers are workers employed directly by Baku Metro to work specifically on the Project, for example:

- Project management staff
- Engineers and design specialists
- Environmental, Social, and Health and Safety (ESHS) officers
- Administrative personnel assigned to the Project

Contracted Workers are workers employed or hired by third-party contractors, subcontractors, or service providers to perform project-related work, for example:

- Construction laborers
- Machine operators
- Equipment operators
- Security, cleaning, catering, and transport personnel hired through service contracts

Primary Supply Workers are workers employed by companies providing goods or materials that are critical to the core function of the Project and sourced directly for the Project, for example:

- Workers at a concrete batching plant supplying directly to the Project
- Railway systems manufacturers
- Steel rebar or track suppliers

Community Workers who are also covered under the LMP if the Project involves voluntary, unpaid or community-contracted labor, however, these workers are subject to different risk assessments and protections.

All the workers covered by the LMP must be provided with written contracts of employment, occupational health and safety protection, equal opportunity and non-discrimination, and access to a functioning Worker Grievance Mechanism. Child labor and forced labor are strictly prohibited in all worker categories.



2.2. Link to other E&S Instruments

This LMP forms part of a package of documents for the wider project. Specifically relevant to the LMP are:

- Environmental and Social Management Plan – applicable to the two depots.
- Environmental and Social Management Plan Framework – applicable to all project components funded by AIIB.
- Stakeholder Engagement Plan.
- Gender Action Plan.
- Climate Risk Assessment.

2.3. Effective Date, Authorization and Review

This Plan was approved by [insert name] on [insert date] and is owned by Baku Metro, and specifically, the BMEP. The LMP will be reviewed on an annual basis and updated as needed to reflect changes in the Project and/or Project context, and any changes to Baku Metro's policies and procedures. In the event of significant change to project design, plan or procedures, this management plan will be reviewed and updated more frequently, as appropriate.

The responsibility for review and revisions of the LMP lies with Baku Metro, as indicated in **Chapter 3 Roles and Responsibilities**.

3. Roles and Responsibilities

The following table provides an overview of the key stakeholders who are responsible for the implementation of this LMP, including their role and key responsibilities.

Table 1: Labor Management Plan Roles and Responsibilities

Stakeholder /Role	Key Responsibilities
Baku Metro (Project Owner) – oversight role	<ul style="list-style-type: none"> - Own, approve and oversee implementation of the LMP. - Ensure inclusion of labor and OHS clauses in contracts. - Allocate resources and assign oversight roles. - Develop and oversee the Worker Grievance Mechanism (WGM). - Disclose the LMP to stakeholders and workers. - Ensure reporting to AIIB.
Baku Metro (Project Owner) – implementation role	<ul style="list-style-type: none"> - Day-to-day implementation of the LMP. - Coordinate recruitment and induction of workers. - Monitor contractor labor and OHS compliance. - Manage labor-related data and reports. - Supervise grievance resolution and maintain grievance log. - Conduct regular reviews of LMP effectiveness.
Contractors and Subcontractors	<ul style="list-style-type: none"> - Comply with Azerbaijan Labor Law and LMP requirements, aligned with AIIB standards. - Ensure all workers have written contracts. - Pay wages and benefits on time. - Appoint OHS and HR focal points. - Inform workers of project Worker Grievance Mechanism or Contractor/Subcontractor's equivalent system and cooperate in grievance resolution. - Provide OHS training and Personal Protective Equipment (PPE) in collaboration with Project Owner. - Maintain accurate labor and incident records. - Report accidents and labor issues to Baku Metro.
Site Health & Safety (HSE) Officer	<ul style="list-style-type: none"> - Conduct safety inspections and risk assessments. - Lead toolbox talks (or similar initiative) and emergency drills.

Stakeholder /Role	Key Responsibilities
	<ul style="list-style-type: none"> - Ensure proper PPE usage across project sites. - Investigate incidents and recommend corrective action. - Keep site-level OHS documentation and training logs.
Project HR/Labor Manager and Grievance Coordinator	<ul style="list-style-type: none"> - Maintain updated list of all project workers. - Ensure compliance with employment terms and conditions. - Conduct worker inductions on rights and responsibilities. - Log, track, investigate, follow up on and report all grievances. Conduct training and monitoring. - Ensure non-discrimination and minimum age policies are applied.
Workers and Worker Representatives	<ul style="list-style-type: none"> - Follow safety procedures and use PPE. - Report unsafe conditions or grievances. - Participate in training sessions. - Engage in dialogue with management through safety or worker committees. - Use grievance channels responsibly and confidentially. - Participate in grievance resolution and promote awareness among workers.
Third-Party Monitor / Auditor	<ul style="list-style-type: none"> - Conduct independent labor and OHS audits. - Interview workers confidentially. - Verify contractor/subcontractor compliance. - Submit compliance reports to Baku Metro and AIIB. - Recommend corrective measures where needed.

4. Applicable Standards

This chapter outlines the national and international legal and policy frameworks that guide labor, working conditions and OHS for BMEP. The Project will comply with all relevant labor legislation of the Republic of Azerbaijan, the requirements of the AIIB ESF, and applicable International Labor Organization (ILO) conventions ratified by Azerbaijan.

This multi-tiered compliance framework ensures that all workers—whether directly hired or engaged through contractors—are treated fairly, protected from harm, and given channels to voice concerns.

4.1. National Laws and Regulations (Republic of Azerbaijan)

Table 2 provides an overview of the key legal instruments which govern labor relations and OHS in Azerbaijan.

Table 2: Key Laws Governing Labor Relations and OHS in Azerbaijan

Law	Summary
Labor Code of the Republic of Azerbaijan (1999)	<ul style="list-style-type: none"> - Defines employment relationships, contract requirements, wages, working hours, overtime, leave, and termination. - Prohibits discrimination and child labor. - Guarantees rights to safe working conditions, rest, paid leave, and social insurance.
Law on Occupational Safety and Health (OHS) (1999)	<ul style="list-style-type: none"> - Embedded within the Labor Code and supplemental regulations. - Establishes employer obligations to provide safe workplaces, risk prevention measures, OHS training, and reporting of workplace accidents and diseases.
Law on Sanitary and Epidemiological Welfare (1992)	Regulates hygiene, health, and sanitary standards in workplaces, including those involving large worker camps or accommodations.
Law on Trade Unions (1994)	Recognizes the right of workers to form and join trade unions without prior permission and to bargain collectively.
Law on Employment (1999)	Addresses the principles of employment, job placement, equal access to jobs, and protections against unjustified dismissal.

Law	Summary
Law on Labor Pensions (1997)	Governs social insurance and pension entitlements for employees.
Law on Prevention of Domestic Violence (2010)	Relevant for gender-based workplace protections.
Law on Rights of Persons with Disabilities (1997)	Guarantees equal treatment and workplace accessibility for workers with disabilities.
Law on Migration (1993)	Regulates employment of foreign nationals and issuance of work permits, relevant for any migrant workers engaged by the Project.

4.2. Asian Infrastructure Investment Bank (AIIB) Standards

The project is financed by the AIIB and is therefore subject to the requirements of the AIIB ESS 1, including:

- Provision of fair, non-discriminatory and equal opportunity working conditions;
- Prohibition of child labor and forced labor;
- Clear and written terms of employment for all workers;
- Timely and fair payment of wages;
- Freedom of association and collective bargaining (where legally permitted);
- Safe and healthy working conditions in accordance with applicable standards;
- Establishment of an accessible and confidential Worker Grievance Redress Mechanism (WGM);
- Worker accommodation;
- Gender equality and inclusion;
- Oversight of contractor and subcontractor compliance with labor standards;
- Due diligence on primary supply chains, especially where there is a risk of exploitative labor practices;
- Implementation of appropriate labor management procedures for all worker categories (direct, contracted, primary supply workers); and
- Monitoring and reporting on labor practices, including occupational injuries, fatalities, and grievances.



This LMP has been developed in accordance with the AIIB ESS 1 labor and OHS relevant requirements, which also includes a project requirement for comprehensive environmental and social risk assessment covering worker OHS.

4.3. IFC and EBRD Standards

In addition to AIIB ESS 1, the Project will also follow other international good practice standards from the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) namely, IFC Performance Standard 1 (PS1): Assessment and Management of Environmental and Social Risks and Impacts, IFC Performance Standard 2 (PS2): Labor and Working Conditions, EBRD Performance Requirement 1 (PR1): Assessment and Management of Environmental Risks and Impacts, and EBRD Performance Requirement (PR2): Labor and Working Conditions.

The project will also align with international good practice frameworks and guidelines, including:

- IFC and EBRD Workers' Accommodation: Processes and Standards — A Guidance Note (2009).
- IFC General Environmental, Health, and Safety (EHS) Guidelines (2007).

4.4. International Labor Organization (ILO) Conventions

Azerbaijan is a member of the International Labor Organization (ILO) and has ratified numerous conventions relevant to labor and working conditions, which are presented in Table 3. The project will be guided by the principles of these ILO Conventions.

Table 3: ILO Conventions Ratified by Azerbaijan and Description

ILO Convention	Description
C029 – Forced Labor (1930)	Prohibits all forms of forced or compulsory labor.
C087 – Freedom of Association (1948)	Guarantees the right to form and join trade unions.
C098 – Right to Organize and Collective Bargaining (1949)	Protects workers engaging in collective bargaining.
C100 – Equal Remuneration (1951)	Equal pay for work of equal value.
C105 – Abolition of Forced Labor (1957)	Further prohibits forced labor for political or economic coercion.
C111 – Discrimination (Employment and Occupation, 1958)	Prohibits discrimination in hiring and employment.



C138 – Minimum Age (1973)	Prohibits employment of children below 15 (or national minimum).
C182 – Worst Forms of Child Labor (1999)	Prohibits hazardous work and exploitation of minors.
C155 – Occupational Safety and Health (1981)	Establishes principles for safe and healthy working conditions.
C187 – Promotional Framework for Occupational Safety and Health (2006) ¹	Promotes preventive safety and health culture and strengthens national policies, systems, and programs to improve workplace conditions and prevent occupational injuries, diseases, and deaths.

¹ Not yet ratified by Azerbaijan but widely recognized as Good International Industry Practice (GIIP).

5. Labor and Working Conditions

5.1. Local Content and Responsible Recruitment

The Project is committed to maximizing the use of local labor and enterprises and ensuring that all recruitment practices are fair, transparent, non-discriminatory, and aligned with national and international labor standards. This includes:

- Prioritizing local hiring and skills development.
- Ensuring ethical recruitment practices at all levels of the workforce.
- Avoiding exploitative labor conditions, including forced or child labor.
- Promoting equal opportunity and inclusion, especially for women and vulnerable groups.

These commitments are aligned with:

- The Labor Code of the Republic of Azerbaijan.
- Relevant national policies on local employment promotion.
- The AIIB Environmental and Social Framework, particularly ESS 1: Labor and Working Conditions.

Management measures on the Project will include:

1. Development and implementation of **Project Local Content and Responsible Recruitment Policy**, applicable to all workers engaged or employed on the Project from Baku Metro directly, via contractors, subcontractors or primary supply chain workers. HR and site managers will be trained on fair recruitment practices and include recruitment-specific provisions in contractual agreements with contractors and subcontractors and labor supply agreements.
2. Prioritization of unskilled and semi-skilled labor positions to be filled by **local residents**, particularly from the project-affected areas. Where possible, preference provided to local enterprises and labor suppliers who demonstrate fair and transparent recruitment practices. On-the-job training programs and capacity building will be implemented for local workers to transition into skilled positions over time. Participation of women, youth, and vulnerable groups will be encouraged in hiring opportunities.
3. **Recruitment** of workers based on clear, written contracts that specify job duties, wages, benefits, working hours, and termination conditions. All job offers will be made free of coercion, deception, or discrimination. Recruiters or labor providers (if used) will be licensed, vetted, and bound by contractual obligations to comply with responsible recruitment standards.
4. **No recruitment or placement fees** charged to workers, directly or indirectly, at any stage of recruitment. This includes payments for travel, medical tests, uniforms, or job



placement. This follows the 'Employer Pays Principle' endorsed by AIIB and the ILO Fair Recruitment Guidelines.

5. All workers being **legally eligible** to work in Azerbaijan and meeting minimum age requirements (in accordance with national law and ILO C138). Recruitment and employment processes will be voluntary, with no threats, intimidation, or **bonded labor** practices.
6. If **third-party recruitment agencies or labor suppliers** are used, the Project and its contractors will:
 - a. Conduct due diligence to verify the agency's licensing, reputation, and compliance with fair recruitment standards.
 - b. Include in contracts with recruiters prohibition of charging recruitment fees to workers, requirement to provide accurate pre-employment information, and commitment to non-discrimination and non-coercive hiring.
 - c. Monitor recruiter performance and take corrective action if violations are found, up to and including termination of the relationship.
7. **Worker Grievance Mechanism** enabling workers to report misleading job offers, fee-charging and abuse or coercion during recruitment, and ensuring that verified violations will trigger investigations and remediation including restitution for affected workers (see **Chapter 8 Grievance Management**).
8. Maintaining records of **all recruitment processes**, including advertisements, interviews, offers, contracts, and agencies used. Tracking recruitment data by source (local versus external), contractor, and recruitment method. Including recruitment and local content updates in monthly project reporting.

5.2. Employment Terms and Conditions

All project workers will have **written contracts** that clearly set out their:

- Terms and conditions of employment.
- Job description.
- Duration of employment (fixed-term or indefinite).
- Probationary period (if applicable).
- Working hours and rest periods.
- Wages and benefits.
- Termination and notice provisions.



Contracts will be provided in a language that workers understand and be consistent with national labor law and AIIB ESS 1. This applies to direct workers, contracted workers (e.g. those hired by contractors and subcontractors), and where relevant, primary supply workers.

Regarding **payment of wages**, workers will be paid regularly, on time, and at a rate not less than the legal minimum wage in Azerbaijan (or as per collective agreements if more favorable). Wages will be clearly stated in the employment contract and pay slips will be provided, with a breakdown on workers' gross and net pay, along with all deductions, including social security and tax contributions.

Any deductions to workers' salaries for **food, housing and transportation** provided to project workers will be in accordance with the Azerbaijan Labor Code and AIIB ESS 1 Requirements. Any food deductions will be reasonable and agreed and will not reduce wages below the minimum wage.

Project workers will be provided with all legally mandated **benefits** under national law, including social security contributions, paid leave (sick, annual and maternity/paternity), pension or end-of-service benefits, and severance pay if applicable. For migrant or foreign workers engaged on the Project, benefits will be equal to those of national workers.

Workers' **hours** will comply with national laws (in Azerbaijan, typically 8 hours/day, 40 hours/week), with overtime voluntary, paid at premium rates and limited in total hours in accordance with the national law. Rest periods will be provided, including daily rest including lunch or meal breaks, and weekly rest with a minimum 24-hour rest per 7-day period. Leave entitlements including annual leave and public holidays will be respected.

All workers will be informed of their rights and obligations, including terms of employment, safety procedures and the grievance mechanism before or at the time of hiring, and reinforced during their onboarding/induction.

Baku Metro is responsible for ensuring these requirements are met by all contractors and subcontractors (for further information, see **Chapter 10 Contractor and Subcontractor Management**) and labor practices will be monitored, documented and reported in progress reports (see **Chapter 12 Monitoring and Reporting**).

5.3. Anti-Violence, Anti-Harassment and Anti-Discrimination

Any form of violence, harassment and discrimination is prohibited across the Project, including:

- Sexual Harassment (SH)
- Sexual Exploitation and Abuse (SEA)
- Gender-Based Violence (GBV)
- Workplace bullying and intimidation



- Physical or psychological abuse

Baku Metro and project contractors and subcontractors will take measures to prevent and address the above forms of violence, harassment and discrimination, especially relating to women and vulnerable groups, across all project workers and interactions with affected communities, to ensure safe and healthy working conditions on the Project.

To prevent, monitor and address any forms of violence, harassment and discrimination, the Project will develop and implement the following policies and procedures, covering direct employees, contracted workers, subcontracted workers and where relevant, primary supply chain workers:

1. **Code of Conduct or Anti-Violence, Anti-Harassment and Anti-Discrimination Policy** that explicitly prohibits violence, harassment and discrimination, including GBVH, SEA and SH, with disciplinary actions and repercussions outlined for violations.
2. **Equal Opportunities Policy** that commits to equal opportunity hiring and promotions, and that the Project will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. The employment relationship for all workers engaged to work on the Project will be based on the principle of equal opportunity and fair treatment and the Project will not discriminate with respect to aspects of the employment relationship.
3. **Worker Grievance Mechanism** (see **Chapter 8 Grievance Management**) through which workers can report grievances or incidents related to violence, harassment or discrimination without fear of retaliation. All cases will be handled promptly, confidentially and fairly, with support provided to victims, and corrective actions and disciplinary measures taken against perpetrators.
4. All project workers, including workers engaged via contractors and subcontractors, will receive **induction and periodic training** on the developed policies, respectful workplace behavior and grievance procedures, as well as the support available to victims of violence, harassment and discrimination.

All contractors and subcontractors will adopt the same standards.



5.4. Prohibition of Child Labor

The Project strictly prohibits the use of child labor in any part of its operations, including the activities of contractors, subcontractors, and primary suppliers. This commitment aligns with:

- The Labor Code of the Republic of Azerbaijan.
- The AIIB Environmental and Social Framework, particularly ESS 1: Labor and Working Conditions.
- ILO Convention No. 138 on the Minimum Age for Employment.
- ILO Convention No. 182 on the Worst Forms of Child Labor, both of which are ratified by Azerbaijan.

The Project is committed to ensuring that no person under the minimum legal age is employed or engaged in hazardous work, directly or indirectly, on the Project. On the Project, no worker under 15 years will be employed under any circumstance and under 18 years of age, no worker will be employed in hazardous or night work. All contractors and subcontractors will adhere to the Project's Child Labor Policy and any non-compliance will lead to disciplinary actions, up to and including contract termination. To enforce the prohibition on child labor, the following policies and procedures implemented:

1. Development of a **Project Child Labor Policy or Policy Wording** integrated into an existing policy, setting out a project clear commitment to ensuring no children are engaged, along with details on the controls and procedures below.
2. All workers will be required to present valid government-issued **proof of age** prior to hiring, including passport, national ID card, or birth certificate. The HR department will keep verified age documentation in employee records.
3. All contracts with contractors, subcontractors and suppliers will include **mandatory clauses** prohibiting child labor. Contractors will maintain employment records, including proof of age, for all personnel. Regular labor audits and spot checks will be conducted by Baku Metro to verify compliance.
4. The Project's Labor and OHS teams will conduct **random inspections** of work sites and company-provided accommodation (if applicable), to review payrolls and worker rosters to check for underage employment and report any violations to the Baku Metro Project Management Team and relevant authorities.
5. The **Worker Grievance Mechanism** will allow anonymous reporting of suspected child labor. Complaints will be investigated confidentially and addressed with immediate action, including, termination of offending contracts, reporting to government labor authorities and support services or referrals for affected minors.
6. In any instance of **child labor** being discovered, the child will be immediately withdrawn from work activities, and the Project will work with local authorities and NGOs to support



the child's rehabilitation and reintegration into school or vocational training, where appropriate. A root cause analysis will be conducted, and corrective actions implemented to prevent recurrence.

7. All project workers, including contractors and subcontractors will receive induction **training** on national laws and AIIB standards on child labor, how to verify worker age and awareness materials (e.g. posters, leaflets) will be displayed in worker accommodation and site offices.
8. Regarding **monitoring**, compliance with the Project Child Labor Policy will be included in monthly and quarterly labor reports and any violations, enforcement actions, or remediation activities will be documented and reported to AIIB.

5.5. Prevention of Forced Labor

The Project strictly prohibits the use of forced, bonded, trafficked, or involuntary labor in any form, across all project activities, including those performed by contractors, subcontractors, and primary suppliers. This commitment is in accordance with:

- The Labor Code of the Republic of Azerbaijan.
- The AIIB Environmental and Social Framework, particularly ESS 1: Labor and Working Conditions.
- ILO Convention No. 29 (Forced Labor Convention).
- ILO Convention No. 105 (Abolition of Forced Labor Convention), both ratified by Azerbaijan.

The Project promotes the principles of free and informed consent to work, and ensures that all employment relationships are voluntary, documented, and undertaken in compliance with applicable law and international standards.

In line with ILO and AIIB definitions, forced labor includes any work or service exacted under threat of penalty, where the person has not offered themselves voluntarily. Practices include retention of identity documents withholding of wages, debt bondage or coercion through recruitment fees, restriction on workers' freedom of movement, threats or physical punishment to force work or forced overtime under threat of dismissal or penalty.

Management measures on the Project will include:

1. Development of a **Forced Labor Policy or Policy Wording** integrated into an existing policy, setting out a clear commitment to prohibiting forced labor on the Project, along with details on the controls and procedures below.
2. **Recruitment practices** which ensure all recruitment is transparent, fair and voluntary, and that no recruitment fees are charged to workers, in the case that recruitment or employment agencies are engaged to find and employ workers on the Project. Workers



will be informed, in a language they understand, of their terms of employment, wages and benefits, and conditions of termination, with contracts voluntarily signed, without coercion or misrepresentation.

3. Employers and contractors being **prohibited from retaining worker documentation**, including holding passports, ID cards, or travel documents of any worker. Workers will retain full control over their identity and legal documents at all times.
4. **Wages** paid in full, on time, and directly to workers. No deductions not legally authorized or voluntarily agreed upon. No withholding of final payments as a means of enforcing continued employment.
5. Workers **not restricted** in their right to leave the worksite or accommodation during non-working hours. Any movement control measures (e.g. for safety) will be reasonable, clearly justified, and documented.
6. All contracts with contractors and suppliers will include **binding provisions** prohibiting forced labor and monitoring and reporting obligations. Contractors will be required to conduct age and identity verification, maintain transparent employment records and provide regular training on forced labor prohibition.
7. All workers will receive **induction training** covering forced labor definition and indicators, the Project's zero-tolerance policy and rights and grievance channels.
8. A confidential, anonymous (if desired), and accessible **Worker Grievance Mechanism**, to handle complaints regarding coercion, retention of documents, threats, or unpaid wages, and include referral protocols for victims of trafficking or forced labor.
9. **Labor audits** with specific checks for signs of forced labor, including withheld documents, involuntary overtime, restricted movement and unpaid wages. Non-compliance will trigger immediate investigation, corrective action plans, and potential termination of contractor or supplier contracts. Serious cases (e.g. suspected trafficking) will be reported to the relevant authorities in Azerbaijan and AIIB.
10. A **forced labor remediation procedure**, that if forced labor is identified, the individual will be immediately released from coercion, and the Project will work with local authorities and NGOs to ensure the worker is safe and not penalized, and provide medical, legal, or counselling services as needed. The responsible party (Contractor, Subcontractor or Supplier) may face removal from the Project, legal sanctions or in the worst case, blacklisting from future work.

6. Occupational Health and Safety (OHS)

6.1. Project OHS Risks

BMEP involves high-risk construction in operating metro environments, depots, and underground tunnels. Key OHS risks include:

- Excavation and tunneling hazards: collapse of walls, inadequate shoring, lack of safe access/egress, insufficient dewatering.
- Working at height: fall hazards from scaffolding platforms, and ladders.
- Electrical hazards: exposure to live circuits, inadequate lock-out/tag-out (LOTO), temporary site wiring.
- Heavy equipment and vehicle movement: lifting operations, rigging failures, struck-by incidents, poor segregation of pedestrians and machinery.
- Confined spaces: oxygen deficiency, toxic gases, restricted egress, lack of rescue planning.
- Fire and explosion risks: welding/hot works in enclosed areas, flammable material storage, inadequate fire detection and suppression.
- Physical and health hazards: exposure to dust, noise, vibration, welding fumes, solvents, and heat stress.
- Gender-specific OHS risks: female workers may face different ergonomic, biological, or sanitary risks, including inadequate access to separate hygiene facilities, PPE not designed for women, gender-based violence and harassment, or limited participation in higher-risk but higher-paying tasks due to traditional role assignment.
- Contractor management gaps: varying OHS competence, inconsistent use of RAMS (risk assessment method statements) and JSAs (Job Safety Analysis), limited supervision.
- Community health and safety interface: risks to metro passengers and the public from construction zones, material transport, or poor site controls.

6.2. Key Safety Measures

To address these risks, the Project will implement the following measures:

- Governance and Planning: Contractors must prepare OHS management plans aligned with Azerbaijani law and AIIB/ILO standards. High-risk tasks (excavation, hot work, lifting, electrical, confined space, work at height) require a Permit-to-Work (PTW) system.
- Excavations: Engineered shoring, spoil stand-off distances, continuous dewatering where needed, and at least two independent access/egress points.
- Work at Height: Guardrails, scaffold tags, fall-arrest systems, and safe ladder/Mobile Elevated Work Platform (MEWP) use.



- Electrical Safety: Formal LOTO procedures, labeled panels, Residual-Current Devices (RCDs), and competent electricians.
- Lifting Operations: Lift plans, certified equipment, trained riggers and banksmen, exclusion zones.
- Traffic Management: Depot/site Traffic Management Plans (TMPs) with segregated pedestrian routes, speed limits, and one-way systems.
- Confined Spaces: Entry permits, pre-entry gas testing, mechanical ventilation, attendants, retrieval systems, and rescue plans.
- Fire Safety: Hot-work permits, safe storage, housekeeping, extinguishers/hoses, tested communication and smoke extraction systems.
- Health Protection: Dust suppression, noise/vibration monitoring, local exhaust ventilation for fumes, safe chemical handling, heat-stress management.
- PPE and Supervision: Task-appropriate PPE, multi-lingual safety signs, adequate supervisor/worker ratios.
- Contractor Management: Pre-qualification on OHS, induction for all workers, regular audits, corrective action tracking, and stop-work authority.
- OHS measures for female workers: Ensure provision of gender-appropriate PPE and clothing; separate, safe, and hygienic sanitation and changing facilities; policies and training to prevent sexual harassment and gender-based violence and harassment; and inclusion of women in safety committees, training, and consultation processes.

6.3. Emergency Preparedness and Response

The Project will maintain a comprehensive Emergency Response Plan (ERP) covering medical emergencies, fire/smoke underground, excavation collapses, confined space incidents, electrical shocks, lifting failures, hazardous material spills, and passenger-related emergencies. The ERP will include:

- Coordination: Clear interfaces with Baku Metro's Operations Control Centre, station managers, fire/rescue services, and ambulance providers.
- Resources: Marked evacuation routes, muster points, first-aid rooms, rescue tripods, spill kits, and accessible stretchers.
- Communication: Alarms, Public Address (PA) systems, and radios tested regularly; redundancy for underground areas.
- Training and Drills: Induction on ERP for all workers, quarterly scenario drills (including night shifts) with lessons learned/corrective actions documented and tracked.

6.4. Worker Training and Capacity-Building

The Project will implement the following OHS worker training and capacity-building activities, to ensure workers are fully trained on potential risks, mitigating risks and responding to



accidents and emergency situations, along with awareness on how to report incidents and grievances:

- Induction training: all workers receive induction on project OHS rules, hazard awareness, PPE, PTW procedures, emergency response, and grievance channels.
- Task-specific training: certification for work at height, scaffolding, rigging/lifting, electrical/LOTO, confined space entry/rescue, hot works, chemical handling, and first aid.
- Supervisory training: incident investigation, leadership walk-throughs, toolbox talks, and PTW authorization.
- Refresher training: monthly toolbox talks, periodic safety campaigns, and retraining after incidents.
- Evaluation: pre/post tests, on-the-job competency checks, retraining where needed.
- Record-keeping: central training register/Learning Management System (LMS) documenting participation, expiry dates, and refresher requirements.

6.5. OHS Implementation Checklist

Appendix 1 Occupational Health and Safety (OHS) Implementation Checklist specifies the minimum requirements for the Contractor's Health and Safety Management Plan (HSMP) and associated procedures. It supplements the LMP and ensures compliance with national legislation, international standards including AIIB and IFC/World Bank (WB), and international best practice for high-risk underground and construction activities.

7. Freedom of Association and Collective Bargaining

The Project fully respects and upholds the rights of all workers to freely associate, to form or join trade unions, and to bargain collectively, in accordance with national laws and international labor standards. This applies to direct employees, contracted workers, and supply chain workers engaged in the Project. There will be no interference, discrimination, intimidation, retaliation, or harassment against workers who choose to organize or participate in union activities or collective bargaining processes. This commitment aligns with:

- The Labor Code of the Republic of Azerbaijan.
- The Constitution of Azerbaijan (Article 58) on Freedom of Association.
- ILO Conventions No. 87 and 98.
- The AIIB Environmental and Social Framework, particularly ESS 1: Labor and Working Conditions.

Management measures on the Project will include:

1. Development of a **Freedom of Association and Collective Bargaining Policy or Policy Wording** integrated into an existing policy, stating that workers are free to form or join unions or workers' committees of their choice to bargain collectively.
2. Reasonable **access to meeting spaces** (on or near work premises) for worker organizations' meetings, outside working hours or during agreed breaks, and no obstruction or monitoring of union activities or communications.
3. Regarding **non-retaliation**, not engaging in or tolerating threats, intimidation, or dismissal of workers involved in union or bargaining activities, or discrimination in recruitment, promotion, or wage-setting based on union affiliation. Violations will lead to disciplinary measures, including potential termination of contractor agreements.
4. Engaging in **good-faith negotiations** regarding terms and conditions of employment where workers are represented by a legally recognized trade union or worker representative body. Where applicable, **collective agreements** will be incorporated into worker contracts.
5. All **contractors and subcontractors** committing in writing to uphold workers' rights to freedom of association and collective bargaining, allow unionized workers to participate in union activities without retaliation, and cooperate with the Project's monitoring and reporting processes.
6. As part of the **worker induction process**, ensuring all workers are informed about their rights under national law, ILO standards, and the AIIB ESF, the Project's non-retaliation



policy, and the existence of any worker representatives or collective agreements. Materials will be provided in languages understood by the workforce.

7. Ensuring the **Worker Grievance Mechanism** will be accessible to workers wishing to report violations of their rights to associate or bargain collectively and retaliation for participating in worker organizing. Grievances may be submitted anonymously and without fear of reprisals, with reports investigated confidentially and addressed in a timely manner (see **Chapter 8 Grievance Management**).
8. **Monitoring** compliance with this policy through site visits, worker interviews and review of employment records. Tracking the number of active worker organizations or representatives, collective agreements in place, and grievances related to freedom of association. Non-compliance by contractors, subcontractors or suppliers may result in corrective action plans, suspension of work, or in the worst case, termination of contract.

8. Grievance Management

8.1. Introduction

The Project is committed to providing a fair, transparent, accessible, and confidential mechanism for all project workers — including direct employees, contracted workers, and subcontractor personnel — to raise concerns or complaints related to their working conditions, employment terms, rights, or treatment at the workplace.

This grievance mechanism will be non-retaliatory, protect worker confidentiality, and ensure timely resolution of grievances. The system will comply with:

- Article 5 and Article 273 of the Labor Code of Azerbaijan.
- The AIIB Environmental and Social Framework, particularly ESS 1: Labor and Working Conditions.
- Best international practices (e.g. ILO, IFC/EBRD grievance handling models).

8.2. Purpose

To ensure all workers (direct, contracted, and subcontracted) have a safe, accessible, and effective way to raise concerns or complaints regarding working conditions, treatment, or workplace conduct — without fear of retaliation or discrimination.

8.3. Objectives

The objectives of the Project Worker Grievance Mechanism (WGM) are to:

- Ensure that workers can safely and freely raise concerns.
- Promote early identification and resolution of workplace issues before they escalate.
- Protect the rights and dignity of all workers.
- Ensure that complaints are addressed equitably, confidentially, and in a timely manner.

8.4. Grievance Mechanism Scope

The mechanism covers, but is not limited to, grievances related to:

- Terms and conditions of employment (contracts, pay, benefits).
- OHS.
- Violence, harassment and discrimination, including Gender-Based Violence and Harassment.
- Disciplinary procedures.
- Work schedules, leave, overtime.



- Retaliation for union membership or grievance use.
- Violations of labor rights (including child or forced labor concerns).

The WGM will be developed and operational before project workers are hired or engaged and accessible to all categories of workers engaged on the Project, as defined by AIIB ESF and Azerbaijan law, including direct workers, contracted workers, and workers of subcontractors and primary suppliers.

Contractors, subcontractors and primary suppliers can also implement their own WGM for workers engaged on the Project, if the system is reviewed and approved by Baku Metro as meeting the requirements of AIIB, and the third party provides monthly reporting on each grievance to Baku Metro, along with status updates, to feed into Baku Metro's centralized tracking.

8.5. Grievance Mechanism Governance

Baku Metro will develop and oversee the WGM and ensure its alignment with AIIB and national law. Baku Metro will appoint a qualified and trained Grievance Coordinator, who could be the Project's HR or Labor Manager or another suitable representative, who will oversee grievances across the Project and liaise with the Project's Management Team and Grievance Committee on the system's implementation.

In addition, a Grievance Committee will be established at the Project level and include all or some of the recommended project personnel described below:

- Baku Metro HR/Labor Manager
- Contractor HR representative
- Worker representative(s) (elected or nominated)
- OHS Officer (for OHS-related grievances)
- Gender or GBV Focal Point (as needed)

The committee will meet bi-weekly or as required for grievance review.

8.6. Key Features of the Grievance System

To align with international best practice standards, the WGM will include the key features described in Table 4.

Table 4: Key Features of the Grievance System

Feature	Description
Confidentiality	Identities of complainants are protected; information shared only on a need-to-know basis.



Non-Retaliation	No disciplinary or discriminatory action for filing a grievance. Retaliation leads to sanctions.
Anonymous Submissions	Physical comment boxes in locations accessible to workers and hotlines allow anonymous reporting.
Awareness and Training	All workers, including contracted and subcontracted workers, trained on grievance rights and procedures during induction.
Language and Access	Forms and procedures available in local languages and explained clearly.
Tracking and Reporting	All grievances logged and monitored. Monthly reports track number, type, resolution time.

8.7. Worker Grievance Handling Steps

Table 5: Worker Grievance Handling Steps

STEP	ACTION	RESPONSIBLE	TIMEFRAME
1. Submission of Grievance	Worker submits grievance via: written form, verbal complaint to supervisor/HR, email, hotline, anonymous comment box, or other channels.	Worker, Project Grievance Coordinator	Anytime
2. Registration	<p><i>General Grievances</i> – Log grievance in the Grievance Register within 2 working days, assign ID, and confirm receipt.</p> <p><i>Violence, Harassment or Discrimination Grievances</i> – Complaint is logged immediately in a confidential register separate from general grievance register, with limited access. Gender Focal Point is notified and complainant is protected from retaliation or contact with the accused. Immediate action may include temporary reassignment, leave or separation of parties, and access to counselling, medical or legal support is provided. Serious cases are reported to AIIB immediately.</p> <p><i>OHS Grievances</i> – OHS Officer is immediately notified and actions are taken to address incident or risk of accident.</p>	Project Grievance Coordinator, Gender Focal Point, OHS Officer	Within 2 working days
3. Initial Assessment	Review whether the grievance is legitimate and assign investigation responsibility. Initial assessments for sensitive cases are led by trained Gender Focal Point and OHS Officer in collaboration with Grievance Committee.	Project Grievance Coordinator, Gender Focal Point, OHS Officer, Grievance Committee	Within 2–3 working days

STEP	ACTION	RESPONSIBLE	TIMEFRAME
4. Investigation	Collect information, interview parties and witnesses (if relevant), and document findings. May involve contractor, OHS team, or worker representatives. Trained Gender Focal Point and OHS Officer lead investigation for sensitive cases. For violence, harassment and discrimination cases, accused person has a right to respond but under a non-confrontational, non-retaliatory process.	Gender Focal Point, OHS Officer, Grievance Committee	Within 10 working days
5. Resolution Proposal	<i>General Grievances</i> – Propose corrective action or resolution to the worker and seek agreement. <i>Violence, Harassment or Discrimination Grievances</i> – Discuss proposed management approach with victim/complainant and accused person and receive feedback for consideration by the Grievance Committee.	Project Grievance Coordinator, Gender Focal Point, OHS Officer, Grievance Committee	Within 14 working days
6. Resolution Implementation	<i>General Grievances</i> – Implement agreed resolution, issue written confirmation to worker, and log resolution. <i>Violence, Harassment or Discrimination Grievances</i> – Disciplinary measures are taken, and mediation may be offered, with monitoring and safeguards in place. Complainant is informed of the outcome and action taken and affected parties are offered follow-up support, with complaint only closed when resolution is complete and the complainant has had an opportunity to appeal.	Project Grievance Coordinator, Gender Focal Point, OHS Officer, Grievance Committee	Within 7 days of agreement
7. Appeal (if needed)	If unsatisfied, the worker may escalate to senior project management, worker representatives or trade unions, the State Labor Inspectorate or Ombudsperson, human	Worker	Within 30 days of resolution

STEP	ACTION	RESPONSIBLE	TIMEFRAME
	rights commissions, NGO support services or AIIB's Project-affected People's Mechanism (PPM).		
8. Closure and Feedback	Record closure in register. Worker provides optional feedback on the process.	Project Grievance Coordinator, Project HR/Labor Manager	Ongoing
9. Follow-Up Monitoring	For violence, harassment or discrimination incidents, follow-up monitoring is conducted to ensure no retaliation or repeat incidents. Patterns and trends are reviewed to improve preventative measures, training and policies.	Gender Focal Point, Project HR/Labor Manager	Ongoing

8.8. Sensitive and Urgent Cases

In accordance with AIIB standards, **sensitive and safety grievances** relating to violence, harassment, discrimination and worker OHS, will be handled promptly, confidentially and fairly, led by qualified and trained personnel (Gender Focal Point and OHS Officer), and with medical, counselling or legal support provided to victims. The WGM will be anonymous if desired, operated independently from the project management chain, and both culturally and gender sensitive.

Grievances related to violence, harassment and discrimination will be monitored and serious incidents (e.g. confirmed GBV or SEA cases) will be reported to AIIB immediately. Corrective actions and disciplinary measures will be taken against perpetrators, and workers will have the opportunity to appeal if unsatisfied with the outcome, and escalate to senior project management, worker representatives or trade unions, the State Labor Inspectorate or Ombudsperson, human rights commissions, NGO support services or AIIB's Project-affected People's Mechanism (PPM).

The WGM will also allow anonymous reporting of suspected child labor cases (see **Section 5.4 Prohibition of Child Labor**), include referral protocols for victims of trafficking or forced labor (**Section 5.5 Prevention of Forced Labor**), and be accessible to workers wishing to report violations of their rights to associate or bargain collectively and retaliation for participating in worker organizing (**Chapter 7 Freedom of Association and Collective Bargaining**).

8.9. Monitoring and Reporting

The Project HR/Labor Manager or Grievance Coordinator will maintain a Grievance Log, which captures the information presented in **APPENDIX II GRIEVANCE LOG**.

For grievances relating to violence, harassment or discrimination, **a separate strictly confidential Grievance Log will be maintained** with access limited to the Gender Focal Point and authorized and approved personnel to oversee specific cases.

Monthly reports will be submitted to Baku Metro Project Management and shared with AIIB when requested. If project contractors and subcontractors implement their own WGM for project workers, they are also requested to submit monthly reports to Baku Metro Project Management, with full details on all received grievances and the current status of each.

For violence, harassment or discrimination incidents, follow-up monitoring will be conducted to ensure no retaliation or repeat incidents. Patterns and trends will be reviewed to improve preventative measures, training and policies.

9. Project Accommodation

The Project is committed to providing or ensuring access to safe, healthy, dignified, and gender-sensitive accommodation for all workers, including contracted workers and subcontracted workers, who are required to live on-site or in project-arranged housing. This commitment complies with:

- The Labor Code of the Republic of Azerbaijan.
- Applicable national health, safety, and hygiene standards.
- The AIIB Environmental and Social Framework, particularly ESS 1: Labor and Working Conditions.
- International good practices including ILO guidelines and *‘Workers’ Accommodation: Processes and Standards – A Guidance Note by IFC and the EBRD’ (IFC / European Bank for Reconstruction and Development, September 2009).*

In accordance with IFC/EBRD Worker Accommodation Guidelines, the Project will develop a **Code of Conduct for Workers** housed in employer-provided accommodation, covering respect for privacy and personal property, Gender-based violence and harassment (GBVH) prohibition, prohibited substances (e.g., drugs, alcohol), noise, curfews, and guest policies, sanitation and hygiene responsibilities, use of common facilities, and disciplinary measures for non-compliance.

The Project will also ensure the following **minimum standards** for all worker accommodation which are summarized in Table 6.

Table 6: General Requirements for Project Accommodation

Item	Description
Occupancy	No overcrowding: maximum of 4–6 persons per dormitory room or less depending on room size. Minimum space per person in line with national norms or IFC/ILO standards.
Ventilation and Lighting	Natural ventilation, windows, adequate lighting, heating, and cooling appropriate to the season.
Water Supply	Continuous access to safe drinking water and adequate hot/cold water for bathing and cleaning.
Sanitation	Separate, clean toilets and showers by gender. At least one toilet and one shower per 6–10 people.
Laundry Facilities	Accessible laundry and drying areas.



Item	Description
Cooking and Food	Provision of clean kitchens or canteens with hygienic food storage and preparation facilities.
Waste Management	Proper waste disposal systems and regular collection.
Fire Safety	Fire extinguishers, smoke detectors, evacuation plans, and regular drills.
Privacy and Security	Lockable rooms/lockers; separate facilities for men and women; 24/7 on-site security with codes of conduct.

The Project will carry out regular inspections of accommodation by the Project's OHS and HR teams and worker representatives or committees. Findings will be documented and corrective actions will be implemented promptly. Monthly accommodation reports will include occupancy levels, health and safety observations, maintenance and repair needs, and any incidents or grievances.

10. Contractor and Subcontractor Management

10.1. Introduction

The Project commits to managing all contractors and subcontractors in a manner that ensures compliance with Azerbaijani labor and OHS laws, and alignment with AIIB Environmental and Social Standards, particularly AIIB ESS 1: Labor and Working Conditions. Contractors and subcontractors will be held accountable for:

- Ethical and transparent labor recruitment.
- Provision of safe and fair working conditions.
- Anti-violence and anti-harassment.
- Non-discrimination and equal opportunity.
- Respect for freedom of association and collective bargaining.
- Prohibition of child and forced labor.
- Providing access to a Worker Grievance Mechanism.
- Ensuring adequate worker accommodation where provided.

10.2. Pre-Contractual Due Diligence

Before engagement, all contractors and subcontractors will be subject to labor and OHS due diligence by the Baku Metro Project Team, summarized in Table 7.

Table 7: Pre-Contractual Labor and OHS Due Diligence

Feature	Description
Legal Compliance Check	Verify compliance with Azerbaijan's Labor Code, employment registration, tax and social insurance obligations.
Previous E&S Performance	Review past labor violations, AIIB non-compliance, and track record on grievance management.
Recruitment Practices	Confirm contractors will not charge workers fees, retain identification documents, or engage in coercive hiring.
Accommodation Standards (if applicable)	Review housing designs, occupancy plans and hygiene protocols.
Labor Management Plan or Contractor Management Plan (CMP)	Require submission of a contractor-specific LMP or CMP aligned with the main Project LMP.

Feature	Description
Occupational Health and Safety (OHS)	Verify that the contractor has an OHS management system aligned with Azerbaijani law and AIIB/ILO standards, including risk assessment procedures, training programmes, provision of PPE, incident reporting, and competent OHS personnel. Review accident history, insurance coverage, and evidence of prior compliance with IFI OHS requirements.

10.3. Contractual Requirements

All contracts with contractors and subcontractors will include binding provisions to:

- Comply with Azerbaijani labor and OHS laws and applicable AIIB ESS 1 requirements
- Implement a **Code of Conduct for Third Parties**, covering:
 - Prohibition of violence, harassment and discrimination.
 - Prohibition of child labor and forced labor.
 - Respect for workers' rights and dignity.
- Provide workers with:
 - Written employment contracts.
 - Wages and benefits in line with law.
 - Documented payslips containing gross and net salary, along with tax and social security deductions and contributions.
 - Access to the Project Worker Grievance Mechanism.
- Maintain a register of all workers, disaggregated by age, gender, nationality, job type, contract status, and whether workers live in project-provided accommodation.
- Ensure subcontractors also comply with these requirements (via flow-down clauses).

10.4. During Contract Due Diligence

Management measures and due diligence during the contract will include:

1. All contractor and subcontractor personnel receiving **labor induction training** covering workers' rights and protections under Azerbaijan law and AIIB standards, use of grievance mechanisms, and relevant policies and procedures mentioned in this LMP. Supervisors will receive additional training on fair recruitment, OHS leadership, and non-discrimination and inclusive management.
2. **Oversight system** for contractor management including internal quarterly labor inspections or audits led by Baku Metro Project HR/Labor Manager and OHS Officer, accommodation inspections, workers interviews and spot checks and review of



contractor records (contracts, payroll and identification documents). The contractor and subcontractor will also carry out their own internal labor inspections and report to the Baku Metro Project Team, to ensure that the labor and OHS requirements in this LMP are met.

3. Contractors informing workers (including subcontracted and temporary workers) of their right to access the **Project Worker Grievance Mechanism**, providing support for confidential and anonymous complaints, cooperating fully with grievance investigations and resolution, and implementing corrective measures in response to substantiated grievances.
4. Contractors using **licensed, vetted recruitment agencies** only, ensuring **no recruitment fees** are paid by workers (Employer Pays Principle), providing clear and written job offers to all workers before deployment, and confirming minimum age and legal eligibility to work. Labor agencies and third-party recruiters will be subject to the same obligations.
5. Where contractors provide or arrange **housing**, facilities will meet national regulations and AIIB/ILO/IFC good practice standards, separate housing and wash facilities for female and male workers, regular inspections by Project HR/OHS staff, and prompt response to hygiene, privacy, or safety complaints
6. Upon **completion or demobilization**, contractors following fair and lawful procedures for notice periods, final payments and exit medicals or debriefing. Workers will be given support for safe return to their communities, including transport if applicable and housing transition arrangements where needed.
7. Failure by a contractor or subcontractor to comply with the LMP and associated commitments may result in suspension of works, withholding of payments, removal from the site, termination of contract, and reporting to authorities (in case of legal violations).

In addition to general labour compliance, contractors OHS systems will be subject to regular monitoring. Baku Metro, together with the EPC OHS team, will carry out site inspections and semi-annual audits of contractors OHS management systems to ensure they are aligned with Azerbaijani law, AIIB requirements, and ILO standards. These audits will verify that contractors maintain up-to-date risk assessments, provide adequate training and PPE, implement incident reporting and investigation procedures, and assign competent OHS personnel. Findings will be documented, corrective action requests (CARs) will be issued where necessary, and follow-up inspections will confirm closure. Serious or repeated OHS violations may result in suspension of work, contract penalties, or termination. These audits are also reflected in the monitoring framework under section 12.2 (Table 9), ensuring consistency between pre-contractual checks, during-contract oversight, and project-wide monitoring.



11. Supply Chain Management

11.1. Introduction

This section of the Labor Management Plan (LMP) establishes procedures to manage labor risks in the Project's supply chain, ensuring that all primary suppliers of goods and materials used for the Project operate in compliance with:

- Azerbaijani labor laws.
- ILO Core Conventions, particularly those concerning child labor and forced labor.
- The AIIB Environmental and Social Framework, particularly ESS 1: Labor and Working Conditions.

A **Primary Supplier** is a supplier who, on an ongoing basis, directly provides goods or materials essential for the construction and operation of the Project.

A **Supply Chain Labor Risk** is a risk that workers in the supply chain may be subject to exploitative, unsafe, or illegal labor practices such as child labor, forced labor, or unsafe working conditions.

The Project commits to:

1. Prevent the use of child labor, forced labor, and exploitative practices within its supply chain.
2. Promote fair, lawful, and safe working conditions at all tiers of the supply chain.
3. Encourage the use of local suppliers who meet labor standards and help build local capacity.
4. Maintain a risk-based approach to identifying and addressing labor issues in supplier operations.

11.2. Supply Chain Risk Assessment

The Project's E&S and procurement teams will assess supply chain risks through the identification of goods and materials essential to project construction and operation (e.g. cement, steel, aggregates, uniforms, PPE, fuel), screening of sectors and source countries against known risks of child labor or forced labor (e.g. ILO, United States of America Department of Labor reports), and evaluating suppliers' use of subcontracted or informal workers, which may increase labor rights risks. Suppliers of high-risk goods (e.g. textiles, electronics, mining-based materials) will be flagged for enhanced due diligence.

11.3. During Contract Due Diligence

All primary suppliers will be required to comply with Azerbaijani labor laws and minimum standard, ensure no use of child labor, ensure no use of forced or bonded labor, provide safe, healthy, and lawful working conditions, maintain records of worker contracts, wage payments,



and age verification, and cooperate with monitoring, audits, and inspections by the Project or AIIB.

These requirements will be included in all purchase agreements, framework contracts, and supply orders, either separately in each document as contractual clauses, or as a standalone Supplier Code of Conduct or Ethical Sourcing Policy, which becomes a requirement for suppliers to implement.

11.4. Monitoring and Oversight

The Project's E&S and procurement teams will maintain a list of all primary suppliers, review documentation submitted by suppliers (e.g. HR policies, wage records, worker identification documents), conduct site inspections of local or regional suppliers, where feasible, and request corrective actions in case of non-compliance. For international suppliers or those in higher-risk sectors, the Project may commission or request third-party audits and suppliers may be required to submit self-assessments and provide traceability documentation.

11.5. Corrective Action and Escalation

If any supplier is found to employ child labor, use forced, bonded, or trafficked labor, or systematically violate legal working conditions, the following steps will be taken:

1. Immediate notification to the supplier.
2. Requirement to submit and implement a Corrective Action Plan (CAP).
3. Ongoing monitoring of improvements.
4. Termination of contract if compliance is not restored in a reasonable period.

In accordance with AIIB ESS 1, if mitigation is not possible, the Contractor must shift to alternative suppliers.

11.6. Grievance Management for Supply Chain Workers

Where feasible, the Project will encourage suppliers to establish a Worker Grievance Mechanism aligned with AIIB guidance or ensure the Baku Metro Project WGM is available and accessible to supply chain workers.

11.7. Reporting and Documentation

The Project will maintain supply chain labor risk records, including risk assessments, supplier due diligence files, monitoring reports and CAPs (if any). The Project will also include supply chain monitoring outcomes in quarterly E&S monitoring reports and annual project reports to AIIB.



12. Monitoring and Reporting

12.1. Introduction

This section outlines the systems and responsibilities for monitoring and reporting on labor-related risks, compliance, and performance throughout the Project lifecycle. The objectives of carrying out monitoring and reporting is to:

- Track compliance with labor laws and standards among all workers and employers (including subcontractors and suppliers).
- Ensure timely identification and correction of non-compliance.
- Provide transparent and consistent reporting to project stakeholders and AIIB.
- Support continuous improvement in working conditions, worker protection, and grievance resolution.

12.2. Monitoring Scope

The Project monitoring scope will cover all categories of workers engaged on the Project, summarized in Table 8.

Table 8: Monitoring Scope

Feature	Description
Baku Metro Direct Workers	Contracts, working hours, wages, OHS compliance, grievance access
Contracted or Subcontracted Workers	Labor conditions under EPC and subcontractors; accommodation; recruitment ethics
Primary Suppliers	Risks of child labor, forced labor, working conditions
Migrant Workers	Work permits, recruitment practices, housing, pay
Worker Accommodation	Sanitation, safety, gender-segregated facilities, occupancy standards

The Project monitoring activities will be implemented in accordance with Table 9, which provides details on the monitoring activity, frequency and responsible party.

Table 9: Monitoring Activities

Activity	Frequency	Responsible Party
Labor compliance audits (contractor/subcontractor)	Quarterly	Labor Manager / E&S Team
OHS inspections	Monthly	OHS Manager / Site Supervisors

Activity	Frequency	Responsible Party
OHS management system audits (contractor/subcontractor)	Semi-annually or as needed	Independent Auditor / Baku Metro OHS Team
Worker interviews / focus groups	Bi-Monthly	HR or Community Liaison Officer
Review of worker contracts, wages, and social insurance records	Monthly	HR and Finance teams
Accommodation inspections	Monthly	OHS / HR Team
Supply chain labor screening	Bi-annually or as needed	Procurement / E&S Specialist
Review of grievance log and resolution tracking	Monthly	HR / Labor Manager / Grievance Coordinator
Third-party audits (for high-risk areas or suppliers)	Annually or as needed	Independent Auditor

12.3. Monitoring Tools and Key Performance Indicators

Monitoring tools will include checklists based on legal and AIIB ESS 1 requirements, worker surveys and anonymous feedback, site inspection reports, payroll and contract record reviews, the project WGM system, and indicators for monitoring (Table 10). Key Performance Indicators will be continuously monitored, overseen by the Project HR/Labor Manager, in collaboration with the relevant departments and personnel e.g. covering contracting and payroll, accommodation, training, procurement, grievance management, and OHS.

Table 10: Indicators for Monitoring

Feature	Description
% of workers with valid written contracts	Legal compliance with employment contracts
Average working hours/week	Comparison with national limits
% of workers receiving social insurance	Legal and financial compliance
# of grievances raised and resolved	Worker engagement and management responsiveness
% of contractors audited and found compliant	Oversight of subcontracted labor

Feature	Description
# of underage or forced labor cases identified	Compliance with ILO and AIIB standards
Accommodation occupancy ratio	Housing quality and safety
% of supply chain materials screened for labor risks	Supply chain due diligence effectiveness
% of workers trained on HR/labor and OHS topics	Worker knowledge and awareness on labor and OHS
Total Recordable Injury Rate (TRIR) / Lost Time Injury Frequency Rate (LTIFR)	OHS performance indicators
# of near-misses reported	Safety culture indicator
Permit-To-Work (PTW) compliance rate	High-risk work controls
% excavations with 2 safe egresses	Excavation safety
% confined space entries with permits and gas tests	Confined space safety
% lifting operations with approved plans	Lifting safety
PPE compliance rate	Worker protection
# emergency drills conducted vs planned	ERP readiness

12.4. Corrective Action Management

Monitoring tools will include checklists based on legal and AIIB ESS 1 requirements, worker surveys and anonymous feedback, site inspection reports, payroll and contract record reviews, grievance mechanism tracking system and indicators for monitoring.

When monitoring reveals non-compliance with national law, AIIB standards, or ILO conventions, a Corrective Action Request (CAR) will be issued to the responsible party (contractor, supplier, etc.), remediation plan and timeline will be agreed upon, and follow-up monitoring will be conducted to verify implementation. Serious or repeated violations may lead to contract suspension or termination, escalation to authorities (e.g. State Labor Inspection Service), and disclosure to AIIB in line with ESS 1.

12.5. Reporting Requirements and Record-Keeping

The Project Labor Management Team will prepare **monthly internal reports** summarizing labor inspection outcomes, OHS and accommodation compliance, worker grievances and



responses, supply chain risk findings, any labor-related incidents or near misses, and KPIs, and submitted to Baku Metro Management and Engineering, Procurement and Construction (EPC) Contractor leadership where relevant. The project will also submit labor and working condition updates as part of the Project's **quarterly environmental and social monitoring reporting and annual progress reports**.

These updates will include a summary of worker numbers by category (disaggregated by gender and age), updates on contractor performance and corrective actions, a summary of grievances and resolution outcomes and notification of any serious labor incidents (e.g. child labor, fatality). As per AIIB ESS 1, all significant labor incidents (e.g. forced labor, serious injury, GBV, discrimination) must be promptly reported to AIIB with corrective measures documented.

The Project will maintain the following labor-related records for at least five years or as per national law, including worker registries and employment records, copies of contracts and wage slips, training and induction records, OHS incident logs and inspection reports, grievance log and outcomes, and supplier risk assessments and audit reports. All records will be confidential (where applicable) and available for inspection by AIIB or relevant labor authorities upon request.

Findings from labor monitoring will be used to update the LMP, as needed, identify training needs for contractors, HR, and supervisory staff, improve grievance systems and worker feedback mechanisms, and strengthen ethical recruitment, onboarding, and compliance systems.

13. Training and Capacity-Building

The objective of this section is to establish a structured training and capacity-building framework to ensure all workers are aware of their rights, responsibilities, and grievance options, and supervisors and contractors understand and implement labor standards and OHS requirements. The key target groups for labor management and OHS training are provided in Table 11.

Table 11: Training Target Groups

Feature	Description
Direct project employees	Labor rights, grievance mechanisms, code of conduct, OHS, workplace behavior
Contracted workers	Legal rights, project-specific labor requirements, grievance channels
Supervisors / foremen	Roles in upholding labor standards, non-discrimination, safe supervision
Contractors and subcontractors	Compliance with Azerbaijan law, AIIB requirements, child/forced labor prohibition
Security personnel (if any)	Human rights, use-of-force rules, managing conflict
Accommodation managers	Housing standards, gender sensitivity, emergency protocols
Procurement teams	Ethical recruitment, supply chain labor risk identification

Key training topics include:

1. Mandatory for all Workers:
 - a. Introduction to labor rights under Azerbaijani law and AIIB ESS 1.
 - b. Prohibition of child and forced labor.
 - c. Violence, harassment and discrimination.
 - d. Use and access to Project WGM.
 - e. OHS training, including proper use of PPE, hazard recognition and incident reporting and emergency procedures.
2. For Supervisors and Managers
 - a. Labor law obligations and contractor/subcontractor management.
 - b. Violence, harassment and discrimination.



- c. Roles in monitoring compliance with labor standards.
 - d. Implementing the Labor Management Plan.
- 3. For Contractors and Subcontractors
 - a. Labor and OHS clauses in contracts.
 - b. Monitoring and reporting obligations.
 - c. Grievance response procedures.
 - d. Worker accommodation and welfare standards.
- 4. Grievance Coordinator
 - a. Overseeing worker grievances as part of Project WGM including overview on sensitive cases.
 - b. Confidentiality, anonymity and data protection.
- 5. Grievance Committee
 - a. Roles and responsibilities of WGM committee members.
 - b. Carrying out worker grievance and sensitive cases investigations.
 - c. Confidentiality, anonymity and data protection.
- 6. Gender Focal Point
 - a. Overseeing sensitive cases as part of Project WGM.
 - b. Support mechanisms to victims.
 - c. Survivor-Centered Approach.
 - d. Gender-Sensitive Grievance Handling.
 - e. Confidentiality, anonymity and data protection.

Training will be delivered during the induction/onboarding, before the work starts, and periodically to provide refreshers. Training methods can include classroom-style sessions using visual aids and printed materials, toolbox talks at work sites, role-playing for grievance procedures or violence, harassment and discrimination prevention, and tailored sessions for migrant or female workers, where applicable.

The project will maintain records of all training activities, including participant lists with signatures, topics covered and materials used, training duration and trainers' names, and pre- and post-training evaluation.

As mentioned in Chapter 10 Contractor and Subcontractor Management, all contractor and subcontractor personnel will receive labor induction training covering workers' rights and protections under Azerbaijan law and AIIB standards, use of grievance mechanisms, and



relevant policies and procedures mentioned in this LMP. Supervisors will receive additional training on fair recruitment, OHS leadership, and non-discrimination and inclusive management.

APPENDIX I: OHS IMPLEMENTATION CHECKLIST

This Annex specifies the minimum requirements for the Contractor's Health and Safety Management Plan (HSMP) and associated procedures. It supplements the LMP and ensures compliance with national legislation, international standards including AIIB and IFC/World Bank (WB), and international best practice for high-risk underground and construction activities.

Structure of HSMP

The Contractor shall prepare a detailed HSMP covering at least the following:

- OHS policy statement and leadership commitment.
- Legal and institutional framework (Azerbaijani OHS law, IFC/WB PS2, AIIB ESP).
- Roles and responsibilities (Contractor, Subcontractors, Safety Officer, Project Implementation Unit).
- Risk assessment and method statement framework (Job Safety Analysis, Permit-To-Work system).
- Emergency Preparedness and Response Plan.
- Worker participation and communication mechanisms (safety committees, toolbox talks).
- Training and capacity-building plan.
- Monitoring, reporting, and continuous improvement cycle (Plan–Do–Check–Act).

Hazard Specific Controls

The HSMP must include controls for the following high-risk activities:

- Tunnelling and Underground Works: Ventilation, ground stability monitoring, fire safety.
- Electrical Safety: Lock-Out/Tag-Out (LOTO), safe use of installations, arc-flash protection.
- Confined Spaces: Entry permits, atmospheric testing, rescue procedures.
- Working at Height: Fall arrest systems, scaffolding standards.
- Heavy Lifting / Cranes: Lift plans, rigging inspections, operator certification.
- Traffic and Transport: Traffic Management Plans, safe driving policies.
- Fire and Explosion Risks: Hot work permits, fire watch, extinguishers.
- Hazardous Substances: Safe handling, storage, and disposal procedures.

Emergency Preparedness and Response



- Site-specific Emergency Response Plan (evacuation routes, drills, fire scenarios, medical emergencies).
- First aid stations and trained personnel per shift.
- Coordination with municipal emergency services.
- Quarterly emergency drills including underground rescue.

Worker Engagement

- Worker Safety Committees at each site.
- Daily toolbox talks before work.
- Right to refuse unsafe work without retaliation.
- Worker feedback loop into incident investigations.

Training Requirements

- Mandatory induction and refresher training to cover:
- Site hazards and controls.
- PPE use.
- Emergency procedures.
- Safe lifting, working at height, confined spaces.
- Sexual Exploitation and Abuse (SEA) / Sexual Harassment (SH) awareness and Code of Conduct.
- First aid awareness (basic for all workers).
- Records of attendance must be maintained.

PPE Standards

- Free provision of PPE appropriate to tasks.
- PPE to comply with European Norm / International Organization for Standardization (EN/ISO) or equivalent standards.
- Training and fit-testing required (for respiratory protection).

Monitoring and Reporting

- KPIs (LTIFR, TRIR, near-miss frequency, training hours, PPE compliance).
- Incident reporting and Root Cause Analysis for serious incidents.
- Immediate notification of fatalities and serious incidents to Project Implementation Unit/AIIB.
- Weekly inspections, monthly contractor audits, quarterly independent audits.



Subcontractor Management

- All subcontractors must adopt the Contractor's HSMP.
- Safety performance considered in subcontractor selection.
- Joint toolbox talks and coordination meetings required.

Accommodation and Welfare

- Worker camps to comply with IFC/EBRD worker accommodation guidelines.
- Adequate potable water, sanitation, washing facilities, and waste management.

APPENDIX II: GRIEVANCE LOG

Grievance Log Heading	Options
Complaint ID	Number
Date reported	Date
Full name	Name
Anonymous grievance?	Yes / No
Site	Location
Department	Department
Reporting channel	<ul style="list-style-type: none"> • Post • Email • Website • Comment Box etc.
Company Representative logging grievance	Name
Company Representative or Grievance Committee grievance assigned to for investigation	Name
Category	<ul style="list-style-type: none"> • Working conditions • Terms of Employment • Health and Safety Concerns • Violence, Harassment and Discrimination • Dispute with Colleague or Management etc.
Date of incident(s)	Date
Grievance description	Free text
Support offered to worker (if relevant e.g. for violence, harassment or discrimination incidents)	<ul style="list-style-type: none"> • Medical • Legal • Counselling/psychological etc.
Investigation status including details on consultation with complainant, accused person or other engaged stakeholders	Free text
Resolution / actions required	Free text
Appeal	Yes / No
Status	<ul style="list-style-type: none"> • Grievance Received • Investigation Phase in Progress • Investigation Report Complete • Resolved
Date resolved	Date
Time taken to resolve grievance	Number of working days
Outcome and worker satisfaction level	<ul style="list-style-type: none"> • Satisfied • Not Satisfied
Monitoring and follow-up actions	Free text

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