# DRAFT: Human Resources policy template

## How to use this template

This template is designed to assist your organisation to develop a Human Resources (HR) policy which addresses investor standards on labour and working conditions, particularly IFC Performance Standard 2 (PS2).

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| **IFC Performance Standard 2 on HR policies and procedures (PS2.8 & 2.9)** |
| “The client will adopt and implement human resources policies and procedures appropriate to its size and workforce that set out its approach to managing workers consistent with the requirements of this Performance Standard and national law.  The client will provide workers with documented information that is clear and understandable, regarding their rights under national labour and employment law and any applicable collective agreements, including their rights related to hours of work, wages, overtime, compensation, and benefits upon beginning the working relationship and when any material changes occur”.  Where national law may differ from the requirements of PS2, it is expected that clients will comply with whichever requirements are the most stringent. |

The purpose of HR policies is to establish clear rules, expectations and obligations relating to workforce management. What is included in an HR policy will ultimately depend on a series of factors, including your organisation’s geography (or geographies) of operation, workforce size, sector and operational context. However, irrespective of your company context, it is generally expected that HR policies and procedures address the following topics to be consistent with PS2 and good practice:

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| **PS2 requirements** | **Good practice considerations** |
| * Working conditions and terms of employment (including wages, benefits, working hours, overtime, rest, leave) * Workers’ organisations / Freedom of Association * Non-discrimination and equal opportunity * Gender-based violence and harassment\* * Retrenchment / collective dismissal * Grievance mechanisms * Child labour * Forced labour * Occupational Health and Safety (in some cases, this may be addressed in a company ESMS) * Workers engaged by third parties\*\* | * Discipline, dismissal, and performance management * Privacy / personnel data * Leave, holiday, and sickness entitlements * Insurance, entitlements, and other benefits |

\* See separate GBVH policy template

\*\* See separate ‘Contractor Code of Conduct’ template

The following template provides a way to address PS2 requirements, which should be viewed as a minimum requirement to meet in order to align with international good practice. Provisions should be adapted and expanded based on your organisation’s context, maturity and HR capacity. For example, it may be appropriate to review your organisation’s HR management system and capacity at each new funding round, when the business pivots or evolves, or when certain thresholds are reached (e.g. size of the workforce, new market entry etc). In addition to this template, you can use [BII’s Human Resources Management Assessment Tool](https://toolkit.bii.co.uk/wp-content/uploads/2021/04/CDC_HumanResourcesManagementAssessmentTool_2021.pdf) to better understand how HR management systems and structures can evolve and develop over time.

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| **Key considerations for HR policy drafting** |
| It is best practice to ensure that the HR policy is:   * Drafted by someone with HR or workforce management expertise, based on a solid understanding of national legal requirements. * In written form and in a language that is accessible to your workforce (with multiple translated versions, where necessary). * Easily available to workers in print and / or digitally, depending on your organisation. For example, in some gig or agent models, it may be appropriate to provide HR info via mobile apps. * Communicated and explained to workers (including during key times, such as induction / onboarding) * Subject to ongoing review and revision, in light of changing requirements. * Based on internal consultation with workers and their representatives, if applicable. |

# HR policy template

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| Policy date |  |
| Date of last revision |  |
| Policy owner | [DEPARTMENT OR INDIVIDUAL] |

## Purpose and scope

This Human Resources (HR) Policy outlines [ORGANISATION’S] approach to people management. It sets clear expectations on roles and responsibilities, and is applicable to all employees.

[INSERT MISSION OR VISION STATEMENT IF RELEVANT]

Please review this policy and contact [INSERT HR CONTACT PERSON] if you have any questions or concerns.

## Working Conditions and Terms of Employment

Your terms and conditions of employment are elaborated in this policy, as well as in your written contract of employment.

[ORGANISATION] provides wages, conditions of work (including working hours) and benefits that meet or exceed standards set by applicable national law.

Wages and benefits are established according to [DESCRIBE, BASED ON THE FOLLOWING AS APPLICABLE]:

* [NATIONAL MINIMUM WAGE LEGISLATION]
* [COLLECTIVE BARGAINING AGREEMENT]
* [INDIVIDUAL CONTRACTS / INTERNAL PAY SCALE].

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| Note: Basic wages and benefits may be set with reference to a range of sources, including:   * National minimum wage laws: Minimum remuneration that can be paid to wage earners, as established by national laws, regulations or other decision-making authorities. * Collective bargaining agreement: An agreement reached through negotiation between an employer(s) and workers’ organisation(s) which, among other things, seeks to define minimum working conditions and terms of employment. * Internal pay scale: Typically entails a system which defines the range of salaries paid to different job classifications, accounting for responsibility, seniority, experience and other relevant factors.   Your company may also have an additional range of benefits or allowances, including employee stock ownership plans, travel allowances, bonuses, danger pay etc. It is good practice to ensure that these benefits are clearly described in contracts and policies, including key information such as when these benefits vest, how they can be claimed, and if they are subject to any limitations / restrictions. |

Consistent with [APPLICABLE LEGISLATION / COLLECTIVE AGREEMENT] standard working hours, rest periods, and leave allowances are as follows:

* [INFORMATION ON WORKING HOURS, DAILY REST, WEEKLY REST]
* [INFORMATION ON APPLICABLE HOILDAY AND LEAVE, INCLUDING MATERNITY / PATERNITY / SHARED PARENTAL LEAVE]

Wage deductions will not be made except when required and where permitted under national law.

Overtime work will be requested and performed consistent with applicable contracts and national law, including relevant standards on pay premiums and restrictions on hours. Overtime can be accepted or declined by an employee on a voluntary basis.

## Workers’ Organisations and Freedom of Association

Consistent with national law, [ORGANISATION] respects the ability of employees to organise and make their voices heard. This includes the right to:

* Form or join a union or workers’ organisation of choice, without retaliation or interference and to engage in collective bargaining, consistent with national law [where applicable].
* Engage in non-union forms of engagement, such as committees, associations or other forms, as applicable.

We commit to engaging with employees and their organisations in a manner that is constructive and based on national legal requirements.

## Non-Discrimination and Equal Opportunities

[ORGANISATION] will ensure that the employment relationship is based on the principle of equal opportunity and fair treatment, and will not discriminate with respect to any aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, and disciplinary practices.

[ORGANISATION] will ensure that discrimination does not take place on the basis of personal characteristics unrelated to inherent job requirements, including gender, race, nationality, ethnicity, social and indigenous origin, religion or belief, disability, age or sexual orientation, and on any other basis defined under national law. This includes a specific commitment to ensuring:

* Equal pay for men and women for work of equal value.
* Principles of non-discrimination apply to vulnerable groups; for instance, migrant workers, refugees and indigenous persons.
* Measures are in place to prevent and address any form of violence, harassment, bullying, intimidation and/or exploitation [INSERT CROSS-REFERENCE TO ORGANISATION’S GBVH POLICY].[[1]](#footnote-2)

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| Note: National laws and regulations can prescribe specific rules governing non-discrimination and anti-harassment measures. Always ensure that a thorough review of national legal requirements is conducted to ensure that your HR policy is consistent. |

## Termination of the employment relationship

Termination of the employment relationship may occur due to:

* **Resignation:** Voluntary employment termination initiated by the employee.
* **Dismissal:** Involuntary employment termination initiated by [ORGANISATION], consistent with this policy and national law.
* **Retrenchment:** See section below.
* **Retirement.**

In all cases, applicable benefits and payments due at termination will be paid according to national law.

#### Resignation

In case of resignation:

* [DEFINE MINIMUM NOTICE PERIOD]
* [RETURN OF COMPANY PROPERTY]
* [ADMINISTRATIVE REQUIREMENTS FOR TERMINATING INSURANCE, PENSION AND OTHER BENEFITS]
* [RELEVANT PAYMENTS, INCLUDING ACCRUED LEAVE]
* [EXIT INTERVIEW PROCESS]

#### Dismissal

In case of dismissal:

* [DEFINE EXPECTED CONDUCT AND DISCIPLINE APPROACH]
* [DEFINE GROUNDS FOR DIMISSAL AND MISCONDUCT]
* [DEFINE DISCIPLINARY PROCESS, INCLUDING GROUNDS FOR APPEAL AND GRIEVANCE PROCESS]

In all cases, [ORGANISATION’S] approach to discipline is consistent with other policy commitments, including non-discrimination, equal opportunity and freedom of association. Discipline will not take place on the basis of discriminatory grounds or due to an employee’s involvement in legitimate trade union activities.

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| Note: National laws and regulations often set standards on when and how the employment relationship is terminated, including notice periods, reasons for dismissal, grounds for misconduct and mandatory retirement ages. Always ensure that a thorough review of national legal requirements is conducted to ensure that your HR policy is consistent with local laws. |

## Retrenchment

[ORGANISATION] commits to carrying out analysis of alternatives to retrenchment prior to the implementation of any retrenchment or collective dismissal.[[2]](#footnote-3)

If retrenchment is unavoidable, we commit to developing and implementing a retrenchment plan based on the principle of non-discrimination, that reflects consultation with workers, their organisations, and any other actors as required. Notice of dismissal, severance payments, back pay, and other payments / benefits will be provided in a manner consistent with laws, regulations or contractual requirements.

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| Note: Guidance and templates relating to retrenchment planning are provided separately. |

## Grievance Mechanism

[ORGANISATION] commits to providing a confidential grievance mechanism for all employees and employee representatives to raise work-related complaints or concerns, including anonymous complaints if necessary.

Workers who raise grievances will not be subject to retaliation or reprisal on the basis of having raised a concern or complaint.

For more details about the grievance procedure, including grievances pertaining to the gender-based violence and sexual harassment code of conduct, please refer to [ORGANISATION’S GRIEVANCE PROCEDURE].

## Child Labour

[ORGANISATION] does not employ workers under the age of [NATIONAL MINIMUM AGE TO ACCESS EMPLOYMENT]. Consistent with national requirements, industry standards, and our own risk assessments, we also prohibit the engagement of workers under 18 from undertaking work that is deemed hazardous.

Appropriate procedures, including age verification, will be put in place to ensure that these requirements are met.

## Forced Labour

[ORGANISATION] commits to ensuring all workers enter into employment of their own free will, voluntarily and without coercion. We prohibit:

* The use of deposits or bonds as a condition of employment.
* Recruitment fees or other similar fees which are paid to receive a job are also prohibited.
* The retention of original identity papers, passports, work visas or other personal documents (including the retention of these documents by third parties), unless required to do so by national law. Where document retention is required by national law, workers will be given free and timely access to their documentation without exception.

## Occupational Health and Safety (OHS)

[ORGANISATION] commits to providing a safe and healthy working environment for all staff, and limiting risks that arise from work activities. This includes:

* Developing risk assessments, applicable management plans / standard operating procedures, emergency response plans and other documents as necessary.
* Providing ongoing information, instruction and supervision for workers on OHS matters.
* Providing appropriate and ongoing training to ensure all workers are competent and able to do their jobs safely.
* Documenting, collecting and recording OHS-related information, including accidents, injuries, near-misses and fatalities.
* Consulting the workforce on health and safety matters.

Please follow up directly with [OHS CONTACT] if you have any specific health and safety questions or concerns.

## Privacy and employee data

[ORGANISATION] is committed to safeguarding employee privacy:

* [HOW, AND WHAT INFORMATION IS COLLECTED OR MONITORED].
* [MEASURES IN PLACE TO PROTECT EMPLOYEE PRIVACY].
* [HOW EMPLOYEES CAN RAISE PRIVACY CONCERNS, INCLUDING LINK TO GRIEVANCE PROCEDURE].

1. For further guidance on developing a GBVH policy, see [insert cross-reference to BII template for GBVH policy]. [↑](#footnote-ref-2)
2. Collective dismissal refers to all instances of multiple dismissal as a result of economic, technical or organisational reasons, or any other reason unrelated to a worker’s performance or personal reasons. [↑](#footnote-ref-3)