



**European Bank**  
for Reconstruction and Development

# EBRD Performance Requirement 2

## Labour and working conditions

# Children, young people and work

## Guidance note

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The European Bank for Reconstruction and Development (EBRD) wishes to ensure that the working conditions in the projects that it finances comply with national labour laws and health and safety regulations and international good practice in these areas. The EBRD's specific requirements are summarised in its Performance Requirement (PR2) on labour and working conditions.

### At-a-glance summary

All EBRD clients need to:

- comply with minimum age requirements set out in International Labour Organization (ILO) Conventions or national legislation (whichever offers the greatest protection to young people under the age of 18) and keep records of the dates of birth of all employees verified by official documentation.
- check the activities carried out by young workers and ensure that under-18s are not employed in hazardous work, including in contractor workforces. Hazardous work will normally be defined in national legislation and will be likely to include most tasks in construction and several in agriculture.
- assess the safety risks relating to any work by under-18s and carry out regular monitoring of their health, working conditions and hours of work.
- ensure that contractors have adequate systems in place to identify workers under the age of 18 and to ensure that they are not engaged in hazardous work, and that their work is subject to appropriate risk assessment and health monitoring.
- assess the risk of child labour occurring in the core supply chain and, where identified, take steps to remedy or mitigate the problem.

# 1. What are the EBRD's standards with regard to children and young people in the workplace?

The European Bank for Reconstruction and Development (EBRD) wishes to ensure that working conditions in the companies and projects that it finances comply with national labour and health and safety laws and regulations, and are aligned with international good practices. The EBRD's requirements are summarised in its Performance Requirement (PR2)<sup>1</sup> on labour and working conditions. The specific provisions regarding children and young workers are detailed in PR2.9 and PR2.10.

## EBRD requirements PR2.9 and 2.10

“The client will comply with all relevant national laws or international labour standards regarding employment of minors, whichever provide a higher degree of protection for the child, related to the employment of minors.

The client will not employ children in a manner that is economically exploitative, or is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development. Young people below the age of 18 will be identified by the client and will not be employed in hazardous work. All work of persons under the age of 18 shall be subject to an appropriate risk assessment and regular monitoring of health, working conditions, and hours of work.”

This means that all EBRD clients are required to comply with international standards or national laws on the employment of minors (under-18s), whichever offer the greatest degree of protection. This requirement applies not only to workers directly employed by the client, but also to the employees of any contractors working on project sites or performing work directly related to the core functions of the project. There is also an additional requirement to assess the risk of children performing unlawful work in core supply chains – see Section 2.

International standards on the employment of minors are set out in two international conventions established by the UN specialist agency for labour and employment, the International Labour Organization (ILO). These are Convention No. 138 (Minimum Age) and Convention No. 182 (Worst Forms of Child Labour).

These ILO standards represent the minimum requirements that must be followed by EBRD clients. Although all EBRD countries of operations have ratified these conventions, there may still be instances where national law falls short of ILO standards (for example, if the law allows for under-18s to perform some hazardous tasks). In addition, EBRD clients must abide by any provisions of national law that set out requirements which are more stringent than ILO standards.

<sup>1</sup> <http://www.ebrd.com/who-we-are/our-values/environmental-and-social-policy/performance-requirements.html>

## 2. What is unacceptable work for children and young people?

The EBRD follows the international standards of the ILO in stating that work is unacceptable for children if:

- the child is too young to enter work or employment, or
- the work concerned is hazardous.

### How old is the child or young person?

The ILO standards identify age groups for which different forms of economic activity (work) are acceptable. The key age is 15, which is established as the prevailing norm worldwide for admission to employment. However, it is important to note that national legislation may set a higher threshold, which typically coincides with the end of compulsory schooling.

### Minimum age for work according to ILO standards

Age group	Forms of economic activity (work) permissible
0-12 years	None
13-14 years*	'Light work' only, <sup>2</sup> not formal employment
15-17 years*	All work, except 'hazardous work'
18 years and over	All work

\* Check national legislation for higher thresholds.

### Is the work hazardous?

Even when children are above the minimum age of employment, their work can still be classified as 'child labour' if it involves hazardous conditions. ILO Convention 182 calls on national governments to define hazardous work and to set out a list of jobs that are prohibited for under-18s, indicating the following:

- work underground, under water, at dangerous heights or in confined spaces
- work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads
- work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health
- work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer
- work that exposes children to physical, psychological or sexual abuse.

It is important to check the national definition of hazardous work, the content of any list of hazardous work and any restrictions on the type of work that can be carried out by under-18s (such as in relation to work at night, or overtime work).

<sup>2</sup> National laws may permit children aged 13 or 14 years to engage exceptionally in 'light work' outside school hours or during school holidays, as long as it does not affect their development or schooling. A practical rule of thumb is that 'light work' is not more than two hours per day or twelve hours per week.

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## 3. What is good for children and young people is good for business

Work that is unacceptable for children is both a cause and a consequence of poverty. Poverty pushes children into work. Yet work that is hazardous to the health of a child or interferes with the child's education can have significant long-term effects on the development of the child and on society, by producing successive generations of adults who lack the basic skills they need to break the cycle of poverty and to function in a modern economy.

Indeed, safeguarding against children doing work that is unacceptable for them can also generate benefits for business:

- **Risk management:** The EBRD is not alone in requiring adherence to internationally recognised labour standards. Increasingly, compliance with international labour standards is an accepted benchmark, particularly where access to higher-value markets is in question.
- **Reputation:** Help secure the 'social licence to operate' by demonstrating that the company is a responsible employer.
- **Statutory compliance:** Attention to this issue can help companies to decrease their exposure to legal liability for non-compliance, thus reducing inspection visits, fines or the legal costs of addressing claims.
- **Development of a skilled workforce for the future:** Human capital is an essential element of any company. Companies need a healthy, educated labour force as well as a prosperous consumer base to facilitate production and market growth. Work that is for unacceptable for children can undermine these objectives by distorting adult labour markets, limiting the growth of human capital, and having a negative impact on society as a whole.

## 4. How to safeguard against children doing work that is unacceptable for them

**There are a number of practical steps an EBRD client can take to ensure that it has the appropriate policies and procedures in place to comply with EBRD PR2.9 and 2.10. These also apply to third-party contractors and labour providers, a particular risk in the context of construction activities.**

- Check the minimum age for employment, hazardous work and light work according to national legislation. Is there a gap between the age for terminating compulsory schooling and the minimum age for admission to employment?
- Set up a procedure to ensure that all workers are above the minimum legal age of employment at the time of hiring (for example, asking for identity documents to check date of birth, and retaining copies).

If your company hires workers younger than 18:

- Keep a register of all workers under 18, including sex-disaggregated data, at least in compliance with national legislation on age documentation.
- Make sure that workers under 18 are not exposed to verbal or physical abuse in the workplace.
- Make sure that workers under 18 are not required to work in hazardous conditions, such as jobs that involve hazardous substances, dangerous equipment or heavy lifting.
- Check to see whether national legislation sets out a list of jobs that under-18s are prohibited from doing.
- Conduct a risk assessment for work carried out by workers under the age of 18.
- Check what national legislation says about working hours for workers under 18 (such as reduced hours, overtime, work at night). At a minimum, ensure that young workers have at least 12 hours of rest each day and one day off work per week.
- Establish a system to regularly monitor the health, working conditions, and hours of work of all workers under 18, in line with national data-protection legislation.

- Ensure that workers aged 13-15 are only doing light work outside school hours, in accordance with national legislation, or working in a government-approved training programme.
- Ensure that contractors have adequate systems in place to identify workers under 18 years of age and to ensure that those workers are not engaged in hazardous work, and that their work is subject to appropriate risk assessment and health monitoring.

## 5. Identifying child labour in supply chains

Under PR2, EBRD clients are required to take steps to eliminate child labour from their core supply chain. PR2 also includes requirements to eliminate forced labour and significant safety issues, which may also be present where a company uses child labour. There are close links between child labour and forced labour, which are both more likely to arise in areas where there are high levels of poverty, vulnerability and inequality, and weak enforcement of labour laws. According to ILO estimates, children represent 18 per cent of those subject to forced labour exploitation.<sup>3</sup>

### EBRD requirements on supply chains: PR2.24 and 2.25

“As part of the supply chain assessment process outlined in PR1, the client will identify and assess the risk of child labour and forced labour being used in its supply chains of goods and materials which are central to the core functions of the project (core supply chains). If the client learns that child labour or forced labour in contravention of ILO standards are present in a core supply chain, the client will take appropriate steps to remedy this in accordance with the requirement below:

- If child labour is detected, good faith efforts should be made to remediate or mitigate the problem. The client should only continue to procure such goods or materials from that supplier, having received satisfactory undertakings or evidence that the supplier is committed to implementing a programme in line with GIP to eliminate such practices within a reasonable time frame. The client will report on progress with the implementation of such programme on a regular basis.
- In relation to forced labour, the client should only continue to procure such goods or materials from that supplier having received satisfactory undertakings or evidence that the supplier has taken appropriate steps to eliminate the conditions that constitute forced labour.
- Where there is a risk of child and/or forced labour, the client will monitor its primary supply chain on an ongoing basis in order to identify any significant changes in its supply chain and new risks or incidents of child and/or forced labour.

Additionally, where significant safety issues are identified among primary supply chain workers, the client will introduce procedures and mitigation measures to ensure that relevant suppliers are taking steps to prevent these situations. The ability of the client to fully address these risks will depend on the client’s level of management control or influence over its primary suppliers. The client will shift the affected primary supply chain over an agreed time frame to suppliers that can demonstrate that they are complying with this PR.”

<sup>3</sup> See “Global estimates of modern slavery: forced labour and forced marriage”, International Labour Organization and Walk Free Foundation (2017), [https://www.alliance87.org/global\\_estimates\\_of\\_modern\\_slavery-forced\\_labour\\_and\\_forced\\_marriage.pdf](https://www.alliance87.org/global_estimates_of_modern_slavery-forced_labour_and_forced_marriage.pdf)

PR2.24 requires all clients to assess the risk of child labour in all core supply chains as part of the supply-chain assessment process outlined in PR1. The due diligence process should pay attention to both domestic and international supply chains. Some supply-chain sectors and regions that carry a high risk of child labour

are indicated below, based on US Department of Labor research (2016).<sup>4</sup> Particular attention should be given to the supply-chain assessment process wherever a supply chain engages the sectors and countries listed below, and the results of the supply-chain assessment should be communicated to the EBRD.

	Sector	Supply chain	Countries
<b>Domestic supply chain</b>	Agribusiness (food processing, retail)	Primary agriculture or horticulture	Lebanon, Turkey
	Manufacturing	Cotton	Azerbaijan, Egypt, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkey, Turkmenistan, Uzbekistan
		Silk cocoons	Uzbekistan
	Construction	Construction materials	<i>Limestone</i> – Egypt
	Minerals	Coal	Mongolia, Ukraine
		Fluorspar	Mongolia
Gold		Mongolia	
<b>Global supply chain</b>	Trade	Primary commodities and foodstuffs	<i>Cocoa</i> – Cameroon, Côte d'Ivoire, Ghana, Guinea, Nigeria, Sierra Leone
			<i>Coffee</i> – Colombia, Costa Rica, Côte d'Ivoire, Dominican Republic, El Salvador, Guatemala, Guinea, Honduras, Kenya, Mexico, Nicaragua, Panama, Sierra Leone, Tanzania, Uganda, Vietnam
			<i>Cotton</i> – Argentina, Benin, Brazil, Burkina Faso, China, India, Mali, Paraguay, Zambia
			<i>Fish</i> – Cambodia, Ghana, Indonesia, Kenya, Peru, Philippines, Uganda, Vietnam, Yemen
			<i>Palm oil</i> – Indonesia, Malaysia, Sierra Leone
			<i>Sugarcane</i> – Belize, Bolivia, Brazil, Cambodia, Colombia, Dominican Republic, El Salvador, Guatemala, India, Kenya, Mexico, Myanmar, Panama, Paraguay, Philippines, Thailand, Uganda, Vietnam
			<i>Tea</i> – Kenya, Malawi, Rwanda, Tanzania, Uganda, Vietnam
	Retail	Garments	Argentina, Bangladesh, India, Thailand, Vietnam
		Toys	China
	Manufacturing	Components	<i>Tin, copper</i> – Democratic Republic of Congo <i>Tin</i> – Bolivia
		Electronics	China
		Rubber	Cambodia, Indonesia, Liberia, Myanmar, Philippines, Vietnam
		Timber	Cambodia, Vietnam
	Construction	Construction materials	<i>Bricks/stone/gravel</i> – Afghanistan, Argentina, Bangladesh, Bolivia, Brazil, Cambodia, China, Colombia, Ecuador, Guatemala, India, Iran, Madagascar, Myanmar, Nepal, Nicaragua, Nigeria, Pakistan, Paraguay, Peru, Uganda, Vietnam, Zambia
			<i>Timber</i> – Cambodia, Vietnam

<sup>4</sup> See “Findings on the Worst Forms of Child Labor”, United States Department of Labor (2016, updated regularly), <https://www.dol.gov/agencies/ilab/resources/reports/child-labor/findings>

## 6. Further resources

Where risks are identified, the client must take reasonable steps to address those risks in line with PR2.24 and 2.25. Furthermore, monitoring and reporting systems must be put in place for the duration of the operation or project financed by EBRD. There are various examples of how international good practice can be used to remediate or mitigate the problem:

- Make new and existing suppliers aware that the use of child labour will not be tolerated, and provide clear information about what constitutes child labour.
- Include child labour restrictions in contracts, for example requiring suppliers to abide by a minimum age for employment and stipulating that hazardous tasks cannot be undertaken by under-18s, as well as requiring regular reporting on the implementation of procedures to ensure that children and young people are not subject to doing unacceptable work.
- Encourage suppliers to obtain certification on labour standards and/or join a credible sectoral or regional initiative to address supply-chain labour standards, including those on child labour.
- Work with suppliers to improve conditions. This can include support to move children below the minimum age of employment from work to school, or to move children above the minimum age of employment to non-hazardous activities.
- Consider adopting internationally recognised supply-chain management processes, such as ISO 20400 on sustainable procurement.
- Consider dropping suppliers that fail to make serious efforts to solve child labour issues. This should be preceded by clear warnings that make clear the consequences of continued non-compliance.

**ILO and International Organisation of Employers (2015)**  
*“How to do business with respect for children’s right to be free from child labour”*

[http://www.ilo.org/ipec/Informationresources/WCMS\\_IPEC\\_PUB\\_27555/lang--en/index.htm](http://www.ilo.org/ipec/Informationresources/WCMS_IPEC_PUB_27555/lang--en/index.htm)

(last accessed on 5 December 2017)

**ILO and Walk Free Foundation (2017)**

*“Global estimates of modern slavery: forced labour and forced marriage”*

[https://www.alliance87.org/global\\_estimates\\_of\\_modern\\_slavery-forced\\_labour\\_and\\_forced\\_marriage.pdf](https://www.alliance87.org/global_estimates_of_modern_slavery-forced_labour_and_forced_marriage.pdf)

(last accessed on 5 December 2017)

**ILO (2006)**

*“Tackling hazardous child labour in agriculture”*

<http://www.ilo.org/ipecinfo/product/viewProduct.do?productId=2799>

(last accessed on 5 December 2017)

**ILO**

*Q&As on business and child labour*

[http://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS\\_DOC\\_ENT\\_HLP\\_CHL\\_FAQ\\_EN/lang--en/index.htm](http://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_CHL_FAQ_EN/lang--en/index.htm)

(last accessed on 5 December 2017)

**ILO**

*ILO Conventions and recommendations on child labour*

<http://www.ilo.org/ipec/facts/ILOconventionsonchildlabour/lang--en/index.htm>

(last accessed on 5 December 2017)

**US Department of Labor**

*Findings on the Worst Forms of Child Labor*  
(2016, updated regularly)

<https://www.dol.gov/agencies/ilab/resources/reports/child-labor/findings>

(last accessed on 5 December 2017)