Environmental and Social Sustainability Framework

Standard 8 – Labour Rights

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STANDARD 8: LABOUR RIGHTS

INTRODUCTION

The workforce is a fundamental asset for any operation. Sound management of human resources 1 and labour relations is key for sustainable business practices, employment creation and inclusive economic growth. The development of fair, safe and healthy working conditions based on respect for workers' rights fosters efficiency and productivity. In contrast, failure to create and maintain a sound employment relationship can undermine workforce commitment and effective project implementation.

OBJECTIVES

- This Standard outlines the promoter's responsibilities with regard to the assessment, management 2 and monitoring of labour-related impacts and risks associated with projects. It recognises workers and employers as both rights-holders and duty-bearers.
- 3 The Standard specifies the requirements in alignment with the rights and principles of the Fundamental Conventions of the International Labour Organisation (ILO)¹ and the European Pillar of Social Rights². The objective of this Standard is to set out minimum requirements that the project's policies and procedures shall address, including:
 - Ensuring the fair treatment, non-discrimination and equal treatment and opportunity of workers, especially vulnerable workers facing particular risks due to context-specific socioeconomic characteristics3:
 - Zero tolerance for the use of forced labour⁴ and child labour⁵; •
 - Respecting the principles of freedom of association and collective bargaining;
 - Protecting and promoting safety and health at work; •
 - Promoting a sound worker-management relationship⁶; •
 - Ensuring that accessible and effective means to raise and address workplace concerns are available to workers.

SCOPE

4 This Standard applies to all projects and the specific requirements that need to be addressed, including to achieve consistency with the "Minimum Safeguards" (MS) principles⁷, are determined during the environmental impact assessment/ environmental and social impact assessment (EIA/ESIA) process (as outlined in Standard 1)8. The scope of application depends on the type of contractual relationship between the promoter and workers. The promoter and third parties shall

https://www.ilo.org/global/publications/books/WCMS 20928 <u>)/lang--en/index.htm</u>.

¹ More information in https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-andrecommendations/lang--en/index.htm.

² https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-

rights/european-pillar-social-rights-20-principles en. ³ Including, but not limited to, sex, sexual orientation, gender, gender identity, ethnicity, caste, indigenous or social origin, age, disability, religion or belief, political or any other opinion, activism, affiliation to a union or any other form of workers' organisation, nationality, language, marital or family status, medical condition, or migrant, minority or economic status. The vulnerability of workers is related, among other issues, to their level of legal protection, bargaining position and their isolation.

⁴ Forced or compulsory labour refers to work that is performed under the menace or threat of penalty and for which the person has not offered himself or herself voluntarily. It refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities. https://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm

⁵ Child labour refers to the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, moral or social development. In addition, any labour that is performed by a person who has not yet reached the age of 15 is considered to be harmful, unless the local legislation specifies a higher age for compulsory school attendance or a higher minimum age for working; in such cases, the higher age will be applied for defining harmful child labour.

⁶ See as reference ILO Recommendation 198 and the accompanying guides.

⁷ As defined in the EU Taxonomy Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 - https://eurlex.europa.eu/eli/reg/2020/852/oj.

⁸ During the EIA/ESIA process and depending on the significance of the potential issues in the project relating to labour rights, the views of representative workers' and employers organizations may be sought.

refrain from entering into employment relationships having the effect of circumventing national labour law requirements.

- 5 This Standard applies to project workers including full-time, part-time, temporary, seasonal and migrant workers. Throughout this Standard, the term "project worker" is used to refer to:
 - People employed or engaged directly by the promoter (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers);
 - People employed or engaged through third parties to perform work related to core functions of the project⁹, regardless of location (third-party workers)¹⁰.
- This Standard also sets out specific requirements vis-à-vis people employed or engaged by the 6 promoter's primary suppliers (supply chain workers). Supply chain-related labour requirements are addressed in paragraphs 56 to 59 of this Standard.¹¹

GENERAL REQUIREMENTS

- All projects located in EU and EFTA countries shall comply with applicable national and EU 7 legislation¹² and the principles enriched in the Treaties and related EU labour and employment policies¹³, as well as with any obligations deriving from the applicable international conventions and multilateral agreements signed and ratified by the host country¹⁴.
- All projects located in Candidate and potential Candidate countries and in the rest of the world 8 shall comply with applicable national labour and employment legislation and this standard which reflects the core principles and essential procedural elements laid down by the EU legislation that the EIB considers relevant regarding labour rights. In addition, projects shall as well comply with any obligations deriving from the relevant international conventions and multilateral agreements signed and ratified by the host country or otherwise applicable in the host country¹⁵.

SPECIFIC REQUIREMENTS

Projects located in EU and EFTA countries

- The promoter shall pay special attention to identifying the likelihood of risks of child labour, forced labour, discrimination and unequal treatment towards migrant or non-national workers, discrimination and/or restrictions to freedom of association or other risks of violations of fundamental labour rights, due to the country context, sector, contractor or supply chain.
- 10 Regarding supply chain workers, the promoter shall apply the requirements of paragraphs 56 to 59 of this Standard.
- 11 When requested, the promoter shall provide the Bank with the relevant human resources policies and management systems or procedures, as well as relevant labour reports by the national labour inspectorate or, if available, by the European Labour Authority, to assess compliance with the

⁹ 'Core functions' of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

Third parties may include contractors, subcontractors, brokers, agents or intermediaries. They do not include suppliers.

¹¹ Primary suppliers are those suppliers who provide directly to the project goods or materials essential for the core functions of the project.

¹² In particular EU Directives 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ 2000 L 303, p. 16) and Directive 2006/54/EC on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJ L 204, 26.7.2006, p. 23). ¹³ Particularly the relevant provisions of the Charter of Fundamental Rights of the European Union <u>https://eur-</u>

lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012P/TXT and the European Pillar of Social Rights

https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-

social-rights en.

social-rights en. ¹⁴ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁵ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁶ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁷ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁸ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁹ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁰ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁰ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁰ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁰ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁰ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and ¹⁰ In particular the Core Labour Standards as outlined in the ILO Declaration on Fundamental Principles and Rights at Work and Principles at Work at Wor ILO Conventions, including, but not limited to: ILO Conventions 29 and 105 (Forced and bonded labour), 87 (Freedom of association), 98 (Right to collective bargaining), 100 and 111 (Discrimination), 138 (Minimum age) 158 (Termination of Employment) 182 (Worst forms of child labour) C190 (Violence and harassment & accompanying recommendation R206); UN Convention on the Rights of Persons with Disabilities <u>https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html</u>. International Convention on the Elimination of all Forms of Racial Discrimination https://www.ohchr.org/en/professionalinterest/pages/cerd.aspx Convention on the Elimination of All Forms of Discrimination against Women https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx. International Convention on the Protection Migrant All Workers Members of the Rights of and of Their Families https://www.ohchr.org/EN/ProfessionalInterest/Pages/CMW.aspx.

relevant legislation. The promoter may be required to supplement its assessment and policies and procedures, in line with EU legislation and the provisions listed in this Standard.

Projects located in Candidate and potential Candidate countries and the rest of the world

12 In addition to the requirements specified in paragraph 8 above, the promoter shall comply with the requirements of paragraphs 13 to 61.

Management of working relationships

- 13 The promoter shall develop and/or maintain written labour management policies and procedures that are commensurate to its size and workforce and applicable to the project. These shall be communicated in a culturally appropriate manner to the project workers.
- 14 These labour management policies and procedures cover such aspects as working time, working conditions (including health and safety, as well as privacy standards for company-provided facilities), hiring and promotion practices, terms of employment including benefits, entitlement to and payment of wages¹⁶, maternity protection, protection against violence and harassment, capacity building and skills development, non-discrimination and equal opportunity practices, grievance resolution, disciplinary procedures and dismissals.
- 15 The labour management policies and procedures shall also describe how the promoter plans to comply with the requirements deriving from national labour and employment law, applicable collective agreements and the requirements of this Standard.
- 16 Project workers shall not be employed informally and they shall all have valid written employment contracts. The employment contracts shall set out working conditions and terms of employment including entitlement to wages, working hours, overtime arrangements and overtime compensation, and any benefits (such as leave for illness, maternity/paternity or holiday). Any material changes to the terms and conditions of employment shall be communicated to the project workers in a culturally appropriate manner.
- 17 Where civil servants are working in connection with the project, whether full-time or part-time, they remain subject to the terms and conditions of their existing public sector employment agreements, unless there has been an effective legal transfer of their employment or engagement to the project.
- 18 The promoter shall keep updated employment records whilst ensuring project workers' rights to privacy and data protection.

Terms and conditions of employment

- 19 The employment conditions of project workers (including wages, benefits, and working hours) shall not be less favourable than for the equivalent type of work in the relevant country/region of the operation and industry. The promoter shall ensure that wages paid are fair and in accordance with minimum thresholds under national legislation.
- 20 The promoter shall comply with collective bargaining agreements undertaken with workers' organisations and will promote fair working conditions.
- 21 The promoter shall ensure that project workers are paid on a regular basis as required by national law and labour management procedures.
- 22 Working hours, including breaks and rest periods, shall comply with national legislation and any collective agreements.
- 23 Where accommodation services¹⁷ are provided to project workers, these shall be consistent with provisions set out in Standard 9.

¹⁶ This should include overtime arrangements and compensation.

¹⁷ These services can be provided either by the promoter directly, or by third parties.

Child labour

- 24 In line with the ILO Minimum Age Convention No.138 and the Worst Forms of Child Labour Convention No.182¹⁸, the promoter shall not employ, use or benefit from child labour. The promoter shall comply with the minimum age requirements defined under the aforementioned ILO unless the national standards are more stringent.
- 25 Children over the minimum age and under the age of 18 may be employed or engaged in connection with the project subject to an appropriate risk assessment prior to the work commencing and the regular monitoring of health, working conditions and working hours. Children shall not be employed informally, even when this is socially or culturally acceptable practice in the sector, country or region.
- 26 If the practice of child labour is identified among the project workers (including all kinds of thirdparty workers), the promoter shall take immediate steps to correct and remedy them. The promoter shall also report to the EIB about such practices and the remedial measures taken.
- 27 The promoter shall require its contractors to apply the same standards and practices with respect to child labour.

Forced labour

- 28 The promoter shall not employ forced or compulsory labour and shall ensure such labour does not take place in relation to the project, by its contractors and suppliers^{19 20}. Forced labour covers any kind of involuntary or compulsory labour, such as indentured labour, bonded labour, or similar labour-contracting arrangements as well as human trafficking²¹. The promoter shall provide special attention to identifying which project workers might be at greater risk of trafficking due to certain socioeconomic characteristics such as age, disability, ethnicity and/or gender.
- 29 Taking into account security considerations and the nature of the work, the promoter shall avoid any unnecessary restriction of the freedom of movement of its labour force during the course of their employment. Furthermore, the promoter shall not engage in or tolerate any form of corporal punishment, mental or physical coercion, or abuse of personnel.
- 30 If the practice of forced labour is identified among the project workers (including all kinds of thirdparty workers), the promoter shall take immediate steps to terminate the practice, offer conditions of work that are not coercive and refer the case to the competent law enforcement authorities. The promoter shall also report to the EIB about such practices and the remedial measures taken.

Migrant workers

- 31 The promoter shall identify the employment of migrant project workers and shall ensure their treatment is not less favourable than that of non-migrant project workers undertaking similar functions²². This includes equal remuneration and the enjoyment of the same rights, equal opportunities and equal treatment.
- 32 The promoter shall not tolerate any physical or psychological coercion of migrant workers, including unnecessary restrictions on their movement or the retention of workers' identity

¹⁸ Useful indications for the promoter may be found here <u>http://www.ilo.org/public/libdoc/ilo/2008/108B09_260_engl.pdf</u>, pp.27-30.

¹⁹ Article 2 of the ILO <u>Protocol P029 - Protocol of 2014 to the Forced Labour Convention, 1930 (ilo.org)</u> includes measures to prevent forced or compulsory labour.

²⁰ Specific requirements applicable to third party workers and supply chain workers are in paragraphs 52 to 59.

²¹ The "Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime defines Trafficking in Persons as the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation will include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs (article 3, paragraph (a)). https://www.ohchr.org/en/professionalinterest/pages/protocoltraffickinginpersons.aspx.

²² Consistent with the 1990 UN Convention on the Protection of the Rights of all Migrant Workers and Members of their Families https://www.ohchr.org/en/professionalinterest/pages/cmw.aspx.

documents, such as passports, or personal belongings. The promoter shall make best efforts to ensure that the project's primary suppliers uphold the same principles.

Non-discrimination and equality of opportunity and treatment

- 33 The labour management policies and procedures shall be non-discriminatory and shall observe equal opportunities. Employment-related decisions shall be based on professional skills and competencies. The treatment of project workers must be fair and equal in all its aspects, including equal pay for equal value, recruitment, promotion, termination of employment and disciplinary practices.
- 34 Decisions relating to the employment or treatment of project workers shall not be made on the basis of personal or socioeconomic characteristics²³, which are unrelated to inherent job requirements. The promoter shall ensure that sex, sexual orientation, gender or gender identity, caste, racial, ethnic, social or indigenous origin, genetic features, age, birth, disability, religion or belief, political or any other opinion, activism, membership of a national minority, affiliation to a union or any other form of workers' organisation, nationality, marital or family status, health status, or migrant, minority or economic status, do not impair equality of opportunity or treatment in employment or occupation, including access to vocational training. The promoter shall take the necessary measures to create an enabling environment and ensure equal access to opportunities.
- 35 The labour management policies and procedures shall set out measures to prevent and address gender discrimination. The promoter shall ensure that human resources and career progression decisions are not affected by gender and/or the reproductive role of women²⁴.
- 36 The promoter shall put in place measures, including workplace policies and an appropriate mechanism, to effectively prevent and address any form of violence and harassment, bullying, intimidation, and exploitation, including any form of gender-based violence and harassment at project level²⁵.

Workers' organisations

- 37 In line with the ILO Convention 87 on Freedom of Association and Protection of the Right to Organise and the ILO Convention 98 on Right to Organise and Collective Bargaining, the promoter shall inform the project workers that they have the right to form or join the workers' organisations of their choosing, elect workers' representatives, , or engage in collective bargaining.
- 38 The promoter shall engage with project workers in good faith, individually and/or through their associations, and provide them with the timely and adequate information needed for meaningful negotiation. The promoter shall improve working conditions through the establishment of consultative forms of worker participation with management on matters of mutual concern, without prejudice to bargaining of working conditions.
- 39 In countries where national law recognises workers' rights to form and to join workers' organisations of their choosing without interference and to bargain collectively, the promoter shall comply with national law. Where national law substantially restricts workers' organizations, the promoter shall not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment; nor shall it discriminate or retaliate against project workers who seek to do so. The promoter shall not seek to control such mechanisms or adversely influence their establishment and function through financial or other means.

²³ As defined in Standard 7.

²⁴ Discrimination on grounds of maternity include dismissals for pregnancy and nursing, failure to grant time for nursing, withholding of pre- and postnatal benefits, denial of promotion, and refusal to allow workers to return to posts occupied before maternity leave.

²⁵ In line with the principles of the ILO <u>Convention C190 - Violence and Harassment Convention, 2019 (No. 190)</u> and accompanying recommendation R206.

Collective dismissals

- 40 When considering any potential collective dismissal²⁶ in connection with the project, the promoter shall carry out an analysis of alternatives to the planned workforce reduction. In the event where a collective dismissal is the only viable option, the promoter shall develop and implement a collective dismissal plan to assess, reduce and mitigate the adverse impacts on the workers. This plan shall be developed in compliance with national law requirements and any pre-existing collective agreements, if any. The promoter shall send the collective dismissal plan to the EIB for review, before it is approved.
- 41 Consultation with project workers, including both men and women, their organisations, the government and any relevant public authority, where required, shall be carried out to mitigate the effects of such decisions. The outcome of the consultations is reflected in the final plan.
- 42 Based on the principles of non-discrimination and equal opportunity and treatment, the promoter shall set criteria for dismissals that are fair and objective and applied in a consistent manner. When available, the promoter shall apply the criteria specified in national legislation or set in the collective agreements or codes of good practice. In any case, the promoter shall use transparent, fair, objective and measurable criteria, such as length of service, qualifications, performance records and disciplinary records.
- 43 The dismissal of a project worker shall generally be preceded by an adequate notice period and timely payments of all due sums in accordance with national law.

Grievance mechanism

- 44 The promoter shall set up an effective, culturally appropriate and gender-responsive grievance mechanism for project workers (and their organisations, where they exist) to raise reasonable workplace concerns. The promoter shall inform project workers of the grievance mechanism at the time of hire and make it easily accessible to them. The mechanism shall address complaints in a timely and effective manner using a transparent process that allows project workers to raise concerns without fear of retribution. The mechanism shall include provisions for anonymous and confidential complaints, as well as special protection measures that may be required by project workers, such as in the case of sexual and/or psychological harassment, exploitation and abuse and any other form of gender-based violence or discrimination. The mechanism shall ensure workers' rights to be present and to participate directly in the proceedings and to be represented by a trade union or person of their choosing²⁷.
- 45 The grievance mechanism shall be proportionate to the nature and scale and the potential labour risks and impacts of the project.
- 46 Access to the grievance mechanism shall not replace or impede subsequent access to other redress mechanisms, such as arbitration procedures, or judicial, administrative or extrajudicial means of redress.

ASSESSMENT REQUIREMENTS

47 For all projects financed by the EIB, the promoter shall establish the scope of application of this Standard as part of the EIA/ESIA process, as outlined in Standard 1. The promoter shall provide the EIB with satisfactory evidence²⁸ and information on its labour practices (and, when relevant, those of its contractors), both at the project appraisal stage and through regular monitoring, as per contractual obligations, and if and when requested.

²⁶ The term collective dismissals, also known as collective redundancies or retrenchment, refers to the dismissal of workers for one or more reasons that do not essentially relate to the conduct, performance or capability of the workers. It therefore does not refer to the natural end of a contract (e.g. the term of a fixed-term contract). It can be caused by many factors such as efficiency gains, economic viability, privatisation, or closure of a workplace. Requirements vis-à-vis retrenchment are enshrined in EU Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies and ILO Convention No. 158 on the Termination of Employment.

²⁷ Please refer to Standard 2 includes additional information on the characteristics of a good grievance mechanism.

²⁸ This includes human resources policies and management systems as well any other document, including reports, collective dismissal plans or other factual evidence, that will allow the Bank to assess compliance.

- 48 Where labour-associated risks to the project have been identified and are significant, the promoter shall commission an independent Labour Assessment²⁹ or Labour Audit³⁰. The Bank may require that this Labour Assessment or Labour Audit be undertaken by a qualified labour specialist. The results of the Labour Assessment or Labour Audit shall be communicated to the EIB.
- 49 Based on the result of this Labour Assessment or Labour Audit, a corrective action plan with appropriate mitigation and remediation measures as well as monitoring requirements shall be put in place and implemented by the promoter and/or contractors, as relevant. The action plan shall be agreed with the EIB.
- 50 The promoter shall communicate the audit findings and action plan, where required, to the contractors and the workers.
- 51 The promoter shall follow up on the correct, timely and effective implementation of the corrective action plan and report to the Bank in a timely manner, as per contractual obligations.

Third-party workers

- 52 For project workers engaged through contractors or intermediaries, the promoter shall use reasonable efforts prior to contracting to: (i) ascertain that these contractors or intermediaries are lawfully operating enterprises; (ii) assess the capacity of the project contractors or intermediaries to assume their legal responsibilities with regard to employment and the implementation of the requirements of this Standard ; and (iii) through contractual clauses, require the project contractors or intermediaries³¹ to apply the requirements stated in paragraphs 7 to 51 and the requirements set out in Standard 9.
- 53 The promoter shall establish policies and procedures for managing and monitoring the performance of third parties in relation to contracted workers and the requirements of this Standard. These policies and procedures shall be commensurate to the size of the third-party workforce.
- 54 The promoter shall ensure that third-party workers also have access to an effective grievance mechanism that meets the requirements of this Standard. In cases where the contractor or the intermediaries do not provide a workers' grievance mechanism, the promoter shall make the grievance mechanism available to the third-party workers.
- 55 The promoter shall require contractors to regularly report about compliance with these standards. Appropriate monitoring procedures shall be put in place as specified in paragraph 60.

Supply chain workers

- 56 The promoter shall make reasonable efforts to assess if there are labour risks associated with the primary suppliers of goods and materials essential to the core functions of the project. Where the promoter can influence its primary suppliers, the promoter shall aim to ensure that they apply the requirements of this Standard³². If the risk assessment identifies the presence or a significant risk of child labour, forced labour or sexual exploitation or abuse at the primary supplier, or when risks are known or have been reported in lower tiers of the supply chain, the promoter shall resort to a primary supplier that can prove it is compliant with this Standard.
- 57 If the presence or a significant risk of child labour, forced labour or sexual exploitation or abuse is identified in relation to an existing primary supplier, the promoter shall engage with the relevant primary supplier to take the appropriate steps to remediate and eliminate such practices in a

²⁹ "Labour Assessment" refers to the review of, at a minimum, the promoter's human resources policies and management capacity to implement and monitor these, including for primary contractors and first-tier suppliers, as well as the relevant management systems and procedures. The assessment may be conducted where significant labour-associated risks are identified, and as part of the EIB's due diligence process. ³⁰ "Labour Audit" refers to a tool used to ensure and support the application of the labour standards and includes a thorough

formal examination of the labour practices of a particular workplace or company, based on corroborated evidence. An audit is conducted as part of the monitoring process - during or after the project implementation - and aims to check these practices against a defined standard and may well extend to supply chains. ³¹ For projects outside the European Union, promoters are required to include an Environmental & Social covenant, as per the

EIB Guide to Procurement, Paragraph 3.8.

³² For projects outside the European Union, promoters are required to include an Environmental & Social covenant, as per the EIB Guide to Procurement, Paragraph 3.8.

satisfactory manner and within a reasonable timeframe. In this process, the ability of the promoter to have the primary supplier address these risks depends on the promoter's level of influence and control over its primary suppliers.

- 58 On a regular basis as agreed with the EIB, the promoter shall report to the EIB on the progress made by the primary supplier in remediating or mitigating the above-mentioned risks. Where there are changes in the supply chain of the primary supplier, the promoter shall continue to monitor the primary supplier to identify any potential for new significant risks of child labour, forced labour and/or sexual exploitation or abuse.
- 59 Should the promoter not receive evidence of remediation, or when remedy proves to be impossible, the promoter shall resort, within a reasonable timeframe agreed with the EIB in consideration of the existing contractual relations, to different primary suppliers that can prove they are compliant with the requirements set out in this Standard.

Monitoring requirements

- 60 The promoter shall conduct regular monitoring and reviews of the project's workforce, including contractors and subcontractors as well as primary suppliers, to be able to identify any labour risks or violation of labour standards with which the project may be involved and implement effective measures to address such risks and violations, setting priorities for taking action and evaluating the results.
- 61 The promoter shall report to the EIB about the results of the monitoring activity as part of its regular reporting requirements.