



OFFICE OF SAFEGUARDS

Environmental & Social Standard 2 Labor and Working Conditions

Presentation for Post Business Opportunity Forum

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SESSION OVERVIEW



- ESS2: Objectives and Key Requirements
- Labor Management Plan and Systems



OBJECTIVES

- Covers **core labor standards**.
- Application of a **consistent systemic approach** to improving the management of risks and impacts related to labor and working conditions in projects.
- Management of project risks **throughout the project cycle**.
- Application of **differentiated and proportionate requirements** to different types of workers.
- Sets the need for accessible means to raise **workplace concerns**.

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WHAT DOES ESS2 COVER?

Differentiated requirements applicable to direct, contracted, community, primary supply workers, government civil servants

Adoption and implementation of project labor management plans

Specification on terms and conditions of work

Emphasis on non-discrimination and equal opportunity and treatment

Requirements on accommodation and arrangements to promote health, and safety

Freedom of association and collective bargaining

Specific provisions addressing child labor and forced labor

Provisions on collective dismissal

Grievance mechanism for all project workers

Training of workers

Behavioral requirements, including Code of Conduct

Requirements for primary suppliers



LABOR MANAGEMENT PLAN - PRINCIPLES

- Conceived during project planning.
- Stand-alone plan or part of other project E&S management documents.
- Proportionate to the size, needs and risks to project workforce.
- Living document – initiated early in project preparation, reviewed and updated throughout development and implementation of a project.
- Identifies main labor requirements and risks associated with the project, establishes how they will be managed.



The LMP and procurement documents (bidding documents, contracts with contractors) should inform each other



Key aspects of the LMP should be incorporated into contractual obligations of contractors and subcontractors

LABOR MANAGEMENT PLAN AND SYSTEM



Identify labor requirements and risks associated

- Management Plans, policies, procedures, tools
- Project company, EPC, subcontractor/supplier organization
- Staffing and resources
- Training, capacity building
- Monitoring, Reporting
- Compliance management

KEY ELEMENTS OF LABOR MANAGEMENT PLAN

1. Overview of different types of workers involved in the project and differentiated application of ESS2 requirements

2. Outline of potential labour and working conditions risks and impacts

3. Overview of host country's applicable laws related to labour working conditions

5. Roles and responsibilities for implementing ESS2 requirements

6. Human resource policies and procedures

7. Minimum age of employment and child labour prevention and monitoring measures

8. Terms and conditions work applicable to different types of project workers

9. Worker's grievance mechanism

10. Contractor management

11. Specific measures for community workers

12. Management and monitoring of CL and FL risks related to primary suppliers

13. Training

14. Monitoring and Assurance



WORKER GRIEVANCE MECHANISM

Labor and Working Conditions

ESS2

I. INTRODUCTION

1. This Environmental and Social Standard (ESS) 2 recognizes that the borrower/client can advance the social and economic well-being of **project workers** through employment generation and that project workers play a major role in delivering quality projects. The International Labour Organization sets and promotes standards and fundamental principles and rights at work. ESS2 promotes equitable standards for labor and working conditions and good human resources management and relationships that support respect for project workers.

II. OBJECTIVES

- Promote fair treatment, nondiscrimination, and equal opportunity for **project workers**, including those who are **disadvantaged or vulnerable**.
- Prevent and address any forms of violence and harassment, bullying, intimidation and exploitation of project workers, including any forms of **sexual exploitation, abuse, and harassment**.
- Support the principles of freedom of association and collective bargaining.
- Prevent the use of **forced labor** and **child labor**.
- Promote, develop, and maintain transparent project worker relationship management.
- Provide project workers with accessible means to raise workplace concerns.

III. SCOPE OF APPLICATION

2. The applicability of ESS2 is established during the environmental and social (E&S) assessment process described in ESS1. The scope of application of ESS2 depends on the type of employment and nature of the employment relationship between the borrower/client and **project workers**.

3. Project workers include:

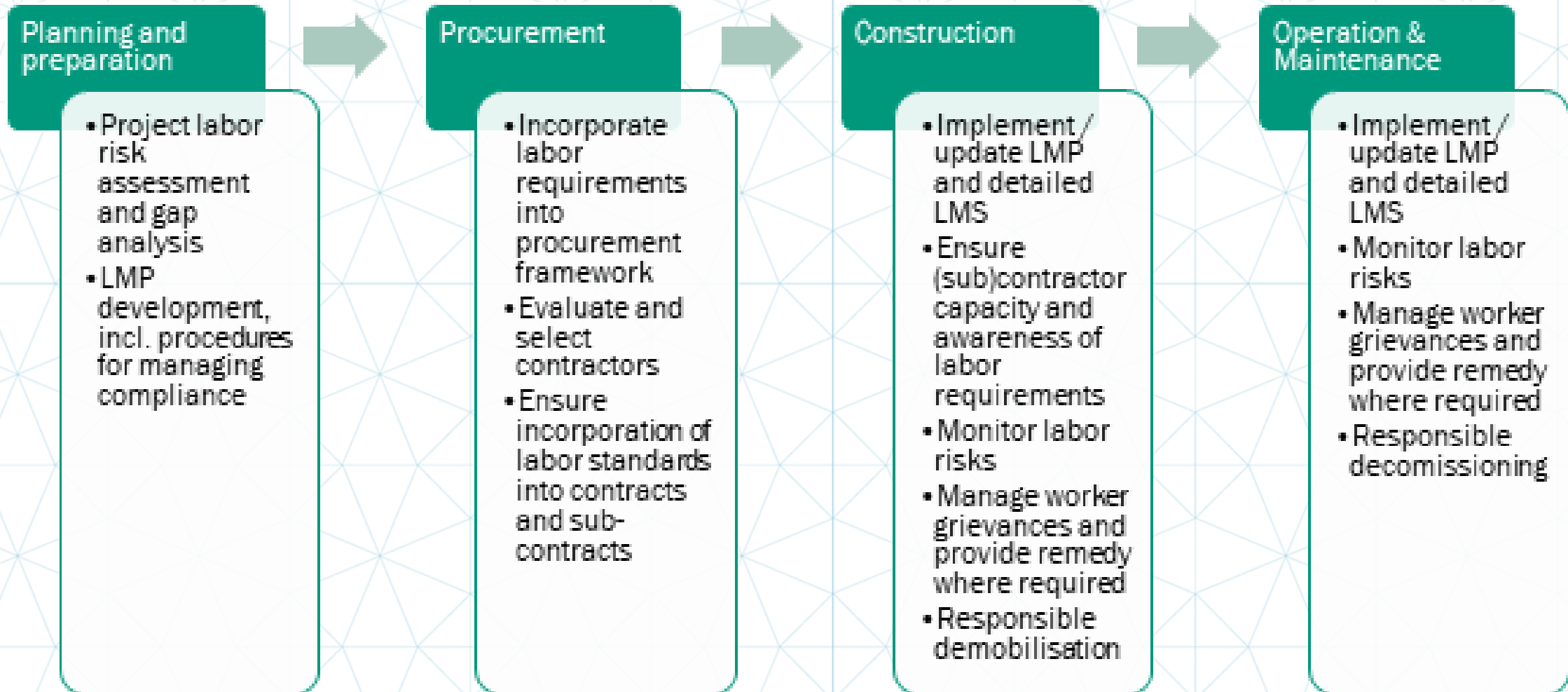
- direct workers**—workers engaged or employed directly by a borrower/client (including the project proponent and the project executing and implementing agencies) to work on a project. The requirements in paras. 5–35 and 47–48 apply.
- contracted workers**—workers engaged or employed by a third-party (a party or entity that is not a borrower/client and including contractors, subcontractors, brokers, agents or intermediaries) to perform work and/or provide service processes essential for a specific project activity without which a project or project activity cannot continue, regardless of location. The requirements in paras. 5–35 (applied as described in para. 36), 36–37 and 47–48 apply.



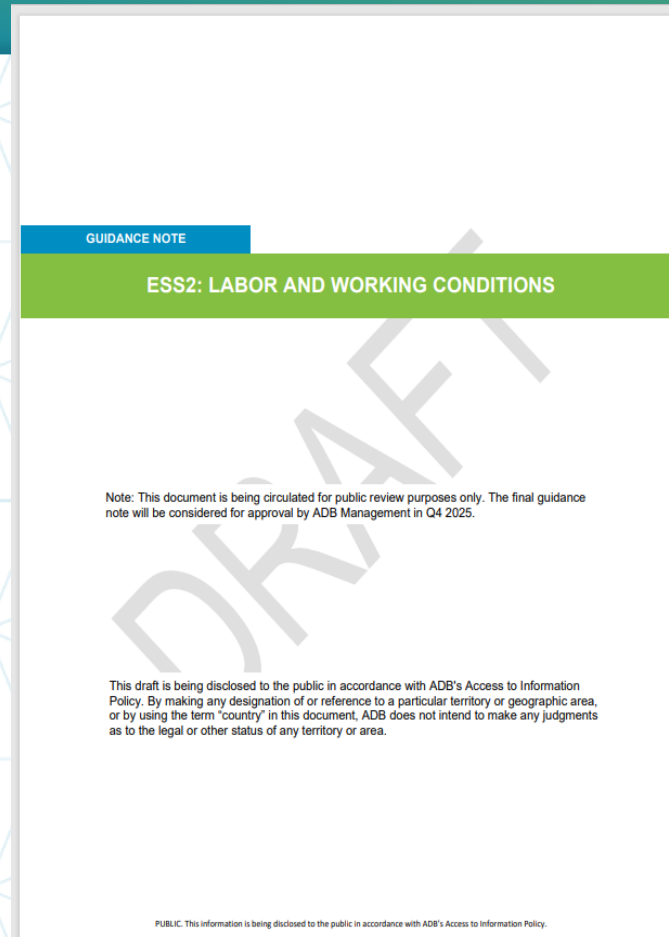
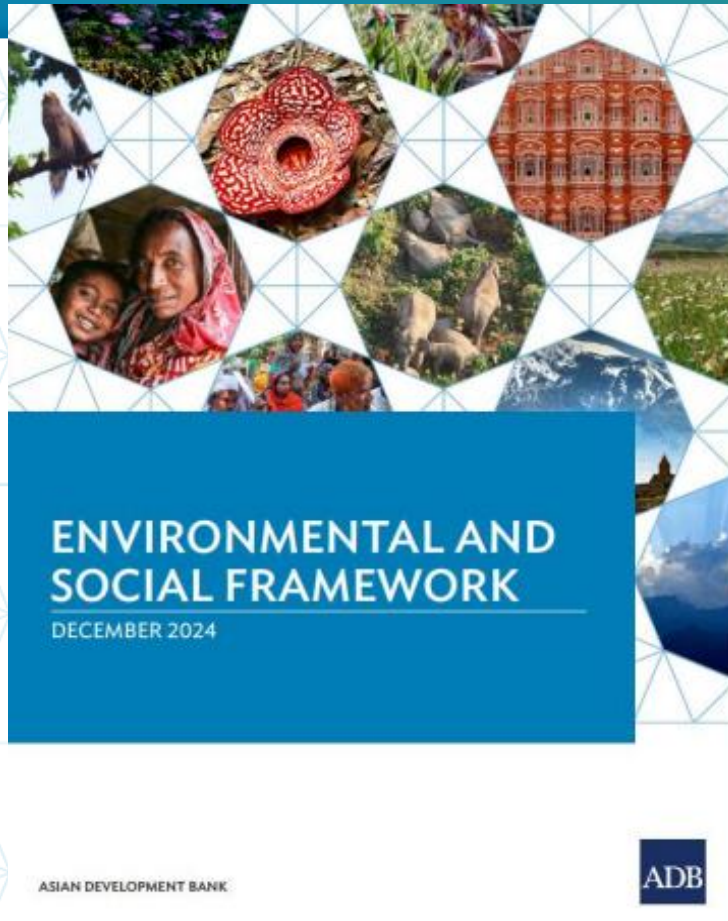
“The borrower/client will establish, at the earliest opportunity, and implement a worker’s grievance mechanism to respond and manage workplace concerns and grievances.”
(ESS2, para 31)

- Proportionate to E&S risks and impacts and workplace concerns and grievances
- Same principles as ESS10
- However, worker grievance mechanism has specific receiving and processing channels
- Not impeding access to judicial or administrative remedies

Summary process diagram showing stages in the project life cycle



Available resources for support



ESS 2
Good
Practice
Note
*(to be published
in 2026 Q1)*



Thank you!

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