



**Supply Chain Sustainability
Juvenile Labor Guidance Document**

**CHILD & JUVENILE WORKER REGULATIONS
in
CHINA**

FY 2013

Purpose of This Document

Supply Chain Sustainability Guidance documents are intended as supplements to the Cisco Supplier Code of Conduct (“Code”) that every Cisco supplier, and their suppliers, are expected to understand and adopt in their operations. These documents provide suppliers with additional relevant information on specific requirements of the Code, as well as guidance on how to interpret these requirements.

This Guidance Document relates to the Labor requirements in the Code and contains summary information on the regulations in China that govern the recruitment and management of workers under the age of 18 years old. In the document, the term ‘child labor’ refers to workers that are under the age of 16, and the term ‘juvenile labor’ refers to workers between the ages of 16 and 18. Cisco requires that its suppliers comply, at a bare minimum, with all rules and regulations that apply to their business, and this is provided as a reference source for those legal requirements.

There are four reference sections below that provide an overview of applicable regulations and conventions:

- Child Labor Regulations
- Juvenile Labor Regulations
- Apprenticeship, Internship and Work-study Programs Regulations
- Cisco Code of Conduct Requirements

Child Labor Regulations

ILO Conventions Ratified by China:

ILO Convention 138 (1973), which is considered a “fundamental” convention, sets the minimum age for work at 15 years of age (although countries with insufficiently-developed economies and educational facilities can qualify for “exception” status with a lower minimum working age). The convention permits light work (defined as work that is not likely to be harmful and does not interfere with schooling) for 13 to 15 year-olds. China ratified Convention 138 on April 28, 1999.

ILO Convention 182 (1999), which is considered a “fundamental” convention, obligates countries to take effective steps towards eliminating the worst forms of child labor (slavery, debt bondage, work in the sex or drug trades, or any other physically or morally harmful work). China ratified Convention 182 on August 8, 2002.

PRC Labor Law:

Legal Definition of Child Labor:

Rules Prohibiting the Use of Child Labor article 2, child labor is any person who is under the age of 16, have established labor relationship with a unit or person to perform work with commercial income.

Laws on Prohibiting Use of Child Labor:

- *Labor Law of the People’s Republic of China Article 15:* no employer shall be allowed to recruit minors below age of 16.

- *Rules Prohibiting the Use of Child Labor Article 3:* parents and guardians shall ensure their children have healthy upbringings and the right to compulsory education. Parents and/or guardians are prohibited to allow minors to be employed by an employer.
- *Rules Prohibiting the Use of Child Labor Article 4:* the employer shall not hire any child under the age 16. The employer shall verify the employees' identification documents and properly maintain such records before workers are employed.
- *Rules Prohibiting the Use of Child Labor Article 6:* the Labor Administration Department shall order employer, which employs child labor, to return the child to his/her parent's and/or guardian's original place of residence. Employer shall be entirely responsible for all transportation, abode and meal expenses in relation to returning the child to his/her original place of residence.
- *Rules Prohibiting the Use of Child Labor Article 10:* if a child becomes ill or injured, the employer who employs the child, shall be entirely responsible for all medical and living expenses incurred during the child's treatment period.
- *Rules Prohibiting the Use of Child Labor Article 13:* literature, arts and sporting units shall recruit minors under the age of 16 if agreed by their parents and guardians to work as artists and athletes. Employer shall ensure that minors have a healthy upbringing and the right to compulsory education. According to the relevant provisions of the State, it is legal if schools, educational units and occupational training units arrange minors to work for the purposes of educational and occupational skills training which do not adversely affect the health of minors.

Compulsory Schooling:

Educational Law of the People's Republic of China, March 18, 1995. Article 18. Implementing Rules on Free Education Law of the People's Republic of China, March 14, 1992. Children are required to have nine years of schooling.

Juvenile Worker Regulations

ILO Conventions Ratified by China:

ILO Convention 77 (1946) Medical Examination of Young Persons (Industry): obligates countries to ensure that children and young persons under eighteen years of age not be admitted to employment by an industrial undertaking unless they have been found fit for the work on which they are to be employed by a thorough medical examination.

PRC Labor Law:

Legal Definition of Juvenile Worker (also known as "Young Workers"):

Labor Law of the People's Republic of China article 58: the States shall provide female workers and juvenile workers with special protection. "Juvenile workers" hereby refer to labor aged from 16 but not yet 18.

Work Restrictions for Juvenile Workers:

- *Labor Law of the People's Republic of China article 64*: no Juvenile worker shall be arranged to engage in work down the pit of mines, work that is poisonous or harmful, work with Grade IV physical labor intensity as stipulated by the State, or other work that they should be avoided.
- *Regulations for the Special Protection of Juvenile Employees (Document No. 498) Article 3*: employer should not arrange juvenile employees to: (1) work involving exposure to airborne particles at or above the grade I of the state standards stipulated in the Classifications of Risk from Airborne Particles in Production-related Work; (2) work involving exposure to poisonous substances at or above the grade I of the state standards stipulated in the Classifications of Work Involving Exposure to Poisonous Substances; (3) work performed at heights at or above the grade II of the state standards as stipulated in the Classifications of Work at Heights; (4) work performed in cold water at or above the grade II of the state standards as stipulated in the Classifications of Work in Cold Water; (5) work performed in high temperature environment at or above the grade III of the state standards as stipulated in the Classifications of Work in High Temperatures; (6) work performed in low temperature environment at or above the grade III of the state standards as stipulated in the Classifications of Work at Low Temperatures; (7) work which requires physical labor intensity at or above the grade IV of the state standards as stipulated in the Classifications of Physical Labor; (10) work which involves exposure to radioactive substances; (11) extremely dangerous work, such as work with inflammable substances and explosives as well as work where there is a risk of chemical or other burning; (14) continuous heavy loading activities (more than six times per hour) with each load in excess of 20 kg or occasional loading at intervals with each load in excess of 25 kg; (15) work which requires the use of drills, surfacing machines, pneumatic picks and shovels, riveting machines or power hammers; (16) work which requires strenuous movements such as constant head movements, bending of the waist, lifting or squatting and work in production lines where repetitive action of over 50 times per minute is required; and (17) boiler operation.
- *Regulations for the Special Protection of Juvenile Employees (Document No. 498) Article 4*: if a juvenile has a disabling physical condition such as asthma, he or she must not be employed in industries where temperatures are unusually high or low, or in physically strenuous work.
- *Regulations for the Special Protection of Juvenile Employees (Document No. 498) Article 8*: the employer should only assign juvenile employees to carry out work which is suitable, taking into account their state of health, and should reduce the workload or change the positions of those juvenile employees who are deemed unsuitable for a particular position, based on the documentation regarding the employee's health received from the medical authority.
- *Jiangsu Province Regulations for the Protection of employment Article 33*: no employer shall be allowed to recruit juveniles under the age of 16. For juvenile workers under the age of 18, employer shall not assign them in work down the pit of a mine; work that is involves poisonous or harmful substances, work with Grade IV physical labor intensity as stipulated by the State, or other work that they should be avoided; No overtime work allowed for juvenile workers under the age of 18.
- *Zhejiang Province Regulations on Protection of Juveniles Article 16*: if a literature, art or sports unit recruits juveniles in accordance with the related provisions of the State, effective measures should be taken to protect their physical and psychological health. If an enterprise or public

institution recruits juveniles above 16 years old in accordance with the related provisions of the State, no overtime, work of a strenuous nature or operation involving hazardous substances should be arranged for the juveniles.

Registration & Health Examinations:

- *Labor Law of the People's Republic of China Article 65:* the employing unit shall provide regular physical examinations to juvenile workers.
- *Regulations for the Special Protection of Juvenile Employees (Document No. 498) Article 6:* employers should provide juvenile employees physical examination: (1) before the juvenile employee begins work at the enterprise; (2) after the juvenile employee has worked for one full year; and (3) when the juvenile employee has reached 18 years of age and has not had a physical examination in the previous six months.
- *Regulations for the Special Protection of Juvenile Employees (Document No. 498) Article 7:* the physical examination should be carried out according to the requirements of the 'Physical Examination Form for Juvenile Employees'.
- *Regulations for the Special Protection of Juvenile Employees (Document No. 498) Article 9:* employment of juvenile labor should be registered. (1) An employer who recruits and hires juvenile employees, in addition to complying with general employment requirements, must also undertake registration procedure with the local labor administration department at or above the county level. The labor administration department will then issue the 'Registration Certificate for Juvenile Employees' and the 'Registration Form for Juvenile Employees'. (3) Juvenile employees must first secure the 'Registration Certification for Juvenile Employees' before beginning work for an employer. (4) All 'Registration Certificates for Juvenile Employees' should be printed by the Labor Administrative Department of State Council.
- *Regulations for the Special Protection of Juvenile Employees (Document No. 498) article 10:* employer should provide occupational safety and health education and training as well as health examination to juvenile employees before they work and their related fees should be paid by the employer.

Apprenticeship, Internship and Work-study Programs Regulations

PRC Labor Law:

- *Labor Law of the People's Republic of China Article 15:* no employer shall be allowed to recruit minors under the age of 16. Units of literature and art, physical culture and sport, and special arts and crafts that need to recruit minors under the age of 16 must go through the formalities of examination and approval according to the relevant provisions of the State and guarantee their right to compulsory education. Minors are defined as those under the age of 18, which could include those below the age of 16.
- *Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the PRC Labor Law article 12:* students taking in work-study program on their rest hours shall not be considered as taking an employment. Employment labor contract may not be concluded.

- *Ministry of Education, Ministry of Finance on Monitoring Internship Program of Middle Professional School Students Article 5:* no internship program shall be arranged to first year school students. The number of working hours per day shall not exceed 8 hours for students.
- *Circular of Ministry of Education, Ministry of Finance on Monitoring Internship Program of Middle Professional School Students Article 8:* the units accepting internship students shall pay reasonable compensations to students. The units and schools must not deduct and / or delay internship compensation from students.
- *Circular of Ministry of Education, Ministry of Finance on Monitoring Internship Program of Middle Professional School Students Article 12:* the units accepting internship students and the schools shall buy accident insurance for all internship students.
- *Circular of Ministry of Education, Ministry of Finance on Monitoring Work-study Program of High Education University Students Article 23:* the units accepting work-study program shall provide applications to university administration department and provide its business licenses and related certificates upon approval.
- *Circular of Ministry of Education, Ministry of Finance on Monitoring Work-study Program of High Education University Students Article 26:* the compensation paid for work-study program of high education university students shall not be less than local minimum wage standard. An employment agreement shall be established between the units, school and students.

Cisco Code of Conduct Requirements

In addition to requiring that all applicable laws be followed by supplier factories, Cisco addresses the prohibition of child labor, the employment of juvenile workers, and the utilization of apprenticeship programs via the Supplier Code of Conduct and guidance questions for auditors.

Cisco Code:

The Cisco Code is consistent with the EICC Code of Conduct and includes requirements regarding labor rights for workers:

Section A, No. 2: Child Labor Avoidance: Child labor is not to be used in any stage of manufacturing. The term “child” refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.

EICC Guidance Questions for Auditors:

The EICC audit tool is used by Cisco to evaluate supplier programs when an on-site audit is necessary. The following questions are provided in the audit tool to guide auditors on the types of questions to ask during the site visit. The questions are designed to address the requirements in section A2 on Child Labor Avoidance:

- Does your facility use an external source (e.g. labor agency, police department) to verify workers' ages?
- What is the legal minimum age of employment for workers in the country/province/region where your facility is located to perform light work:
- What is the legal minimum age of employment for workers in the country/province/region where your facility is located to perform routine work:
- What is the legal minimum age of employment for workers in the country/province/region where your facility is located to perform hazardous work
- During the last 12 months, have any persons below these minimum employment ages applied for a job at your facility? (Do not include interns or apprentices)
- Does your facility employ young workers (over the legal minimum age but under 18)?
- What percentage of your workforce is under 18?
- Does your facility ensure that young workers (over the legal minimum age but under 18) do not perform night work or hazardous work?
- Does your facility have a system or documented procedure for discovering workers below minimum age and taking corrective actions?
- Does your facility have a system or documented procedure to verify that your suppliers do not use child labor?

Non-compliance with Juvenile Labor Requirements

Compliance with the requirements of juvenile labor regulations and the Cisco Code are evaluated through Cisco's supplier audit process. An on-site audit by a qualified third party audit firm will examine whether the facility has the programs and policies in place to meet these requirements and whether the facility needs to make improvements to resolve any problems. The following table outlines the corrective action process for different levels of non-compliance findings:

Table 1: Resolution of Juvenile Labor Non-compliance Findings

Finding	Example	Corrective Action Requirements	Impact of Continued Non-compliance
Priority Item	Juvenile workers are being asked to perform prohibited hazardous tasks that present significant and immediate risk to their health and safety.	<ol style="list-style-type: none"> 1. A priority issue must be contained by the supplier <u>immediately</u> – all juvenile workers should be reassigned to non-hazardous work and undergo all required medical tests. 2. Once Cisco is confident the issue is contained, the supplier will put together a corrective action (CA) plan within seven (7) days and submit it to Cisco for review and approval. 3. The supplier then has thirty (30) days to implement the approved plan and provide evidence of completion. Cisco will validate the CA remotely or via site visit within thirty (30) days. 	Any priority item still open after the thirty (30) day window will be escalated for resolution – at a minimum, the CVCM Senior VP and the supplier’s executive in charge of the Cisco account will be involved. Within seven (7) days of escalation, CVCM will develop an action plan to close the issue, identify the specific sanctions that will apply if milestones are not met and a monitoring plan for the next six (6) months.
Major Finding	The facility has no systems to document and manage its juvenile workers and it doesn’t adequately enforce restrictions on work activities or working hours.	<ol style="list-style-type: none"> 1. Supplier must complete a corrective action plan within seven (7) days of issue identification and submit it to Cisco for review and approval. 2. The supplier then has sixty (60) days to implement the approved plan and provide evidence of completion. Cisco will validate the CA remotely or via site visit within two (2) months. 	Any major finding still open after the sixty (60) day window will be escalated for resolution – at a minimum, the CVCM VP and Director overseeing the supplier and a senior representative from the supplier’s will be involved. Within fifteen (15) days of escalation, CVCM will develop an action plan to close the issue, identify specific sanctions that will apply if milestones are not met and a monitoring plan for the next three (3) months.
Minor Finding	Juvenile workers were recently asked to work some overtime to meet a delivery deadline, but it isn’t a reoccurring problem.	<ol style="list-style-type: none"> 1. Supplier must complete a corrective action plan within seven (7) days of issue identification and submit it to Cisco for review and approval. 2. The supplier then has ninety (90) days to implement the approved plan and provide evidence of completion. Cisco will validate the CA remotely within three (3) months. 	Any minor finding still open after the ninety (90) day window will be escalated for resolution – at a minimum, the CVCM Director responsible for the supplier commodity and a representative from the supplier’s organization will be involved. Within fifteen (15) days of escalation, CVCM will develop an action plan to close the issue, identify specific sanctions that will apply if milestones are not met and a monitoring plan for the next three (3) months.
Risk of NC	No juvenile workers used, but policy out of date	Suppliers are not required to develop CA plans for identified Risks of Non-compliance; however, it should acknowledge the findings in its CA plan. Monitoring for Cisco is optional.	Not applicable