

TÜMAD

MADENCİLİK SANAYİ VE TİCARET A.Ş.



CONTRACTOR MANAGEMENT PLAN for LAPSEKİ & İVRİNDİ PROJECTS

by TÜMAD Madencilik San. ve Tic. AŞ

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CONTRACTOR MANAGEMENT PLAN for LAPSEKİ & İVRİNDİ PROJECTS

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ABBREVIATIONS AND DEFINITIONS

Project(s)	: Lapseki and Ivrindi Gold and Silver Mine and Processing Projects
TÜMAD	: TÜMAD Madencilik San. ve Tic. A.Ş.
CR	: Community Relations
EBRD	: European Bank for Reconstruction and Development
EIA	: Environmental Impact Assessment
ESMS	: Environmental and Social Management System
HR	: Human Resources
HSMP	: Health and Safety Management Plan
IFC	: International Finance Corporation
IMS	: Integrated Management System
KPI	: Key Performance Indicator
OHS	: Occupational Health and Safety
PR(s)	: Performance Requirements(s)
SDS	: Safety Data Sheets

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1 INTRODUCTION

TÜMAD Madencilik San. ve Tic. A.Ş. (TÜMAD) plans to establish the Lapseki Gold and Silver Mine and Processing Project (the Lapseki Project) within the administrative boundaries of the Şahinli and Kocabaşlar Villages of the Lapseki District in the Province of Çanakkale. The construction phase of the Lapseki Project has been at completion stage and the operation phase will start in October 2017.

TÜMAD plans to establish the İvrindi Gold and Silver Mine and Processing Plant Project (the İvrindi Project) within the administrative boundaries of Değirmenbaşı and Küçükıllica Villages of the İvrindi District of Province of Balıkesir. The İvrindi Project Site have started with mobilization.

The project is seeking finance and this document is produced as a part of studies conducted to assess the Environmental and Social Impacts of the Project as per the EBRD Performance Requirements (PRs).

This document is the Contractor Management Plan, for the TÜMAD's Lapseki and İvrindi Gold Mines. The document reference number for this Plan is (TMD_ISG_PLN.003). This management plans sets the requirements for the operation phase of the Lapseki Project and for construction and operation phase of the İvrindi Project and is an integral part of the Environmental and Social Management System implemented by TÜMAD for the two mine projects.

This Management Plan is based on the Project(s) Environmental & Social Management System Framework (TMD_EYS_PLN.004) of TÜMAD, which is owned by the TÜMAD General Manager. Any subsequent changes to the TÜMAD Environmental & Social Management System (ESMS) may result in the changes to this document.

This Management Plan will be reviewed on a minimum of a six monthly basis during construction and commissioning. During operation phase, this Plan will be reviewed on an annual basis to determine whether any changes or updates are required to the Management Framework unless a more frequent update is required to reflect changing project design or ESMS requirements and procedures.

Any requests for changes to this Management Plan must be addressed to the owner of this Management Plan and will be subject to appropriate review and approval processes as outlined in the Management of Change Procedure (TMD_EYS_PRD.010)

2 PURPOSE

The purpose of this Plan is to ensure that suppliers and contractors works are evaluated, chosen and managed in line with the defined Project(s) standards.

More specifically, the purpose of this plan is to:

- summarise the contractor engagement procedures and systems used;
- define roles and responsibilities;
- outline the applicable Project requirements and standards relevant to this plan;
- define Project commitments, operational procedures and guidance relevant to the Management of Contractors;
- define monitoring, auditing and reporting procedures, including Key Performance Indicators (KPIs);
- define training requirements;
- provide references for systems and standard operation procedures and other information that is relevant to execution of this plan.

For the purpose of this Plan, "Contractor" means any contractor/supplier working on the Project(s) including, but not limited to, drilling contractors, construction contractors, mining, service contractors and subcontractors. Each contractor will be required to implement the requirements defined in this plan as relevant to its specific work activities.

3 SCOPE

This management plan describes how contractors will put the applicable Project(s) Standards into practice during construction and operation of the Lapseki and İvrindi mines.

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The requirements of all applicable Project(s) Management Plans and Procedures will be applicable to Project(s) contractors. Such requirements will be set out in contracts and contractors will also be obliged to comply directly with these requirements.

This Management Plan provides a summary of the contractor management processes implemented by Project(s), it does not supersede the conditions detailed in individual contracts. Any subsequent changes to the Contractor Engagement processes may result in changes to this Management Plan.

3.1 Overlaps with Other Management Plans

This Management Plan is a part of the general package of Management Plans developed for Lapseki and İvrindi Projects of TÜMAD. All of TÜMAD Policies, Environmental and Social Management Plans, Standard Operational Procedures (SOP), Instructions, and Permit requirements will also apply to TÜMAD's contractors and sub-contractors. These requirements will be stated in contractor tender packages and in the contracts in order to ensure that contractors are legally obliged to fully comply with the Environmental and Social Management Plans and Procedures, instructions, and permits, either directly or indirectly.

This Plan overlaps with the following management plans:

- HR Training Plan (TMD_IK_PLN.001), Particularly in relation to the definition of HR training requirements for non-TÜMAD employees,
- OHS Training Plan (TMD_ISG_PLN.001), Particularly in relation to the definition of OHS training requirements for non-TÜMAD employees,
- ESMS Framework (TMD_ISG_PLN.004), Particularly in relation to the definition of management of occupational, health and safety risks associated with non-TÜMAD employees and activities and communication of site occupational health and safety risks to non-TÜMAD employees at site,
- Local Procurement Management Plan (TMD_EYS_PLN.005), Particularly in relation to evaluation of suppliers, purchasing process EHS requirements,
- Labour Management Plan (TMD_IK_PLN.002), particularly in relation to the behaviour of TÜMAD and Contractor workers.
- Stakeholder Engagement Plans (TMD_LAP_EYS_PLN.001 & TMD_IVR_EYS_PLN.001), Particularly in relation to communication with local communities and stakeholders throughout the life time of the mines

3.2 Environmental and Social Requirements

TÜMAD is committed to the application of national environment and social policies as well as IFIs environment and social performance requirements/policies and these requirements are reflected in the Project Standards that will apply to all activities of TÜMAD.

Contractors will be contractually bound to adhere to the Project Standards either through reference to their own policies or through the development and implementation of new policies which will need to be approved by TÜMAD.

A list of Environmental and Social Requirements as well as a List of Health and Safety Requirements will be attached to their contracts to ensure that requirements that originated in the Environmental and Social Impact Assessment Studies and EBRD Performance Requirements are followed.

4 PROJECT STANDARDS

The following documentation are referred for defining Project Standards;

- ISO 9001:2015, "Quality Management System Conditions" Management System
- ISO 14001:2015, "Environmental Management System Conditions" Management System
- OHSAS 18001:2014, "Occupational Health and Safety" Management System
- ISO 31000, "Risk Management"
- Laws and Regulations of Republic of Turkey
- Turkish Regulation on Contractors (Official Gazette No: 27010, Date: 27.9.2008)
- Permit and License Conditions defined by applicable Legislation
- TÜMAD IMS/Environmental/OHS Policies, Plans, Procedures, Instructions

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- Environmental and Social Impact Assessment Studies
- EBRD Environmental and Social policy, 2014
- IFC Sustainability Framework, 2012
- IFC and EBRD, Workers' Accommodation: Processes and Standards, 2009.

5 ROLES AND RESPONSIBILITIES

TÜMAD is ultimately responsible for ensuring that there is implementation of and compliance with this Plan and ensuring that the contractors are aware of and agree with the commitments given in this Plan.

The complete roles and responsibilities defined for the implementation of this Management Plan are presented in the following Table. It includes both responsibilities of the contractor as well as responsibilities of specific positions within TUMAD.

Table 1: Roles and Responsibilities

Roles	Responsibilities
General Manager	<ul style="list-style-type: none"> • Approving and providing all resources needed to execute this plan
Contractors	<ul style="list-style-type: none"> • Ensuring presence and effective implementation of the TÜMAD Integrated Management System as applicable to Contractor activities, providing relevant documentation that is in full compliance with TÜMAD policies and procedures. • Implementing these plans in synchronization with TÜMAD Integrated Management System Plans, procedures, handbooks, and directives and in coordination and communication with TÜMAD. • Complying with all conditions stated in Turkish legislations, laws, and regulations and TÜMAD Project Standards. • Ensuring that all works are carried out in a safe manner and in accordance with instructions of TÜMAD. • Executing works in accordance with the contract. • Preparing the Health & Safety Management Plan (HSMP) for the management of Health and Safety Risks of the contracted works at site. • Fulfilling training and qualification requirements set forth by TÜMAD. • Attending the trainings provided by TÜMAD, including but not limited to, below before to start the work at mine site, <ul style="list-style-type: none"> • Cross-Cultural Awareness Training; • Occupational Health and Safety Requirements; • Community Relations; • Environmental Awareness Training; • Reporting all incidents and accidents • Completing medical evaluation ("fitness to work") before the works, if necessary. • Providing necessary vehicles and equipment in suitable and operating condition in accordance with requirements of the contract. • Submitting documents proving fitness of all equipment and materials (such as license, periodical examinations, and reports). • Ensuring and sufficient monitoring of whether all equipment and materials are used for their intended purposes. • Submitting Safety Data Sheets (SDS) along with the list of chemicals before transporting any material into TÜMAD businesses. • Ensuring that workers have full knowledge of human rights issues and appropriate interaction and behaviour with communities.

Roles	Responsibilities
	<ul style="list-style-type: none"> Conducting regular internal inspections, controls, monitoring and audits set forth by Turkish legislations, laws, and regulations and TÜMAD instructions. Creating Accident/Incident/Near Miss management procedures in accordance with TÜMAD requirements, including reporting and notification. Conducting all non-conformity and incident investigations and corrective actions in connection with TÜMAD. Cooperating with TÜMAD in relation to audit and inspections, provision of required regular or ad hoc reporting on EHS issues, reporting all incidents and accidents at site, implementation of corrective and preventative actions and similar. Briefing TÜMAD directors and managers regarding mobilization and the participation process.
TÜMAD Purchasing Department Managers('s) (with the support of other relevant department heads when needed)	<ul style="list-style-type: none"> Visiting the site with contractors which will be bidding in order to prepare the Site Visit Form (TMD_TİC_FRM.011), Preparation of the Contractor Employment and Site Delivery Form (TMD_LAP_İSG_FRM.007 for Lapseki),(TMD_İVR_İSG_FRM.007 for İvrindi). Preparation of the Contractor Approval form (TMD_LAP_İSG_FRM.006 for Lapseki) (TMD_IVR_İSG_FRM.006 for İvrindi). Ensuring participation of contractors to workplace and work site inspections. Ensuring participation of contractors to OHS/Environment/Community Relations meetings, trainings, activities and endeavours where appropriate. Ensuring that contractors satisfy all of their obligations due to the contract. Supporting the Purchasing Department in general and technical terms in development of Scope of Work for contracts. Offering administrative support for execution of contracts and payments. including verification of completion of HSMP from bidders and public hazard detection replies Participating in the bid evaluation process. Delivering all Contractor Safety Data Sheet Forms to TÜMAD purchasing department and the OHS department in order to ensure that Turkish officials register and approve use of chemical substances. Organizing TÜMAD Employment (orientation) and Field Duty Start schemes for the contractor. Monitoring compliance to TÜMAD Standards and requirements in terms of HSMP as detailed in the ESMS Management Plan of TÜMAD. Supporting development of the Scope of Work as stipulated. Confirming that Turkish officials have registered and approved use of chemicals of all contractors.
TÜMAD Purchasing Department	<ul style="list-style-type: none"> Ensuring all relevant OHS/Environment and Community Relations articles are included into all contract documents. Initiating and managing supply processes. Preselection of the Contractors Managing bidding/tendering process Evaluating bids with due consideration to Contractors Environmental and Social past performance and capacity to implement Projects E&S standards. Award of Contract Monitoring of successful delivery of services/tasks to be performed by Contractors

Roles	Responsibilities
Operating Manager / Investment Construction Manager / Exploration &IMS & Sustainability Manager	<ul style="list-style-type: none"> Extending the scope of work for each contractor by conducting effective communication and exchange between OHS/Environment and Community Relations departments. Ensuring that contractor activities are carried out in accordance with Project(s) OHS/Environment/Social standards, by timely addressing results of audits and inspections standards with the contractors and following up on required corrective actions ESMS requirements are revised if needed. Assisting in selection of contractors. Approving contractor HSMP, Quality, Environmental, Project implementation, Construction and other Management Plans. Monitoring of works subject to the contract in order to ensure compliance with requirements of the contract including legal requirements in the Country, Lender requirements and the TÜMAD Standard. Developing all additional controls required in cases where skills and experience required handling the works defined by the Scope of Work of contractors is not present. Providing sources in order to confirm sufficiency of contractor vehicles and equipment prior to their use. Making suggestions to contractors regarding TÜMAD Standards and requirements. Arranging pre-work meetings in order to ensure that all pre-work activities have been completed in a satisfactory manner. Providing resources in order to ensure employment training specific to relevant sites to workers. Monitoring contractor/contractor activities, including ensuring initiation of actions listed in OHSE, Quality, Project implementation, Construction and other Management Plans. Filling contractor Performance Score Sheet periodically. Managing work shutdown.
HR Manager	<ul style="list-style-type: none"> Monitoring the employee standards in contractors and in their supply chain in line with Turkish Labour Code and EBRD PR 2 and PR 4 requirements on monthly basis during construction and quarterly basis during operation phases of the mines.
OHS Environment and Community Relations Department Heads	<ul style="list-style-type: none"> Supporting development of the Scope of Work as stipulated Supporting procurement department in identification of relevant clauses in relation to H&S, Environment, Labour and Community Relations to be incorporated into tender and contract documentation and in evaluation of bids. Jointly with the Contract Manager/Construction Manager/Etc carry out periodic audits, ad hoc inspections to ensure that documentation and works are carried out in line with agreed procedures, applicable Management Plans, work permits, national, local and international legislation (as set I individual plans). Issue audit/inspection reports and follow up on corrective action and relevant penalties where required. Review the findings and agree relevant corrective upon receipt of notification of an incident/accident to

6 IMPLEMENTATION

6.1 Overview of the Process for the Management of Contractors

The key stages of the Contractor engagement and management process as implemented by TÜMAD are as follows:

- qualification and sourcing;
- planning and preparation;
- mobilisation;
- manage the work;
- review and close out.

An overview of the contractor management process is set out in the flowchart in Figure 1 below whereas some of the key activities are detailed in below sections.

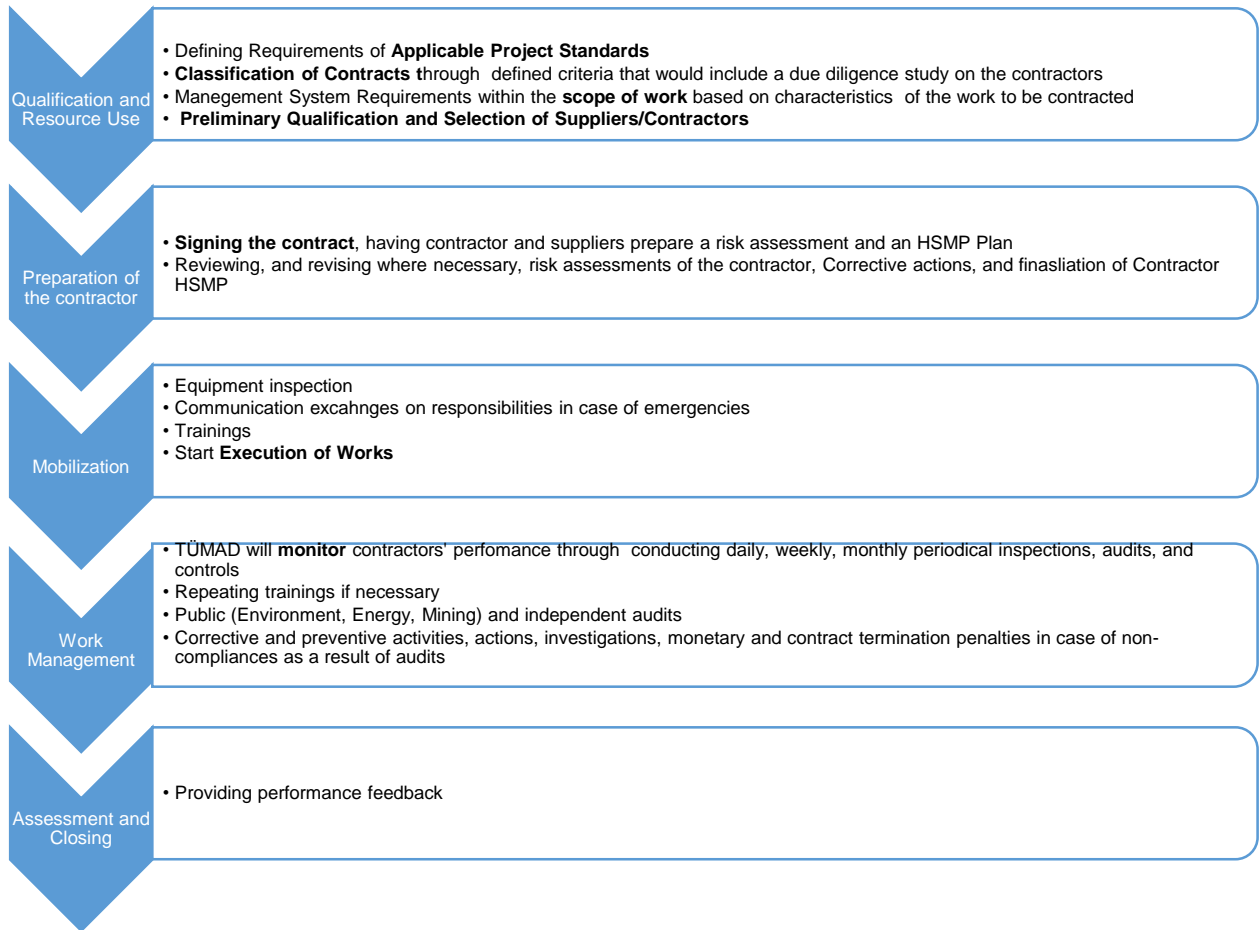


Figure 1: Contractor Management Process

6.1.1 Classification of Contracts

Contracts are classified into one of three categories based on the factors below in order to implement this action.

- In terms of risks TÜMAD would face in relation to procurement of goods or services;
 - Place of delivery, date and shape
 - Loading and Unloading
 - Delivery time
 - Guarantee provisions
 - Imperfect and incomplete goods

- Failure of the service on the required conditions
- Accident Incident and Loss
- In terms of contract price
- In terms of technical complexity and OHS criticality of the works performed by the Contractor.

These categories will be taken into consideration during evaluation of the potential OHS/Environment & Sustainability/ Community Relations/Quality risks. OHS/Environment & Sustainability/ Community Relations/Quality requirements will be established after meetings with Financial, Commercial, Administrative Manager / IMS & Sustainability Manager.

Types of contracts with respect to the definition of the OHS/Environment & Sustainability/ Community Relations/Quality requirements are;

1 - Service Contracts

The contractor's OHS/Environment & Sustainability/ Community Relations/Quality (IMS) management systems are available covering their services to TÜMAD or another contractor. Such contractors will be requested to be in compliant with applicable Project Standards as part of contract provisions.

2- Implementation of Specific Works Contracts

Under this type of Work contracts; the contractor executes the works for the Project(s) based on one of those below:

- a. It has received work training and works within Project(s) IMS. This contractor must be audited to ensure it is working in compliance with the two Project(s) IMS requirements ; or
- b. The company has its own IMS with components bridging to Project(s) IMS requirements. This contractor's IMS is subjected to detailed evaluation before the work starts against Project(s) IMS requirements and subject to auditing and inspection at site to ensure it is working in compliance with to Project(s) IMS requirements.

6.1.2 Definition of Scope of Work

After the classification of the Contracts, the applicable Project Standards for the defined contract classification are included in the scope of the Contractor Works and Services Scope of Work.

All requirements applicable to Project(s) and set forth in IMS of companies will particularly be included in the contract. It will include all conditions suitable for the work that will be carried out based on the contract and will express issues such as accident incident loss reporting and investigation, necessary investigations, permit systems tracking. Contract language will clarify contractual penalties against performance that falls below contractor standards and requirements.

The contracts will include condition on stopping works in case of continuous violation of the Environmental, Social and OHS rules defined by the Project(s)

6.1.3 Preliminary Qualification and Selection of Contractors

A system is developed for preliminary qualification and selection of contractors.

Licenses and necessary registrations, existing IMS of the contractor and performance results of IMS will be taken into consideration during preliminary qualification and selection processes of contractors. Contractors are required to document their IMS and prove their existence along with documentation required to ensure compliance with TÜMAD Policies and Procedures. These include, but not limited to, those below:

- Incident statistics;
- Showing a system that is in compliance with all relevant legal requirements;
- Responsibilities and the systems defined for the work environment (for example: procedures and work instructions);
- Training and qualification records of IMS;
- Inspection and audit records of IMS;

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- Investigation records regarding claims of community members on various issues including violation of human rights, the feedback process for employee complaints and demands (for example security forces, contractors); and
- Judgment, improvement and restriction notification records, if any

Management does not award contracts until the preliminary qualification process is complete.

Contractors that do not demonstrate sufficient levels of competency in the various pre-qualification checklist categories will be informed on their deficiencies and how to correct them for future consideration.

6.1.4 Contract Signing

The contracts will be signed after the receipt of the Contracts Risk Assessment and Occupational Health and Safety (OHS) plan outlined in line with the requirements of the Contract classification in the Scope of Work. The Risk assessment and/or OHS plan of the contractor will be reviewed by Project(s) personnel and if required corrective action requests will be forwarded to the Contractor. The revised risk assessments and OHS plans will be approved by the Project(s) designated personnel.

A pre-employment conference will be held between the contractor and Project (s) personnel in order to review Occupational Health and Safety procedures and requirements before the contractor starts working.

6.1.5 Execution of Works

Some of the tools for the management of the Contractor during the execution of works at site can be listed, but not limited to, as;

All equipment used by subcontractors and suppliers in the company will be subject to supervision including occupational health and safety and emergency equipment status. Subcontractors and suppliers are required to submit documents proving fitness of their equipment such as licenses, legal examination records, mandatory motor insurance and traffic insurance. Also, examinations will be conducted by maintenance and planning personnel at relevant mining site.

Required Safety Data Sheet Forms will be submitted in any case.

Use of equipment supplied by TÜMAD (for example security forces) will be monitored in order to ensure that they are being used only for intended purposes.

Contractors, workers and Project(s) representatives will hold routine coordination meetings regarding transportation and use of materials that require OHS/Environment/Community Relations coordination among other departments at the site, coordinate future works regarding other activities, and review past performance.

The contractors' performance will be monitored through, but not limited to, the following;

- Monitoring work permits
- Inspection of Activities
- Effective and regular communication

6.2 Tools for the Management of Contractors

The following table outlines the key actions and associated process tools defined for each stage of the Contractor Management Process.

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Table 2: Tools for the Management of Contractors

Item	Qualification and Resource Use	Preparation of the contractor	Mobilization	Work Management	Assessment and Closing
Actions	<ul style="list-style-type: none"> Define Applicable Standards Assist the contractor in understanding the implications of the applicable standards for different areas of their operations. Classification of Contracts Defined HSMP Requirements and include in Scope of Work Preliminary Qualification Submitting Scope of Work, General Contract and Technical Specification to Bidders Site Visit, Bid, e-bidding explanations 	<ul style="list-style-type: none"> Preparation of HSF and Social Management Plan after submitting the General Contract and Technical Specifications Pre-Work Meeting for confirmation of auditing and monitoring processes of requirements Submitting the contractor handbook 	<ul style="list-style-type: none"> Delivery of vehicles, tools and equipment to the site for inspection Inspections according to the procedure on inspection of contractor mobile equipment (TMD_LAP_BKM_PRD.002) Participation of employees and workers on planned trainings Providing information on managers, authorities and officers who will be contacting contractor supervisors in case of emergencies according to the emergency action procedure. 	<ul style="list-style-type: none"> Monitoring work permits Inspection of Activities Monitoring periods and exposure times Holding pre-employment meetings Ensuring safe implementation of works Control and inspection of activities Effective and regular communication 	<ul style="list-style-type: none"> Providing performance feedback
Process Tools	<ul style="list-style-type: none"> Scope of Work and Technical Specifications OHS, HSMP and Social Risk assessment tables TÜMAD OHS, HSF and Social Management Plans Procedure Instruction Plan List Form Handbook 	<ul style="list-style-type: none"> Work description TÜMAD Environment, Health, Safety and Social requirements List of TÜMAD OHS, HSF and Social Management Plans Designs of worker equipment and vehicles 	<ul style="list-style-type: none"> Lists of equipment and vehicles Equipment and vehicle inspection forms HSMP and Social Management Plan checklists 	<ul style="list-style-type: none"> Standard Operation Procedures Instructions Hazard assessments Hot work, indoor work permits and other work permits Regular inspection, auditing and control lists 	<ul style="list-style-type: none"> Demobilization checklist

6.3 Contractor Management Requirements

Overall, the requirements of the Environmental and Social Impact Assessment Studies and associated commitments will be embodied in the contract documents. The specific requirements are listed in the following Table.

Table 3: Contractor Management Requirements

No	Requirement	Implementation	Verification Tools
1	Employer will prepare a contractor handbook which will contain training and implementation examples along with subjects in order to ensure that contractors work in compliance and coordination with employer management systems. (TMD_LAP_ISG_ELK.001)	Training and Implementation	Risk Procedure Contractor Handbook Qualified Human Resource
2	There must be a process to identify and evaluate risks associated with the planned procurement of materials, equipment, services and workforce, including an assessment of non-compliance or conformance with Project Standards. This must include an analysis of any downstream implications which may be impacted by the selection.	A Risk Assessment accepted by the IMS unit relevant to the work of the contractor will be used to have the contractor develop plans and activities towards eliminating or minimizing the impact of these risks and the human resource that will conduct this study will be requested.	Scope of Work and Risk Assessment (where necessary) Risk assessment review periods, non-conformity tables, corrective actions
3	A process towards assessment of the capacity of the supplier of providing the most suitable materials, equipment and/or services must be developed. Assessments and any other action must be documented. This process must be supported by a procedure that defines criteria on selection, evaluation and re-evaluation of suppliers and rejecting product(s) or material(s). (TMD_TİC_PRD.005)	Bid evaluation Evaluation based on Project Standards	Bid evaluation

No	Requirement	Implementation	Verification Tools
4	All materials, equipment, services and workforce purchased or supplied must fulfil all conditions set forth regarding controlling HSMP, community and conformity risks related to use or activity planned as defined during the risk assessment process.	Bid evaluation Evaluation based on Project Standards Evaluation based on Risk Assessment	Verification of HSF Hazard Identification answers by bidders
5	Hazardous materials approved for used at the site (preferably based on an inventory system) must be recorded. This record will be maintained and used as a reference in order to control purchasing and provision for use of new materials. All hazardous materials brought in by contractors must be included in these records or assessed.	Submitting SDS to the OHS department for verification	Hazardous materials record
6	Properties of all substances that pose a serious risk for OHS and HSMP performance (including process mid-products, by-products and waste) must be sufficiently understood, certified, and integrated into business procedures. Legally suitable Safety Data Sheet forms (SDS) for these substances (including products) must be present prior to their delivery and use. List of Prohibited Products (TMD_TİC_LST.001)	Submitting SDS to the OHS department for verification	SDS

No	Requirement	Implementation	Verification Tools
7	<p>The contractor must have a procedure regarding procurement, storage, distribution and transportation of all equipment and materials that is in accordance with the Project Standard and in proportion with the risk being assessed.</p> <p><i>Note:</i></p> <p><i>(i) Risk assessments will be conducted per incident as a part of the supply process.</i></p> <p><i>(ii) The contractors will develop H&S Management Plans (which can include an Emergency Action Plan (EAP)) and these plans will be reviewed by TUMAD (HS Supervisor and managing director) before contractors arrive at the site.</i></p>	Approval of contractor HSMP	Contractor HSMP Contractor Emergency Action Plan
8	<p>The contractor must have a procedure regarding management of disposal of excess/used materials, chemical substances, hazardous waste and equipment in a safe and approved manner in accordance with Project Standards. This procedure must define actions aiming at minimizing any type of obligation that may arise in the future.</p>	<p>Approval of contractor HSMP</p> <p>Hazardous Substances Management Plan</p> <p>Plan for Waste Management outside the Mine</p>	Record inspection Contractor HSMP

No	Requirement	Implementation	Verification Tools
9	<p>The process regarding management of contractors covers the stages below:</p> <ul style="list-style-type: none"> a) Qualification and Resource Use b) Preparation of the contractor c) Mobilisation d) Orientation and training e) Work Management f) Assessment and Closing <p>Individuals assigned temporary or daily to be working in the scope of current Project (s) activities/sites must receive employment training, and these individuals must be managed in the same manner as other employees.</p>	Workforce Management Plan	Record inspection
10	<p>A scope of work including analysis of risks connected to activities carried out by the contractor including non-conformity risks of all contractor or service contracts or conformity to Project Standards must be developed. Contracts Procedure (TMD_TIC_PRD.003)</p> <p>The scope of assessment of anticipated risks will be determined during the scope of work evaluation process, meanwhile HSMP, community and conformity risks defined, in minimum, in the Scope of Work Template applies to HSMP contractors and includes processes for inspection and evaluation of whether vehicles and equipment of all contractors are safe and in compliance with TÜMAD standards and site procedures.</p>	<p>Developing the Scope of Work using the Scope of Work Template.</p> <p>Risk Assessment will be conducted if necessary.</p> <p>Mobilization includes a vehicle and equipment inspection.</p>	<p>Scope of Work</p> <p>Risk Assessment (where necessary)</p> <p>Risk Review</p>

6.4 Local Sourcing

TÜMAD will use local sources and local sub-contractors where possible. The team will identify and grow the capabilities of local providers as far as possible (Local Procurement Management Plan (TMD_EYS_PLN.005) and Procurement Procedure (TMD_TIC_PRD.001).

6.5 ESHS Code of Conduct

Code of conduct would address particular risks of the contract such as:

- Labour influx
- Sexual harassment and gender based violence
- Illicit behaviour and crime
- Maintaining safety
- Compliance with general labour and working conditions specified in the labour law and in EBRD PR 2.

The contract must also have mechanisms to enforce the above.

7 MONITORING

The manager responsible for the contract will be responsible for monitoring contractor activities regularly in order to ensure compliance with requirements of IMS and Community Relations. The company will audit contractor management systems in order to approve contractor effectiveness and company control level.

The level of contractor monitoring and auditing will be determined based on the issues below:

- Current contractor management system and procedures;
- Execution of contractor management system and procedures; and
- Type and risks of activity

Inspection of TUMAD and Contractor Activities

TUMAD will supervise all activities undertaken by contractors. TUMAD will undertake daily workplace inspections by operational area superintendents / supervisors covering a broad range of operational aspects, including community health safety and security issues as appropriate to activities outside the fenceline.

Contractor Responsibilities

Contractor responsibilities will be defined in individual contracts, but will include:

- Preparing (as appropriate) health and safety, environmental management and/or community relations plans as outlined in contract documentation;
- Implementing plans in coordination with TUMAD Management Plans and procedures;
- Meeting training and competence requirements as defined by TUMAD;
- Ensuring all workers are fit for work and are provided with appropriate personal protective equipment;
- Complying with all Turkish regulatory requirements and TUMAD Project Standards;
- Ensuring that all work is carried out safely, in compliance with TUMAD instructions;
- Undertaking regular internal inspections and audits as required by Turkish regulatory requirements and TUMAD requirements;
- Establishing incident management procedures, including reporting and notification, in conformance with TUMAD requirements;
- Undertaking non-conformance and incident investigations in conjunction with TUMAD.

All regulatory requirements and other commitments and obligations are identified and recorded in an internal Commitments Register, developed and maintained by TUMAD. This provides the definitive reference for compliance requirements and Project Standards.

TÜMAD will conduct a contractor audit at the end of their contract in order to ensure that all obligations arising from the contract have been fulfilled.

All incidents in which contractor/supplier personnel have been involved will be investigated and reported according to TÜMAD Reporting and Investigation Procedure and a corrective measures system will be put into practice according to TÜMAD Corrective and Preventive Measures Procedure.

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Contractor will prepare plans for the management of Occupational Health and Safety/Environment/Community Relations and define the process for the monitoring of their performance in these plans.

Any non-conformances identified with the Project Standards will be investigated and appropriate corrective actions will be identified in accordance with the Corrective Action Procedure (TMD_EYS_PRD.002).

7.1 Key Monitoring Activities

Key monitoring activities to be implemented for both Projects are given below.

Table 4: Key Monitoring Activities

No	Topic	Monitoring Activity	Frequency	Location
CM-01	Completion of Contractor Selection Process	<ul style="list-style-type: none"> Defined Project Standards Due Diligence outcomes according to Preliminary Qualification and Selection on the contractors Contracts including risk assessment and H&S Management Plan, Contractors Handbook 	Every 3 month	Tümad Lapseki and İvrindi Project areas
CM-02	Contractors mobilization	<ul style="list-style-type: none"> Pre-start meeting minutes Contractors Equipment/vehicle inspection reports Contractors Training records Contractors Medical certificates Contractors H&S Management Plans Safety Data Sheets 	Before mobilization/Every 3 month	Tümad Lapseki and İvrindi Project areas
CM-03	Work Management	<ul style="list-style-type: none"> TÜMAD's regular monitoring reports, inspections and controls Non-conformance and incident investigation reports Refresher trainings Feedback provided to contractors 	Routine (Daily/weekly/monthly)	Tümad Lapseki and İvrindi Project areas

7.2 Key Performance Indicators

Key performance indicators relevant to each contract will be developed. The particularly important and that will be relevant for most contracts are shown below.

The table below summarizes key performance indicators and main monitoring actions which can be used in evaluation of progress and effectiveness of suggested management strategies.

Table 5: Key Performance Indicators

No	KPI	Target	Monitoring measure
CM-KPI- 01	The number of contractor OHS and environmental incidents reported (statistics)	Reducing the number of reported incidents and ensuring continuous improvement	The number of contractor incidents reported monthly and annually

No	KPI	Target	Monitoring measure
CM-KPI-02	The number of recorded community /stakeholder complaints against contractors	Reducing the number of reported complaints and ensuring continuous correction of complaints	The number of complaints reported against contractors monthly and annually. (Contact with TÜMAD Department of Community Relations managing the complaint and feedback procedure (TMD_LAP_KTI_PRD.001)
CM-KPI-03	The number of worker complaints against contractors	Reducing the number of reported complaints and ensuring constructive and peaceful working environment	The number of complaints reported against contractors monthly and annually. Complaint and Feedback Procedure (TMD_LAP_KTI_PRD.001)
CM-KPI-04	The number of NCRs/ legal fees and court cases against contractors	Reducing the number of legal fees, and court cases against the Project	The number of NCRs/Fees/ court cases against the project due to contractors activities monthly and annually.
CM-KPI-05	Number of contractors comply with the Project Standards and responsibilities given in section 7 (Contractor Responsibilities)	%100 compliance with all contractors.	Contractor training records, medical reports, PPE acceptance forms, audit reports

8 TRAINING

A comprehensive Employment Training will be provided to all contractor personnel.

Employment training programme of contractor personnel will be defined according to the points below:

- Duration and type of contract;
- Hazards of the work undertaken; and
- Work environment to which contractor personnel will be assigned.

At minimum, employment trainings will cover the subjects below:

- Basic Principles of Occupational Safety and legal rights and responsibilities
- Emergency Action procedures;
- Occupational health and safety, environment and social management system and ethical behaviour policies of TÜMAD;
- Social Policies and Management Plans of TÜMAD.
- Personnel and Contractor Behaviour of TÜMAD.

- Cross-Cultural Awareness Training;
- Occupational Health and Safety Plan and Community Relations risks as applicable to the Works that the contractor will undertake;

Necessary training will be provided as part of workplace orientation training (training that are specific to work and department and occupational proficiency trainings are necessary and will be provided).

All Contractors shall provide a copy of the training certificates of their employees to TÜMAD as per the Regulation on Procedures and Principles of Occupational Health and Safety Training of Employees shall be provided.

8.1 Training Specific to Work

All TÜMAD employees and contractors working at TÜMAD will participate in routine Occupational Health and Safety meetings.

Contractor will have a representative in the Committee of Occupational Health and Safety.

Purchasing personnel will receive training on contract management and any other expertise training deemed necessary.

Qualification and training records, training repeat records, occupational proficiency certificates and other proof documents for competency of the contractor employees will be collected by TÜMAD for qualification verification.

9 GRIEVANCE AND REDRESS MECHANISM

Contractors must have in place a robust Grievance and Redress Mechanism (GRM) for workers and where relevant for communities which is well publicised and follows a structured and timely process. For practical purposes this GRM might be linked in the field to that of the TÜMAD GRM.

10 AUDIT

The contractors will be audited as part of the TÜMAD Audit Plan and Programme against the requirements this Management Plan, ESMS of TÜMAD and the Contract. The schedule, the frequency, the scope and objectives of the audit as well as the responsible internal inspectors will be indicated in the Audit Program to be developed.

Any contractor activity may be subjected to observation, inspection and auditing by TÜMAD operating managers via field managers/supervisors at any time in addition to planned audits against the requirements this Management Plan of the ESMS of TÜMAD and the Contract.

Any non-compliances detected during these audits and inspections will be recorded as part of the Audit Procedure Audit Procedure (TMD_KAL_PRD.001).

In this context, a third party consultancy who are specialised in labour issues will conduct these evaluations and audits on behalf of TÜMAD and Project Creditors quarterly during construction and biannually during operations.

National Authorities may conduct similar evaluations against national legislative requirements. Contractor will provide the audit reports of the national authorities to TÜMAD:

Documents to be reviewed especially during the audits by the auditors:

- Contractor Policies, Plans and Procedures
- Contractor Accident/incident and investigation reports
- Contractor employees training certificates, records, licenses etc.
- Contractor equipment/material lists, maintenance records/ checklists etc.

11 REPORTING

Evidences of the implementation of the mitigation actions/measures and related results are collected through TÜMAD IMS procedures.

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