

TÜMAD

MADENCİLİK SANAYİ VE TİCARET A.Ş.



LABOUR MANAGEMENT PLAN for LAPSEKİ & İVRİNDİ PROJECTS

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LABOUR MANAGEMENT PLAN for LAPSEKİ & İVRİNDİ PROJECTS

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ABBREVIATIONS AND DEFINITIONS

Project(s)	: Lapseki and İvrindi Gold and Silver Mine and Processing Projects
TÜMAD	: TÜMAD Madencilik San. ve Tic. A.Ş.
EBRD	: European Bank for Reconstruction and Development
EIA	: Environmental Impact Assessment
ESMS	: Environmental and Social Management System
EU	: European Union
GRM	: Grievance Mechanism
HR	: Human Resources
IFC	: International Finance Corporation
IMS	: Integrated Management System
KPI	: Key Performance Indicator
MoEU	: Ministry of Environment and Urbanization
OHS	: Occupational Health and Safety
PR(s)	: Performance Requirement(s)

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1. INTRODUCTION

This document comprises the Labour Management Plan for both the Lapseki Mine and İvrindi Mine.

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 Project (the İvrindi Project) within the administrative boundaries of Degirmenbaşı and Küçükıllica Villages of the İvrindi District of Province of Balıkesir. The İvrindi Project has 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 Labour Management Plan that is prepared for TÜMAD Operations. The Integrated Management System (IMS) document registration number for Labour Management Plan is TMD_İK_PLN.002. This management plan 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 (ESMS) implemented by TÜMAD for the two mine projects.

This Management Plan is based on the Project(s) Environmental & Social Management System (ESMS) Framework (TMD_EYS_PLN.004) of TÜMAD, which is owned by the TÜMAD General Manager. Any subsequent changes to the TÜMAD 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.006).

2. PURPOSE

The purpose of this plan is;

- Describing the Applicable Project Standards relevant to this Management Plan;
- Define roles and responsibilities;
- Define project commitments, standard operational procedures, instructions and guides relevant to this Management Plan;
- Define monitoring and reporting procedures including Key Performance Indicators;
- Define training requirements;
- Define references for supporting materials and information;

In addition, this Management Plan sets out the basic procedures and requirements implemented by TÜMAD to ensure that TÜMAD and its Contractors and subcontractors respect and protect fundamental principles, rights and freedoms of workers and that they shall live and let live in a respectful manner to these rights and freedoms by creating a good, orderly, decent and principled workplace.

TÜMAD has set its human resources and workforce management policy (as presented in the ESMS Framework TMD_EYS_PLN.004) that includes the following key principles:

- fair treatment;
- non-discrimination and equal opportunities of workers;
- establishing, maintaining and improving a sound worker-management relationship;
- promoting compliance with any collective agreements to which Nurol Group and TÜMAD is a party
- compliance with national labour and employment laws;

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- protecting and promoting the safety and health of workers, especially by promoting safe and healthy working conditions
- no use of forced labour and child labour (as defined by the ILO and Turkish legislation).

Implementation of the Labour Management Plan will also serve to maximising the opportunities for local employment and ensuring a fair distribution of jobs to all affected settlements. This is vital to establishing a good relationship between the Project and the local settlements. Therefore this Management Plan also aims to outline the skills development and training process to ensure that local settlements can benefit from the Project in the longer term by developing skills that can help them find employment once the Project is completed. The Management Plan will define the processes for Contractors to meet the requirements set out in Tender documentation for managing labour issues and employment process.

3. SCOPE

This Management Plan covers all exploration, construction investment, operation, closure and reinstatement activities performed by TÜMAD and its contractors -. Implementation by contractors is addressed in the Contractor Management Plan (TMD_ISG_PLN.003) and include full-time and part-time workers including those on short-term contracts.

3.1. Overlaps with Other Management Plans

This Management Plan is part of the overall suite of Management Plans developed for the TÜMAD Project and as part of Environmental and Social Management System (ESMS) overlaps with the following management plans;

- Contractor Management Plan (TMD_ISG_PLN.003), particularly in relation to the procedures for the selection, management and oversight of TÜMAD contractors related to labour management issues;
- Health and Safety Management Plan (TMD_ISG_PLN.007) particularly in relation to defining the requirements of occupational health and safety and labour working conditions
- Local Procurement Management Plan (TMD_EYS_PLN.005), particularly in relation to the procedures for the selection, management and oversight of TÜMAD suppliers related to labour management issues
- Community Development Framework (TMD_EYS_PLN.007) particularly in relation to local recruitment, employment and training

This Management Plan is supported by the following documentation;

- Human Resources Policy (TMD_İK_POL.006)
- HR Processes Procedure (TMD_İK_PRD.010)
- Selection and Placement Procedure (TMD_İK_PRD.001)
- Employment of Local People and the Business Support Procedure (TMD_KTI_PRD.003)
- HR Training Procedure (TMD_İK_PRD.002)
- Temporary External Assignment Procedure (TMD_İK_PRD.003)
- Human Resources Discipline Procedure (TMD_İK_PRD.004)
- Performance Assessment Procedure (TMD_İK_PRD.005)
- Wages and Side Benefits Procedure (TMD_İK_PRD.009)
- HR Termination and Redundancy Procedure (TMD_İK_PRD.008)
- HR Leave Procedure (TMD_İK_PRD.006)
- Employee and Labour Complaint Procedure (TMD_İK_PRD.007)

4. PROJECT STANDARDS

Project(s) Standards are defined by;

- applicable Turkish Standards;
- other commitments to and requirements of Turkish Government authorities;

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- applicable international standards and guidelines;
- applicable NUROL and TÜMAD standards, policies and procedures;
- other industry guidelines with which TÜMAD has committed to comply.

4.1. Applicable Turkish National Standards

Occupational Health and Safety: All occupational health and safety issues are managed in line with the Occupational Health and Safety Law (Law No: 6331, Date of Enactment: 20/06/2012).

Labour Law: The Labour Law (Act. No. 4857) regulates the individual employment relations between an employer and an employee. The law covers both the employment contract of blue and white collar employees, but excludes public service employees.

Turkish Health and Safety Standards:

A number of health and safety standards are in place in Turkey to directly protect the workforce and indirectly protect communities including:

- Regulation on Manual Handling
- Regulation on Health and Safety Measures When Working With Chemical Substances
- Personal Protective Equipment Regulation
- Regulation on Occupational Health and Safety for Mines
- Health and Safety Signs Regulation
- Dust Removal Regulation
- Regulation on Occupational Health and Safety for Construction Works
- Regulation on Protecting Employees From Noise Related Risks
- Regulation on Protecting Employees From Hazards Caused by Explosive Environments
- Regulation on Protecting Employees From Vibration Related Risks
- Regulation on Procedures and Principles of Occupational Health and Safety Training of Employees
- Regulation on Health and Safety Requirements When Using Construction Equipment
- Regulation on Duties, Authorities, Responsibilities and Training of Occupational Safety Specialists
- Occupational Health and Safety Risk Assessment Regulation
- Regulation on Emergency Cases at Workplaces

4.2. Applicable International Standards and Guidelines

Applicable International Labour Organisation (ILO) Conventions Ratified by Turkey:

- Occupational Health and Safety Improvement Framework Convention, 2006
- Emergency Action Convention on Prohibition and Elimination of the Worst Forms of Child Labour, 1999
- Convention on Health and Safety at Mines, 1995
- Convention on Health and Safety at Construction Sites, 1988
- Health Affairs Convention, 1985
- Termination of Employment Relationship Convention, 1082
- Occupational Health and Safety and Working Environment Convention, 1981
- Triple Consulting (International Working Standards) Convention, 1975
- Human Resources Improvement Convention, 1975
- Minimum Age Convention, 1973
- Workers' Representatives Convention, 1971

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- Equality of Treatment (Social Security) Convention, 1962
- Discrimination (Employment and Occupation) Convention, 1958
- Abolition of Forced Labour Convention, 1957
- Social Security (Minimum Standards) Convention, 1952
- Equal Remuneration Convention, 1951
- Right to Organize and Collective Bargaining Convention, 1949
- Working Conditions (Public Conventions) Convention, 1949
- Protection of Wages Convention, 1949
- Minimum Age (Industry) Convention (Revised), 1937
- Forced Labour Convention,

EBRD Performance Requirement PR2:

The international standards which TÜMAD will implement are those set by the European Bank for Reconstruction and Development (EBRD).

As per EBRD Performance Requirement (PR 2) on Labour and Working Conditions, proper human resources management, respect for workers' rights, including freedom of association and the right to collective bargaining, and promotion of workers' health are key to the sustainability of an enterprise. Management of non-employee workers, the process of redundancy and grievances arising at the workplace are also covered by the standard.

General requirements under PR2 are as follow:

“Projects are required to comply, at a minimum, with (i) national labour, social security, occupational health and safety laws, (ii) the fundamental principles and standards embodied in the ILO conventions.

Specific objectives are to:

- Respect and protect the fundamental principles and rights of workers
- Promote the decent work agenda, including fair treatment, non-discrimination and equal opportunities of workers
- Establish, maintain and improve a sound worker-management relationship
- Promote compliance with any collective agreements to which the client is a party, national labour and employment laws
- Protect and promote the safety and health of workers, especially by promoting safe and healthy working conditions
- Prevent the use of forced labour and child labour (as defined by the ILO) as it relates to project activities.

5. ROLES AND RESPONSIBILITIES

The primary roles and responsibilities defined for the Project (s) with respect to implementation of this Management Plan are given in Table 1.

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Table 1: Roles and Responsibilities

Role	Responsibility
General Manager	<ul style="list-style-type: none"> • Approval of resources necessary for the implementation of this management plan.
Financial Administrative Manager / Operation Managers	<ul style="list-style-type: none"> • To ensure the compatibility with local and international directives, company policies and standards and for publishing and announcing and for implementation in coordination with all departments at the operation and stakeholders when necessary. • To ensure that this management plan conforms to commitments and standards, • To make the plan available to employees and labour force of. and to those of sub-employers, • To control effectiveness of this plan through periodic inspections on all activity areas of TÜMAD and those of sub-employers. • To monitor the compliance of contractors to labour laws and project standards • To ensure the contractors and suppliers are audited against the requirements of this plan in coordination with IMS & HR Manager and Contractor Managers
Human Resources Administrator	<ul style="list-style-type: none"> • Responsible for preparing this plan and performing all HR processes. (Selection and Placement, Training, Performance Management, Discipline, Wages and Vested Benefits, Organization Charts, Collective Agreements, Career Planning, payroll and accrual etc.)
IMS & Sustainability Manager	<ul style="list-style-type: none"> • Responsible for revising, improving and monitoring this plan
OHS Environment and Community Relations Administrator	<ul style="list-style-type: none"> • To ensure that all activities of TÜMAD are conducted in accordance with this Management Plan and the relevant procedures and instructions, • To report all hazards, non-compliances and incidents, • To plan, prepare and provide trainings that are required to ensure that this plan is implemented by employees, sub-employer employees and stakeholders in a complete manner,
HR Administrator Administrative Affairs Administrator and Other Administrators	<ul style="list-style-type: none"> • To ensure that their personnel works systematically as per the company targets and that they perform their works according to TÜMAD's objectives, values, procedures and regulations. • To distribute works by considering competencies and capacities of their personnel, to follow and monitor within the framework of this work distribution that the works are being performed in a timely and correct manner, to follow personal and occupational improvement of their personnel. • To fairly treat employees and labour • To be a model in terms of treatment, working, occupational knowledge, honesty, effective and transparent communication • To ensure that their personnel is brought to a level at which they perform their works in an effective and successive manner and if such personnel is promoted or assigned, to contribute to the selection process of substituting personnel.
Community Relations Head and HR Manager	<ul style="list-style-type: none"> • To ensure coordination with government institutions and other stakeholders with respect to this plan.

Role	Responsibility
	<ul style="list-style-type: none"> To record and follow labour grievances and complaints. To negotiate with the corresponding departments and to ensure that the complaints and grievances are closed within the specified periods of time. To establish communication with the complainant public members, employees and labour and to carry out information transfer.
Contractor Manager(s)	<ul style="list-style-type: none"> To ensure the contractor activities are in compliant with the requirements of this Plan. To plan and implement the auditing of the contractors and suppliers against the requirements of this Management Plan

6. EMPLOYMENT OVERVIEW

Strategic human resources planning process in TÜMAD is comprised of the following four steps.

1. Assessment of human resource requirements
2. Skill survey in the region
3. Skill Gap analysis
4. Development of human resources strategies to support local employment

6.1. Employment at Lapseki Mine

Human Resources practices and procedures are being progressively developed, implemented and updated as the Project moves towards operations in Lapseki Mine. Contractors and subcontractors of TÜMAD are required to implement equivalent recruitment procedures and to have all associated documentation in place.

The total number of contractor workers employed during the construction phase of Lapseki mine (as of June 2017) was 658; 60 of which were for drilling works, 8 of which were for security and 590 of which were for general construction works (8 electrical, mechanical works).

Table 2: Realised employment breakdown during Lapseki Construction-Contractor Workforce*

A. Drilling works	Employment
Çamyurt	20
Kocabaşlar	20
Şahinli	20
Total	60
B. Security	Employment
Beyçayır	1
Çamyurt	1
Eçialan	1
Kırcalar	1
Kocaveli	1
Şahinli	2
Yenice	1
Total	8
C. Others (welders, excavation, mechanical and etc.)	Employment
Kocabaşlar	15
Şahinli	28
Dumanlı	22

Çamyurt	6
Lapseki	10
Çanakkale	4
Total local	85
Others	505
Total (as of June 2017)	590
Grand Total	658

* Mining construction requires skilled/semi-skilled employees such as; employees working on height, at welding, certified /qualified employees working with machinery and equipment, employees working with electricity. Therefore semi-skilled and skilled employees are recruited mainly regionally and nationally. TÜMAD has employed and trained the workforce from the local community to be qualified and able to work at operation phase.

With the completion of the construction phase employment for the operation phase has been accelerated.

During Operations Phase, the total requirement for the workforce including contractors will be **250**. According to the current plans there will 57 white collar and 98 blue collar (60 unskilled/semi-skilled and 33 skilled) will be employed by TÜMAD during operation phase. The figures can be changed based on the business needs of TÜMAD during operations.

Table 3: The Realized Local Employment Figures for Lapseki Operation Phase (TÜMAD employees without skill categorisation)

Lapseki Project	Up to Date (TÜMAD)	Planned
Local	87 (32%)	114
Other	41 (68)	41
Total	128	155

TÜMAD also aims to employ vulnerable and disadvantaged groups in its operations. TÜMAD aims to provide equal opportunities and gender equality in both mines. Currently there are 19 women workers employed at cleaning, accounting, catering, IMS and health and safety unit, community relations, reception, laboratory, administration .

There are 3 disabled personnel employed at catering and gardening. One of these disabled personnel is woman.

Some of the unskilled personnel from local settlements who worked during construction have already been trained to be able to work as semi-skilled/skilled worker during operations phase. 4 of them have been employed by TÜMAD (3 drilling operator, 1 driver) for operation phase and 9 of them were employed by other companies in the region.

6.2. Employment at İvrindi Mine

The construction phase has not started yet in İvrindi Mine

TÜMAD has started employment process aiming to set up a team for operation phase, but these personnel will be employed during construction phase with the aim of developing their capacities until the commencement of operation.

Table 4: The Realized Employment Figures for İvrindi To Date (without skill categorisation)

İvrindi Project	Realised	Planned
Total	3	200
Local	1	160
Other regions (all from Turkey)	2	40

7. IMPLEMENTATION

7.1. Key Labour Management Measures

7.1.1 Identifying Labour Needs:

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Forecasting workforce requirements in a systematic and timely fashion is important for the Project to ensure that sufficient time and internal resources are available to identify and find suitable local/regional candidates for all unskilled, semi-skilled and skilled positions.

7.1.2 Selection and Hiring Procedure; (TMD_İK_PRD.001)

TÜMAD has designed a range of policies and procedures designed to ensure that recruitment and hiring practices are fair and transparent, and that they take into consideration local conditions and expectations to the greatest extent possible.

Discrimination in relation to recruitment and employment on the grounds of race, gender, age, disability, sexual orientation, or religious or political beliefs is not permitted under any circumstances.

A Recruitment Policy and Procedure has been developed by TÜMAD and contains key recruitment processes, including the following:

- identifying Project recruitment needs and staffing requirements;
- developing and reviewing job descriptions in a standard TÜMAD template. All job descriptions are to be composed by the responsible line managers in competency-based terms and will provide an appropriate level of detail in terms of job specifications and requisite qualifications;
- advertising and selection of recruitment agencies;
- management of candidates;
- candidate short listing and selection;
- new employee administration.

7.1.3 Preferential Local Employment

TÜMAD will adopt a “tiered” approach to recruitment. Priority will be given to project affected settlements including Kocabaslar, Sahinli, Dumanli and Camyurt villages and Lapseki district for Lapseki mine and Değirmenbaşı and Küçükıllica Villages and İvrindi District for İvrindi Mine. If the required skill is not found here then workers in other adjacent districts and then within Canakkale and Balıkesir Province will be targeted. If the required skills are not found in any of these then TÜMAD will search nationally for suitably qualified and experienced staff. The project is not considering to employ foreigners or migrant workers at both mines.

Opportunities for direct employment will be constrained by the availability of appropriate skills. Taking into consideration the skills limitation within the affected area, the focus of the employment strategy will be employment of the unskilled and semi-skilled workforce if necessary.

Therefore, Community Development Strategy of TÜMAD will focus on;

- Supporting existing vocational training centers and aligning vocational trainings to increase employability of PAPs in the mine.
- Other possible vocational training opportunities in cooperation with local university and vocational training centers
- Supporting education of local students; Scholarships
- Business skills and SME support initiatives/diversifying local economy to prevent dependency
- Job-readiness and on the job trainings by TÜMAD

Lapseki Operations Team have identified following thematic areas for skill development activities targeting local community members:

- Mine entrance training programs
- High school and Higher Education scholarships
- Internship
- Office Management, Computer and other skill improvement programs etc.

The local employment targets for construction and operation of the Lapseki and İvrindi Mines are provided in Table 4 and 5 below.

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Table 5: Local Employment Targets for Lapseki Mine Project –Construction and Operation Phases

Category	Project affected settlements (priority area for local employment):Şahinli, Kocabaşlar, Çamyurt, Dumanlı, Yeniceköy, Subaşı villages	Nearest district and province: Lapseki district Çanakkale province
Un-skilled	100%- construction 100% achieved	Construction 80%, not required
	100% - Operation	-
Semi-skilled	70% - Construction Not required	60%, Not required
	70% - Operation	30%
Skilled	5%- Construction	30% - Achieved
	5% - Operation	50% - Operation

* Mining construction requires skilled/semi-skilled employees such as ; employees working on height, at welding, certified /qualified employees working with machinery and equipment, employees working with electricity. Therefore semi-skilled and skilled employees are recruited mainly regionally and nationally. TÜMAD has employed and trained the workforce from the local community to be qualified and able to work at operation phase.

Table 6: Local Employment Targets for İvrindi Mine Project – Construction and Operation Phases

Category	Project affected settlements (priority area for local employment): Değirmenbaşı, Küçükılıca, Karadere villages	Nearest district and province İvrindi district, Burhaniye district Balıkesir province
Un-skilled	100%	-
Semi Skilled	%70 - Construction	30%
	% 70 - Operation	30%
Skilled	60% - Construction	30% - Construction
	5% - Operation	50% - Operation

7.1.4 Information Provision to Stakeholders during Recruitment Process

Dissemination of all recruitment advertisements for the Project is controlled by the respective employer, i.e. either TÜMAD (for direct Project recruitment) or Contractors of TÜMAD. Recruitment procedures in relation to information provision include the following:

- vacancy announcements and advertisements will have appropriate approvals from TÜMAD;
- TÜMAD and its contractors will ensure that relevant announcements are made for all available vacancies;
- means of information distribution include advertising of employment opportunities in the local daily newspapers, online resources (including TÜMAD website, www.yenibiris.com and www.kariyer.net);

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- the Human Resources Manager is responsible for the public distribution of vacancy announcements and provides advertising support for the internet;
- for specialist roles, professional recruitment firms may also be used.

TÜMAD community relations team will inform local residents about the application process and of conditions for employment. Appropriate communications channels will be used to ensure that all directly affected settlements are informed about all job opportunities, for example, through advertisements and notices in the media, through village leaders, notices in tea houses etc.

One may apply to TÜMAD A.Ş. on www.tumad.com.tr website by using “General Application” tab on Human Resources section showed in figure 1 or through TÜMAD postings at various career portals and may follow job opportunities on these portals.

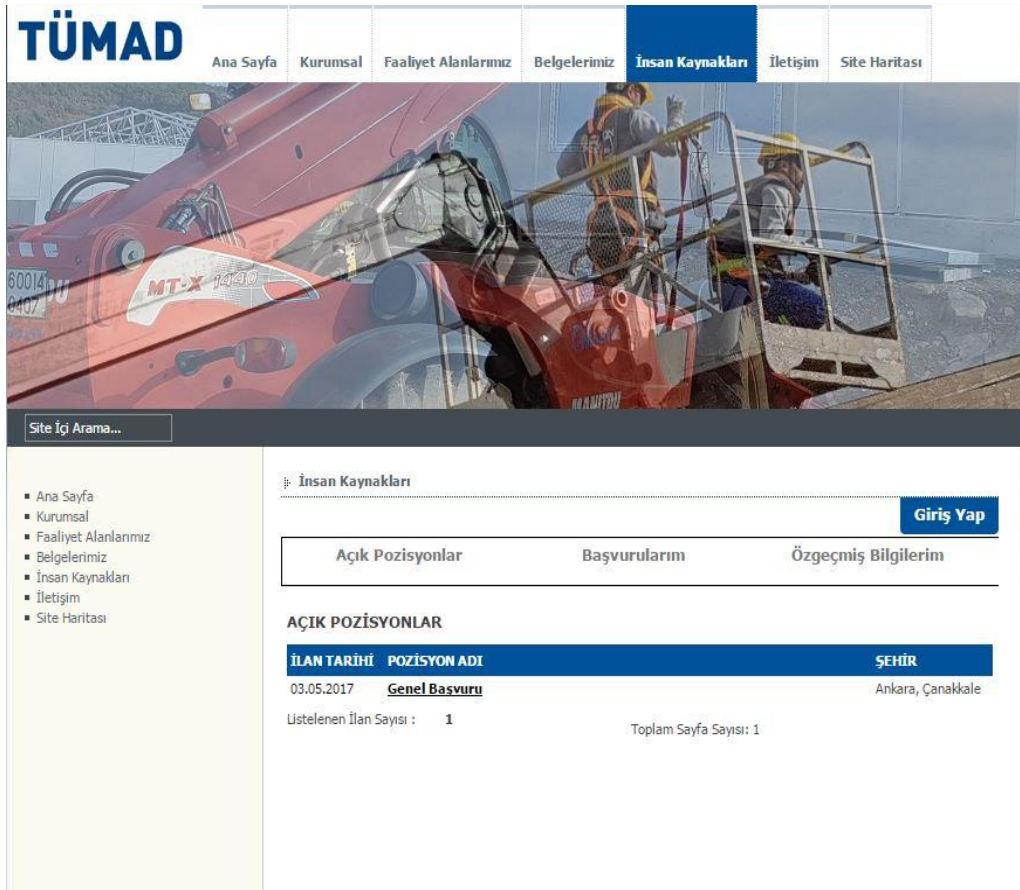


Figure 1: Human Resources Section on TÜMAD web-site

7.1.5 Terms of Employment

Basic eligibility requirements for employment are as follows:

- all applicants must complete an application form and submit a CV detailing applicable experience related to the minimal (required) and desirable qualifications;
- applicants must be at least 18 years of age on the date of hire for all positions;
- citizens convicted of a criminal act by a legal court and currently serving their sentences are not eligible for appointment;
- priority is given to residents from the neighbourhoods in the directly affected settlements and Lapseki and İvrindi Districts (as outlined in the Local Employment and Training Procedure);
- medical clearance to be fit for work.

7.1.6 Work Contracts, Working Hours and Vacation

Contracts of employment will be in writing and may be for a fixed term or for permanent employment. All employees will receive a copy of their employment agreement, which will, as a minimum, address the following:

- job title;
- job duties;

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- basic salary;
- labour conditions.

Working hours will be in compliance with Turkish Labour Law. All relevant attendance and leave requirements are set out in individual employment contracts and other relevant Human Resources documentation.

7.1.7 Labour Remuneration

All wages and salaries paid to employees and Contractors must accord with the HR policies of TÜMAD.

All employees of the Project and contractors will be provided with an employment contract that clearly sets out their salary conditions and other allowances.

Employees (local or regional workers) at TÜMAD will be provided a competitive salary in relation to market rates. Social security, government health insurance, workers' compensation, state disability and unemployment insurance are requirements of the Turkish Labour Law and Social Security Institution and are documented through written employment agreements.

7.1.8 Termination and Retrenchment (TMD_İK_PRD.008)

All worker terminations will be performed strictly according to Turkish legal requirements and TÜMAD policies.

A demobilisation plan will be prepared prior to the end of construction period at both mines. A separate Retrenchment Plan will be prepared for operations and prior to mine closure. Key elements that will be described in these plans are:

- at the time of hiring, the period of employment and the conditions for hiring and layoff will be clearly explained to new recruits and included in individual employment contracts;
- Information on Project's schedule and potential layoffs (particularly for temporary construction jobs) will be shared with worker representatives during regular meetings held by Human Resource;
- the Project intends to avoid Collective Redundancies (as defined in EBRD PR2);
- the Project is responsible for returning workers to the place from where they were recruited or to their domicile (the place of hire will be specified and transport service or cost of transportation will be covered).
- Redundancy does not include the planned cessation of temporary employment, such as the demobilisation of contractor workers at the end of their assignment.
- Responsibility for further development of the redundancy procedures lies with the Human Resources Department of TÜMAD.
- Planned termination such as when a contract comes to an end will not be considered as redundancy in line with Turkish Employment Law.

7.1.9 Collective Redundancies:

Collective Redundancies are defined as follows (by referencing the EBRD – PR 2, EC Directive 98/59 Article 1): “dismissals effected by an employer for one or more reasons not related to the individual workers concerned where the number of redundancies is:

Table 7: Redundancy Definition

Total Employee of the Company	“Collective Redundancy” threshold
Up to 20	Not valid
between 21 and 99	10%
between 100 and 299	10%
300 or more	30%

Where collective dismissals are proposed, they should be carried out with an analysis of alternatives. If the analysis does not identify viable alternatives, a **Retrenchment Plan** will be developed according to PR2 requirements.

In the event that Collective Redundancies as defined above cannot be avoided, they will be managed as follows (these requirements apply to both TÜMAD and Contractors or Sub-Contractors):

- 30 days' notice of redundancy will be given to ISKUR and to EBRD
- Consultation will be made with trade unions or workers' representatives (where there are no trade unions) on redundancy reasons, schedule and compensation

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Severance will be paid in line with the requirements of Turkish Labour Law (either one month's base pay as a minimum), or the amounts agreed in consultation with unions or workers' representatives.

- Selection criteria for those to be retrenched will be transparent and may be based on the following:
- length of service;
- skills assessment;
- disciplinary record;
- performance record;
- absence record;
- knowledge

A formal Redundancy Plan shall be prepared for consultation with workers and shall include the following sections:

- the reasons why job losses are necessary;
- the timescale;
- Who will be consulted;
- How employees will be selected;
- How alternative jobs will be sought;
- How severance pay will be calculated;
- What measures are in place to assist those losing their jobs to seek new work;
- How broader community impact issues are to be addressed.

Any proposed Collective Redundancies as defined above will be notified in advance to Lenders. Notification will include the reason for the proposed redundancy, the number of workers affected, and the time frame.

7.1.10 Post Mining and Workforce Demobilisation:

At the end of the commercial life of the Project TÜMAD will help its local workforce to transition from an operating mine into the post-closure period, specifically to deal with the impacts of loss of employment and discontinuation of other spin off revenue to local businesses and to governments through taxes. Further details are provided in the Conceptual Closure Framework.

The Human Resources Department will work closely with government and private recruitment and training agencies to establish career transition or employee mitigation programmes to ease the impact of closure. Regular community and employee consultation will be critical in establishing the best adjustment programmes to transition effectively from an operating mine to the post closure period, while maintaining local sustainable development. TÜMAD will develop a demobilization plan and share it with the Lenders two months prior to its implementation.

7.1.11 Unions and Worker Representatives

TÜMAD will treat its employees, whether they are member of a Union or not, in a manner that is in compliance with the laws and EBRD PR2, and in an understanding, sensitive, respectful and indiscriminate manner and with equal and fair payments and side benefits as it specified in its policies. TÜMAD will not in any way attempt to prevent establishment of worker Unions or other worker groups that have been legally set up.

7.1.12 Collective Agreement

The right to negotiate collectively at different levels (including sector and enterprise) is recognised under Turkish Labour Law. In collective bargaining, workers will be represented by a trade union or, if there is no trade union, by representatives elected from a meeting of employees. If, in the future, there are multiple trade unions that are relevant to collective bargaining negotiations, the unions are required to form a single negotiating body with participation relative to the proportion of workers that they represent.

Collective agreements will be negotiated by TÜMAD and all major contractors working at Project sites, will be registered, and will be renegotiated as required, with an adequate period of notice given to Unions or workers representatives, as required by the Turkish Labour Law, before the formal renegotiation process starts.

7.1.13 Training and Improvement (TMD_İK_PRD.002)

We, as TÜMAD, believe that the investment on human is the most productive investment. We exercise due care when analysing the training requirements to improve personal and technical competencies of our employees, determining accurate trainings and trainers and objectively assessing the provided contributions. In this way, we aim at obtaining results to address job related needs and increase the existing performance of our employees through trainings in order to make them work in the most efficient manner and at the same time have them get pleasure from their jobs.

7.1.14 Performance Management (TMD_İK_PRD.005)

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The most important objective of the performance management system that we intend to implement in our company is based on the spreading principle of targets from top management to all employees and to evaluate our employees by improving their potentials at the top level. For this purpose, the data obtained as a result of performance evaluation process shall be used when implementing Training and Improvement, Career Management and Wage Management systems.

7.1.15 Capability Management

At the end of the performance and competency assessment processes to be conducted each year, an administrator potential pool shall be established. Back up plans shall be discussed in Human Resources Planning Meetings and the employees, who are deemed as potential, shall be subject to special trainings and provided with improvement opportunities and they shall be ready for the next position in this way. All open positions within Nurol Group companies shall be posted in the internal announcement system. By means of this system, employees take the opportunity of lateral or promotional transfer to the other companies.

7.1.16 Employee Loyalty

Each year an “Employee Loyalty Research” shall be carried out by an independent inspection company as an indicator of the value that we put upon TÜMAD employees.

TÜMAD shall obtain opinions of its employees through yearly surveys by taking the “Human First” principle as a target. With the help of this application, improving action plans shall be prepared and implemented by obtaining opinions of employees and measuring their job satisfaction and loyalty levels through investigations to be carried out at different levels from working environment to company management, from performance assessment system to in-house communication and wage/site benefits.

Accordingly, the company management shall perform applications that increase employee satisfaction and motivation by preparing action plans.

7.1.17 Worker Grievance and Redress Management:

A worker grievance redress mechanism (GRM) is developed and made accessible to all workers (TMD_İSG_FRM.001). The GRM will allow for confidential complaints to be raised and addressed. Contractors will be required to implement similar employee grievance mechanisms. (Sample employee grievance form is presented in Annex 1).

The OHS Committee developed as per legislation will include workers representative to bring worker grievances issues to the attention of management.

The GRM will be well disseminated amongst the worker so that they are all aware of its existence and how it works, it will be accessible and follow a clear due process and there will be rigorous analysis of each complaint and a thorough review and attempt to find the appropriate solution.

Worker grievance mechanism will also be available for the use of Contractor workers in case their companies fail to address their complaints in the mine construction and operation. TÜMAD as a responsible employer will ensure rights of all contracted workforce is protected as its own direct employees.

Management of Contractors and Suppliers:

Contractors and Sub-Contractors working at the Project sites shall comply with all TÜMAD standards and requirements (as appropriate and as defined in this plan, the Contract Management Framework and as set out in contractor contracts).

TÜMAD shall ensure that contractual provisions reflect these requirements. Compliance by Contractors and Sub-Contractors will occur either by adopting TÜMAD policies and procedures or by implementing their own equivalent procedures that are approved by TÜMAD.

The contractor workforce will be accommodated in the district centres of Lapseki and İvrindi. TÜMAD and the main Contractors will approve sub-contractor accommodation and facilities to ensure that they meet applicable Project standards for worker accommodation. EBRD/IFC Guideline on Worker Accommodation Camps will be followed.

Labour and working conditions for contractors and their adherence to the applicable policies and requirements will be monitored by the Human Resources Department on monthly basis.

Compliance verification will be used to assess contractors’ performance against TÜMAD procedures, applicable Turkish Law, and international standards (particularly those of EBRD). Audits will be conducted directly by the TÜMAD Human Resources Department or by authorised government inspection agencies.

During construction, audits of Contractor HR policies, procedures and performance will be undertaken on a quarterly basis against Turkish regulatory requirements, EBRD PR 2 requirements and TÜMAD requirements. During operations, audits will be undertaken on an annual basis as a minimum.

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The focus of Contractor monitoring will be on ensuring that employment arrangements do not contravene applicable Turkish Law or international standards and on monitoring the working and living conditions at Project work sites and in construction camps and accommodation.

Supply Chain Management

All suppliers to the Project will be expected to comply with the Turkish labour standards, with the applicable standards of the ILO and the EBRD's Performance Requirement 2 and 4.

Selected supplier standards include the following:

- **Supplier Standards for Employment:** As a minimum, the TÜMAD suppliers are required to maintain and implement policies to comply with Turkish laws and regulations, and prohibit the employment of forced, bonded or child labour, with a process for assuring compliance.
- **Supplier Standards for Human Rights:** As a minimum, the TÜMAD suppliers are required to maintain and implement policies that respect basic human rights and dignity, without distinction on any basis, including the rights to life, liberty, and security of person, freedom from slavery and cruelty, and equal protection under applicable Turkish and International laws and constitutions and a process to assure compliance.
- **Supplier Standards for Health and Safety:** As a minimum, the TÜMAD suppliers are required to maintain compliance with all Health, Safety and Environment (HSE) requirements of TÜMAD and to demonstrate strong organisational commitment to responsible HSE management and the elimination of workplace injuries and illnesses, with a process for obtaining assurance on compliance with those policies, both internally and externally, by regular audits, reviews and reports.
- **Supplier Standards for Community Relations:** As a minimum, the TÜMAD suppliers are required to demonstrate organisational commitment to responsible and productive community relationships. Suppliers will commit to this standard by maintaining business relationships that will have a positive and enduring effect on the local communities and neighbours affected by TÜMAD's operations.

TÜMAD requires that all suppliers pay specific attention to the management of their subcontractors. All subcontractors must be approved in writing by the Procurement team, and must meet the strict HSE and quality requirements of the contract. Subcontractors failing to comply with TÜMAD safety requirements will be prevented from future works on the Project TÜMAD and its associated businesses if they cannot meet the requirements set out above after being requested to bring their procedures into compliance.

Contractor Verification Process

Labour and working conditions for contractors and their adherence to the applicable policies and requirements will be monitored by the Procurement and HR Departments. Compliance verification covers recruitment, hiring and employment practices, as well as working conditions and training within TÜMAD Departments and for all key Contractors.

Compliance verification will assess TÜMAD and Contractors performance against HR procedures, Turkish Law, and international standards (particularly those of the EBRD). Compliance verification may be conducted directly by the TÜMAD Audit Department or externally by third parties hired by TÜMAD for this function.

8. MONITORING

The Monitoring measures that are to be implemented during the operations phase to assess compliance with Project Standards (see Section 4: Project Standards) are described in the section. In the event that monitoring identified non-conformance with Project Standards, these will be investigated and appropriate corrective actions identified Corrective Action Procedure TMD_EYS_PRD.002.

8.1. Key Monitoring Activities

Monitoring will focus on the following activities:

- the employment and development of employees and those from directly affected settlements and Lapseki and İvrindi Districts;
- ensuring discrimination and harassment is not taking place;
- worker/management relations and worker grievances;
- health and safety;

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- worker accommodation, particularly in relation with applicable Turkish standards and the guidance contained in the EBRD Guidance Note “Workers Accommodation. Processes and Standards”.

Monitoring activities to be followed within the scope of the plan are as follows.

Table 8: Key Monitoring Activities

No	Aspects	Methods	Periodicity	Location
LMP-01	Employment	Analysis of records of male/female workforce ratio, including those in managerial positions (supervisors and above)	Annual	TÜMAD Site Ankara Headquarters
LMP-02	Employment	Analysis of records of local/regional workforce ratio	Annual	TÜMAD Site Ankara Headquarters
LMP-03	Employment	Number of worker grievances submitted, processed and resolved	Annual	TÜMAD Site Ankara Headquarters
LMP-04	Training	Percentage of employees completing mandatory training as outlined in Personal Training Profiles and the Annual Training Plan	Annual	TÜMAD Site Ankara Headquarters
LMP-05	Implementation	Number of cases of discrimination or harassment reported	Annual	TÜMAD Site Ankara Headquarters
LMP-06	Implementation	Review of procedure implementation records	Annual	TÜMAD Site Ankara Headquarters
LMP-07	Contractor Compliance	Review of records by TÜMAD	Quarterly construction Annual (Operations)	TÜMAD Sites Contractor offices

8.2. Key Performance Indicators

Key Performance Indicators for the monitoring of the implementation of this Management Plan are presented in the following Table.

Table 9: Key Performance Indicators

No	KPI	Target for Construction	Targets- Operation																																				
LM-KPI-01	Percent of Local People at the Lapseki mine operations	Achieved : 100% unskilled workers from local communities	Category	Area of influence Şahinli, Kocabaşlar, Çamyurt, Dumanlı, Yeniceköy, Subaşı	Canakkale Lapseki																																		
			Un-skilled	100% - Operation	-																																		
			Semi-skilled	70% - Operation	30%																																		
			Skilled	5% - Operations	50																																		
LM-KPI-02	Percent of Local People at the İvrindi mine operations	<table><tr><td>Category</td><td>Effectuated Settlements (Değirmenbaşı, Küçükılca, Karadere,)</td><td>Province (İvrindi, Burhaniye-Balıkesir)</td><td>Sub</td></tr><tr><td>Un skilled</td><td>100%</td><td>-</td><td></td></tr><tr><td>Semi Skilled</td><td>70%</td><td>30%</td><td></td></tr><tr><td>Skilled</td><td>60%</td><td>30%</td><td></td></tr></table>			Category	Effectuated Settlements (Değirmenbaşı, Küçükılca, Karadere,)	Province (İvrindi, Burhaniye-Balıkesir)	Sub	Un skilled	100%	-		Semi Skilled	70%	30%		Skilled	60%	30%		<table><tr><td>Category</td><td>Effectuated Settlements (Değirmenbaşı, Küçükılca, Karadere,)</td><td>Province (İvrindi, Burhaniye-Balıkesir)</td><td>Sub</td></tr><tr><td>Un skilled</td><td>100%</td><td>-</td><td></td></tr><tr><td>Semi Skilled</td><td>70%</td><td>30%</td><td></td></tr><tr><td>Skilled</td><td>5%</td><td>50%</td><td></td></tr></table>			Category	Effectuated Settlements (Değirmenbaşı, Küçükılca, Karadere,)	Province (İvrindi, Burhaniye-Balıkesir)	Sub	Un skilled	100%	-		Semi Skilled	70%	30%		Skilled	5%	50%	
		Category	Effectuated Settlements (Değirmenbaşı, Küçükılca, Karadere,)	Province (İvrindi, Burhaniye-Balıkesir)	Sub																																		
		Un skilled	100%	-																																			
		Semi Skilled	70%	30%																																			
		Skilled	60%	30%																																			
Category	Effectuated Settlements (Değirmenbaşı, Küçükılca, Karadere,)	Province (İvrindi, Burhaniye-Balıkesir)	Sub																																				
Un skilled	100%	-																																					
Semi Skilled	70%	30%																																					
Skilled	5%	50%																																					
LM-KPI-03	% of Turkish citizens in the workforce	100% of unskilled and semi-skilled workforce and 100% of skilled workforce to be Turkish employees for mining and mining related work. Achieved for Lapseki construction	100% of all skilled, semi-skilled and unskilled will be Turkish citizens.																																				
LM-KPI-04	Percent of Disabled Personnel in the Labour	Disabled Personnel percent shall be 3%. Achieved for Lapseki construction	Disabled Personnel percent shall be 3%.																																				
LM-KPI-05	Percent of women in the labour force.	5% for both mines Achieved for the construction of Lapseki Project	%7																																				
LM-KPI-06	Number of worker grievances not closed out within the target timeframe	Zero worker complaint that is not closed within the time frame specified in the procedure No complaints were raised during construction	Zero worker complaint that is not closed within the time frame specified in the procedure																																				

No	KPI	Target for Construction	Targets- Operation
LM-KPI-07	Training	Induction (once) Environmental awareness (twice a year) HS (twice a year) Community Relation (twice a year) Professional Competence (once a year) Certification (once a year) First Aid (every five years / twice) Achieved for Lapseki Mine	As per the training plan

9. TRAINING

TÜMAD shall ensure that all of its employees and contractor personnel will be subject to induction training and that they will become familiar with Company Policies and Procedures, related national laws and international directives. It shall be ensured that employees and sub-employers will have clear, understandable and transparent relationships with local community in a mutual trust environment.

10. AUDITING

Appropriateness of the subjects specified within the scope of this Plan shall be monitored by means of annual, biannual and monthly inspection programs in accordance with the existing inspection Program of the existing Management System of TÜMAD Madencilik.

Legal responsibilities and Management System Responsibilities are periodically inspected by government agencies and inspectors within the framework of Labour Management Plan.

Contractor Auditing

Contractors will be subject to inspection and audit by TÜMAD prior to a contractor's initial appointment.

During construction, audits of Contractor HR policies, procedures and performance will be undertaken on a quarterly basis against Turkish regulatory requirements, EBRD PR 2 requirements and TÜMAD requirements. During operations, audits will be undertaken on an annual basis as a minimum. TÜMAD will consider conducting independent labour reviews and employee satisfaction surveys by external experts as part of its HR management system during operations.

TÜMAD will also consider conducting independent labour reviews and employee satisfaction surveys by external experts as part of its HR management system during operations.

External Auditing

Conformance with this plan will be subject to periodic assessment as part of the NUROL HOLDING audit programme and separately by Project Lenders.

National Authorities will perform audits against the requirements of National Legislation.

11. REPORTING

Inspections, incidents and non-compliances shall be documented and administered in accordance with the Record Management Procedures of TÜMAD (TMD_EYS_PRD.004).

There will be reporting to National Authorities as per the National Legislation on Labour issues.

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APPENDIX-1- EMPLOYEE GRIEVANCE FORMS

Grievance and Request Form to be filled by Stakeholders (TMD_İSG_FRM.001)

SHALL BE FILLED OUT BY THE REPORTING PERSON. FORWARD THIS MESSAGE TO
YOUR MANAGER WITHIN 24 HOURS

1.	Grievance Number		
2.	Date:	.../.../201...	
3.	First Name		
	Last Name		
	Occupation		
	Contact Information:	Telephone Number:	
		E-mail address (if available) :	
Address:			
4.	Description of Grievance including when it happened		
5.	Signature of Aggrieved		
6.	Received by		