

ANNEX N

Labor and Working Conditions Supporting Information

Annex N-1: Health and Safety Assessment and Social-Labor Audit Follow-Up

Annex N-2: Social-Labor Audit of Chinese Contractor

ANNEX N-1

Health and Safety Assessment and Social-Labor Audit Follow-Up



HEMA AMASRA HARDCOAL PROJECT BARTIN, TURKEY

HEALTH AND SAFETY ASSESSMENT and SOCIAL – LABOR AUDIT FOLLOW-UP

Prepared for:

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1 INTRODUCTION

ELC Group Consulting and Engineering Inc. (ELC or Consultant), a company of Royal HaskoningDHV was commissioned by HATTAT Enerji Maden Ticaret A.Ş. (Client or herein referred as HEMA) to undertake:

- Mining focused Health and Safety Assessment, and
- Follow-up on Social – Labor Audit (Task B2a) of Chinese contractors (prepared by ERM dated December 19th, 2011) for HEMA Facilities located in Bartın province in Turkey.

ELC acts as an Independent Environmental and Social Consultant (ESC/Consultant) for the development of the Amasra deep coal mine. ESC service comprises a follow-up of specific audit of the social-labor conditions and practices (Social-Labour Audit, SLA) at the current construction site, mainly related to new sub-contractors namely Qitaihe Long Coal Mining Co. Ltd. (Qitaihe), China Coal No:1 Ltd. (China Coal No:1) and the Chinese workers employed by Qitaihe and China Coal No:1; and health and safety audit of the current mining preparation operations.

The company currently completed the opening of three (3) mine shafts with the depths of 570m, 700 m and 730 m. It is reported that the underground mines where the activities depend heavily on mechanized handed longwall mining from which around 5 million tons of coal production will be obtained. The total geological resource of the site is reported as 573 million tons. HEMA is the royalty-holder of the mine for next 20 years following the privatization of the mine in 2005. The company presently operates these mines using five (5) sub-contractor companies of which the two (2) of the sub-contractors provide skilled Chinese employees for underground mining operations. It should be noted that no production activities take place since the facility was commenced in 2007 and only preparation activities for mining is currently undertaken.

2 SCOPE OF SERVICES AND APPROACH

2.1 Objectives

The overall objective of the assignment has been the following:

- Carry out a health and safety assessment (HSA) of the Project that includes HS management review and a review of HS issues associated with existing facilities;
- Conduct a follow-up labor and working conditions assessment on Social – Labor Audit (Task B2a) of Chinese contractors.

The overall roles/objectives of the proposed Services to be provided have the following components:

- Briefly review of HEMA's management systems and performance in place with regards to occupational health and safety and labor and working conditions;
- Identification of compliance issues with Turkish laws and regulations regarding occupational health and safety;
- Occupational health and safety management capacity;

- Review of accident and reporting statistics against industry benchmarks (including remedial actions).

2.2 Approach for Undertaking the Assignment

On notification of approval of our proposal, ELC assigned staff and involved third party experts for the execution of the work and started reviewing available information provided by the Client.

The review of the documents focused on understanding the high-level approach, the Project's compliance with applicable local Health and Safety permits and labor and working conditions, and the compliance with Turkish regulatory requirements. Following information was reviewed:

- The history of the Project,
- Previous due diligence and/or monitoring reports prepared by other consultants and/or authorities (Social – Labor Audit (Task B2a) of Chinese contractor by ERM dated December 19th, 2011)
- Client's current management practices,
- Plans for development of the activities in future, and
- Policies, guidelines, plans and procedures pertaining to labor and working conditions and health and safety practices.

A team of consultants performed a site visit between 17 – 18 and 19th February, 2015 to audit existing operations and mining facilities of HEMA in Amasra District in Bartın Province, Turkey to determine their current status; understand current management systems, procedures and practices (including emergency plans, employment policies and practices); and check the status of compliance with relevant Turkish occupational health and safety and labor laws and regulations. The key objectives of the visit are:

- Understand the robustness of existing HS management systems and procedures, the Project's area of influence together with other infrastructure that contribute to a cumulative impact to the Project;
- Provide confirmation of the current status of the compliance of the HS management system and existing procedures with the Applicable Standards;
- Understand the current status of labor and working conditions and provide comparison with the previous Social – Labor Audit (Task B2a) of Chinese contractor conducted by ERM dated December 19th, 2011 with the assistance of ELC;
- Perform a detailed site inspection with site personnel to review operations.
- Information on compliance with locally effective host country laws, permits, regulations, international conventions and treaties related to labor and working conditions.

2.3 Audit and Analysis Report

Based on the findings of the previous tasks, a draft report was prepared addressing associated law/regulations, findings, compliance of the facilities and necessary action(s) to be taken for any non-compliance issues.

3 STAFF UNDERTAKING THE AUDIT

The Project Team comprised of experienced staff in working on Health and Safety and Social – Labor Audit projects. The team was managed by Prof. Cem Avci, Technical Advisor at ELC. Prof. Avci was assisted by and Dogan Oktar on Social – Labor Audit (SLA) and health and safety mining assessment (HSA) was conducted by Mr. Özgen Özden. ELC staff Öner Akten participated in the site visit for supervision. The qualification of the experts are summarized below:

Prof. Cem Avci

Prof. Dr. Avci has over twenty years of experience in the consulting field of environmental related projects. His expertise includes environmental and social impact assessment; due diligence; waste management; geology, hydrology and hydrogeology studies; soil and ground water contamination investigations; and contaminated site remediation. Prof. Dr. Avci has been involved in local and international environmental impact assessment studies that are prepared in line with Equator Principles and IFC Performance Standards; site audits, site selection and feasibility studies for various developments; and compliance assessments. Prof. Dr. Avci is currently involved in the ESIA of a motorway tunnel project in Turkey and he acts as the project manager of the local expert team. He has undertaken numerous EHS regulatory reviews and has a broad experience in EU Directives relating to environmental issues as well. Prof. Dr. Avci has been the Project Manager for environmental consultancy work provided to all of the four refineries located across Turkey, international oil companies, automotive, pharmaceutical and manufacturing sectors. He has performed consulting services to the Ministry of Environment and Forestry, Izaydas (only licensed landfill and hazardous waste incineration facility in Turkey), CEVKO (recycling material foundation) and PETDER (Petroleum Association Foundation).

Doğan Oktar

Dogan Oktar has been working in health and safety management for over 20 years. He is an A-Level accredited Health & Safety Expert and Trainer by Turkish Ministry of Labor and Social Security. His background includes high level titles in HSSE jobs within international companies. He is currently providing freelance consultancy on legal obligations regarding health, safety, security, environment (HSSE), safety of employees, offices, installations, operational process, manufacturing and environmental issues. He also performs audits to assure that Clients are in compliance with legal HSSE obligations (legal compliance assurance), HSSE Management Systems and technical requirements and gives consultancy on investments, implementation of Clients' policies, strategies and procedures concerning HSSE matters and coordinating as necessary for local and international implementations.

Özgen Özden

Özgen Özden is a mining engineer and has been directly working in mainly health and safety management for the last 10 years. He is an A-Level accredited Health & Safety Expert by Turkish Ministry of Labour and Social Security. His background experience includes working at Turkish Hardcoal Enterprise (TTK) for about 30 years as a mining engineer and Health and Safety Expert. He is also a founder and a manager of a health and safety consultancy and training company. He is currently providing health and safety consultancy services to the facilities on various sectors mainly based on requirements on local health and safety regulations.

Öner Akten

Öner Akten is an environmental engineer with experience on environmental and social impact assessment and environmental due diligence audits. He has worked as an intern in the Ministry of Environment and Urban Planning and in Erzurum Provincial Directorate of Environment and Urban Planning. Being a certified environmental officer and health and safety specialist, he has been involved in numerous environmental impact assessment, environmental and social impact assessment and environmental due diligence audits. Mr. Akten has been working for ELC Group as Ankara Regional Coordinator, Senior Environmental Engineer and coordinator of the EIA Certificate of Competence for five years.

4

GENERAL IMPRESSIONS

In general, it was observed that basic Occupational Health and Safety foundation and implementation are present at a **moderate** level within the mining facilities except two major findings in regards to the electrical system maintenance records and grounding system.

It was reported during the site visit that the Site activities was temporarily suspended by the Ministry of Labor and Social Security on 15.10.2014 due to non-compliances and the suspension was lifted upon the rectification of non-compliances. Going forward, it is paramount to have more in-depth Health and Safety approach and implementation including recording and monitoring of Health and Safety related activities.

Reportedly, former sub-contractor Datong was replaced with two different sub-contractors namely Qitaihe Long Coal Ltd. (Qitaihe) and China Coal No:1 Ltd (China Coal No:1) for underground mining operations.

It was also observed that the foundation of labor and human resources management system and implementation are present at a **basic** level except one major finding in regards to the degree of communication of the management with the personnel (in particular with sub-contractor employees).

5 CONCLUSIONS

Within the scope of the assessment, the following tasks were completed in regards to HEMA's management systems and performance in place regarding health and safety and labor and working conditions at above and underground hard-coal mining facilities:

- Brief review of occupational health and safety, human resources and management,
- Investigation of compliance issues with Turkish laws and regulations regarding occupational health and safety, and labor and working conditions.

As mentioned in Section 4, the general impression after the site visit and extensive review of documentation is that the foundation for Occupational Health and Safety management system is in place and its implementation is being executed at a **moderate** level within the mining operations with the exception of two findings:

- Grounding of electrical equipment not connected to a separate grounding system located outside of the underground mines,
- No annual inspection documentation of above and underground electrical system and equipment.

Going forward, it is imperative to have a more detailed and in-depth approach to Occupational Health and Safety practice when mine operations are fully in operation and the implementation of such practice including recording and monitoring of Occupational Health and Safety related activities must be performed.

A number of non-compliances were identified and recommendations/suggestions were included in following *Table 1: Key Health and Safety Audit Findings*.

Similarly, as mentioned in Section 4, the general impression after the site visit and extensive review of documentation is that the foundation of labor and human resources management system and implementation are present at a **basic** level except the adequate level of communication between the management and employees (in particular with the Chinese sub-contractors personnel). In addition, the comparison table of the Follow – Up Social – Labor Audit findings with that of previous audit is listed in *Annex B: Findings of Follow – Up Social – Labor Audit*.

Topic	Issue Identified	Recommendations
Subcontracting Practices	<p>It was observed that HEMA has a sub-contractor relationship with two Chinese companies namely Quitaihe Long Coal and China Coal No:1 for gallery opening activities. Gallery construction operations are managed by HEMA Team.</p> <p>With such a contract, HEMA has a direct liability responsibility with above-mentioned sub-contractors. Contract conditions of sub-contractor employees comply with the Turkish regulations. However, sub-contractor employees were observed missing following documentation according to the Labour Law 4857, Article 2, 5 and 9: Statement of Employment (SGK payroll statement), equivalency of vocational training of Chinese employees with the requirements of the Ministry of National Education, minimum 16 hours of OHS training certificate prior to work, medical report indicating the suitability to the assigned work.</p> <p>Similarly, Basic Health and Safety and Hygiene Training, Statement of Employment (SGK payroll statement) documents of local sub-contractors (i.e. Amasra Sofrasi that providing catering services) were not available during the site visit. No documentation (e.g. minimum 12 hours basic H&S Training, health records, security training certificates valid for 5 years, fire-arm records) were available for the third party security company (TEM) personnel. In addition, audit reports of subject subcontractors were not available for review.</p>	<p>Equivalency and compliance of vocational training of Chinese employees with Turkish regulations to be investigated further. Missing SGK payroll statements of the Chinese sub-contractor personnel and employees of catering company to be completed and missing documentation of sub-contractors to be requested for compliance with relevant regulations.</p>
Emergency Situations	<p>No first aid room were observed to be present in the visited mines. First aid kits were observed in the working areas within the mines. Yearly evacuation drills was not observed to be completed annually as stated in the relevant regulation.</p>	<p>In accordance with the Regulation Regarding Emergency Situations, first aid rooms with sufficiently equipped with first aid material is provided in the mines and annual evacuation drills to be performed.</p>
Grounding System	<p>Grounding Report was available for review at the Site.</p>	<p>Grounding reports of all electrical devices in contact with metals in the working areas to be</p>

Topic	Issue Identified	Recommendations
	It was observed during the site visit that the grounding of electrical equipment not connected to a separate grounding system located outside of the underground mines. In addition, Grounding reports of electrical devices in contact with metals in all working areas was observed to be non-compliant with relevant regulations.	prepared in accordance with the Regulations on Health and Safety Conditions regarding Work Equipment Use, Annex III, Article 1.7. Reports to be renewed every year.
Electrical System Maintenance and Inspection	<p>All work equipment must be designed to protect employees from direct or indirect exposure to electricity.</p> <p>No preventive maintenance plan was available to control electrical equipment. During the site visit, annual control documentation of above and underground electrical system was not available for review.</p>	<p>Electrical equipment control, maintenance and necessary tests of the mechanical equipment to be carried out regularly.</p> <p>Under and aboveground electrical system maintenance to be completed annually by licenced electricians or electrical engineers as specified in the relevant regulation.</p>
Inspection Plan	No inspection plan for mechanical and electrical equipment as well as mechanical and electrical system inspection was observed to be present during the site visit.	Mechanical and electrical equipment and system inspection, maintenance and tests (if required) to be carried out with the annual plan prepared in line with the regulations.
Grievance Mechanism	<p>No written Grievance Policy and Procedure of Qitaihe Long Coal and CHINA COAL No:1 were reviewed during the site visit. Limited orally grievance mechanism is provided to employees and it is not published to all personnel at the construction sites.</p> <p>It was reported that sub-contractor employees have mechanism to abstain from work when needed; and complaints to be forwarded to their managers, or write anonymous mail/e-mail to the company head-office in China.</p>	<p>Clear written grievance policy of non-retaliation, to be developed to ensure confidentiality and physical protection of complaints, refuse to work, safe guarding of personal data. Grievance mechanism to be prepared and communicated in both Turkish and Chinese languages.</p> <p>The workers to be informed of the mechanism and procedures at the start of the employment. As a best practice, options of anonymous grievance mechanism to be established.</p>
Health and Safety Documentation	No printed Health and Safety Plan was observed to be readily available. A soft-copy of the document was available for review in the computer.	Existing Health and Safety Document including workplace risk assessment, equipment maintenance, health and safety plan to be

Topic	Issue Identified	Recommendations
		printed-out, approved by the management and distributed to be personnel and updated on a regular basis.
Health Records	<p>The Company has established a medical monitoring program involving medical tests during the recruitment period and yearly periodic checks carried out every year. All new personnel undergoe audiometric tests.</p> <p>Medical reports are obtained from the state hospital for: Ophthalmology, Ear-nose and throat, Internal Medicine, General Surgery, Dermatology, Orthopedics and Traumatology, Neurology and Psychology during the recruitment process. Hemogram blood parameters, lung x-ray, audiometry, pulmonary function test, urine tests, Anti HIV & Hepatitis B and tetanus vaccine are carried out.</p> <p>Chinese employees receive a health report in China prior to arrival in Turkey and workplace doctor carries out their periodical checks prior to starting the job.</p> <p>No health records of employees whom are working at height (i.e. higher than 3 m) in the mines indicating the fitness to subject work were available. In addition, no health records of catering company and security company personnel were available for review during the audit.</p>	<p>Health reports for employees working at height in the mines indicating the fitness to specified work to be provided and renewed every year.</p> <p>In addition, health records for the catering company (Amasra Sofrasi) and security company (TEM) personnel to be obtained from subject sub-contractors.</p>
Occupational Accidents and Diseases	No occupational illnesses were observed to be reported. All the accidents reports were notified to Social Security Institution within three business days in accordance with relevant regulation. Records of accidents were observed to be kept on site.	
Incident Reporting Procedure	<p>Reportedly, one (1) fatality of main employer personnel and four (4) fatalities of sub-contractor personnel occurred during accidents. Four accidents occurred in underground and one accident occurred in aboveground. Total of 71 (40 of main employer personnel and 31 sub-contractor personnel) workplace injuries were reported in 2014.</p> <p>One (1) fatality of main employer personnel and two (2) fatalities of sub-contractor personnel occurred; and 66 (26 HEMA & 30 Subcontractors) workplace injuries were</p>	More detailed accident reporting and investigation procedure to be in place and linked to the Emergency Response Plan (ERP). Site to develop a system for near/miss reporting for employees to inform near/misses and unsafe situations via near/miss cards.

Topic	Issue Identified	Recommendations
	<p>reported in 2013.</p> <p>There is evidence of accident frequency rates and Safety Key Performance Indicator (KPI) of monitoring and improvement system in place; however no detailed accident investigation program (including root-cause analysis) was observed to be present. No training was provided to the management regarding handling accidents, incidents, near/misses and unsafe situations.</p>	<p>Detailed accident investigation program to be developed to prevent recurrence of accidents and some of the key employees to attend root cause analysis training.</p>
Compressed Air Breathing Stations	Compressed air breathing stations are constructed on the main galleries at the distances longer than 500 m.	<p>Compressed air breathing stations to be located at the distance in accordance with the relevant regulation (i.e. every 30 m in the galleries, 20 m in the base-path boards and 10 m in the raise points).</p> <p>These stations to be indicated in the Emergency Response Plan.</p>
Monitoring System for 'Lone Working'	No written monitoring system/procedure regarding the lone working practices in the mine.	It was reported that no lone working is allowed as much as possible. In case of lone working, necessary steps to be defined in the Emergency Response Plan and continuous monitoring to be provided during the subject work within the scope of 'Lone Working Permit'.
Entrance/exit Records of the Personnel in the Mines	Entrance and exits of the personnel of the main employer is observed to be monitored by using optic recording system; however, no records were available indicating the location and the entrance/exit of the sub-contractor employees during their work.	Entrance/exits and the location of all personnel (including sub-contractor employees) to be closely monitored and recorded during mining works.
Monitoring and Audit System	No Health and Safety Responsible/Officer was assigned by the management to monitor and ensures the compliance with the health and safety measures.	<p>One or more 'Fire and Workplace Health and Safety Responsible' to be assigned for every workplace including above-ground facilities.</p> <p>Health and Safety Responsible/Officer for each</p>

Topic	Issue Identified	Recommendations
		<p>shift operation to communicate fire, emergency, all unsafe acts and necessary measures with the line management and OHS Department to improve safety culture. These findings / notification will help during the Risk Assessment Reviews.</p>
<p>Abandoned Mine Galleries</p>	<p>Long access/entrance halls were observed to be constructed in some of the mines and these halls may potentially cause to the accumulation of gas and oxygen depletion. These areas were observed to be accessible by the personnel. Abandoned sections of the mines were also observed to be accessible by the personnel and no proper signage was observed to be present.</p>	<p>Areas in the mines that may potentially open to the accumulation of the gas to be abandoned and sealed. If these areas cannot be closed off, proper signage to be placed to prevent the entrance of the personnel.</p>
<p>Vocational Training</p>	<p>No vocational training for the train engineer <i>Ertan Bozoglu</i> was observed to be available. Some of electrical technicians, crane and machinery and forklift operators were observed to be certified. Vocational training and the health and safety training of workers working at underground mines that are classified as 'Very Dangerous Workplaces' were not available during the site visit.</p>	<p>Individuals who are not trained/educated for the jobs they are applying for should not to be hired.</p> <p>Employees without having vocational training to attend 32 hours training programs approved by the Ministry of National Education for compliance.</p>
<p>Work Permit System</p>	<p>There is a basic work permit system in place covering 'Hot Work Permit' without including confined space, working at height or lone working. No working permit system consisting of the routine works that may cause severe danger when simultaneously or consecutively performed with other type of works was observed to be present.</p>	<p>Working Permit procedure for all type of works that may pose health, safety and security hazards to be generated and implemented.</p>
<p>Explosion Protection Document/ Plan</p>	<p>No detailed explosion prevention plan describing the measures to be taken and necessary equipment to be utilized was observed to be present. Explosive gas atmospheres and dust classification zones were not observed to be present. Risk assessment for flammable and explosive atmospheres in underground mining was observed to be missing.</p>	<p>Detailed explosion prevention plan to be prepared to define the measures to be taken and equipment to be used.</p> <p>Locations that may have explosion risks must be defined and 'Ex' warning signs to be placed. Risk assessment for flammable and explosive atmospheres in underground mining to be</p>

Topic	Issue Identified	Recommendations
		generated and included in the above mentioned plan.
Fire Protection Plan	No Fire Protection Plan for the areas that are currently in operation was observed to be prepared.	A detailed Fire Protection Plan describing preventative measures and fire-fighting methods to be prepared and distributed.
Stand-by Dams	No stand-by dams were observed to be constructed in the visited mines.	A stand-by dam to be prepared near the bottom of the shaft in order to recover it in case of an emergency. In addition, a standby dam at the gallery entrances at which combustion risk is present to be constructed.
Signage at the Moving Equipment in the Mines	No proper signage was observed on the mobile equipment such as locomotives carrying load and personnel.	A white or yellow colour warning light to be installed at the front of the locomotives; a red colour warning light to be installed at the rear of the locomotive.
Hazardous Areas	It was observed during the site visit that the electrical panel cover of compressor located at Shaft 3 was easily accessible/open without any warning signage. Electrical equipment in the underground mine was observed to be unprotected against the personnel. Similarly, hazardous areas within the mine were observed to be not marked for easy identification. No signage on the electrical panel such as 'Danger', 'Authorized Use Only', 'No Water Usage During Fire' was observed to be present.	Hazardous areas to be identified and protected against easy access by the personnel.
Support Personnel (Evacuation; Search and Rescue; Firefighting Teams)	No support personnel were assigned for assisting other employees in case of an emergency.	4 employees for every 30 employees to be assigned as support personnel. For a workplace of 486 employees, 65 personnel or 17 teams (each comprised of 5 employees) to be selected and trained for emergency situations.

Topic	Issue Identified	Recommendations
First Aid Rooms and First Aid Equipment	The first aid room was observed along the gallery of 4,300 m in length and necessary equipment was observed to be not present during the site visit.	First aid rooms located especially on clean air lines to be constructed; required medical equipment and material to be provided.
First Aiders and First Aid Certificates	For a workplace of 486 employees, approximately 49 personnel to be trained for first aid response. (In accordance with the relevant regulation that, one first aider to be assigned and trained for every 10 employees for 'Hazardous and Very Hazardous Workplaces') It was observed during the site visit that subject certificates of 14 employees were observed to be valid and remaining certificates were outdated.	Sufficient number of first aiders to be trained and assigned for compliance. Basic First Aid Training to be provided by licenced third party. (Certificates are valid for three years)
Underground and Aboveground Lightening	Insufficient lightening was observed at the bottom of Shafts 1 and 3 where product loading/unloading cars are hooked. In addition, no lightening measurement survey was observed to be present.	The lightening level in the underground mines to be at daylight level. Measurement survey to be carried out for above and underground facilities galleries, warehouse and offices.
Transportation Instructions	Transportation Instructions document consisting of the rules regarding the management of the cars in the underground mines including placing the proper signage, the measures to be taken during the personnel transportation, specific routes for mechanical or manual carrying was not available during the site visit.	Transportation Instructions document consisting of the information detailed in the relevant regulation to be prepared. The document to be placed where employees can easily read and review.
Ventilation System	It was observed during the site visit that due to the undivided galleries, incoming natural air into one shaft leaves the mine from other shaft. The volume of the air in the mine was reported to be unknown.	Better control of the air to be provided, the volume of the clean air in the mines to be estimated and adequate ventilation to be provided to the employees. Mechanical ventilation to be in the same direction as natural air flow.
Ventilation Measurements	Ventilation parameters were observed to be not measured in accordance with relevant regulation.	Measuring stations within the mines to be established to perform regular measurements (every 15 days). Measurements to be recorded in

Topic	Issue Identified	Recommendations
		the Ventilation Recording Book. The amount of provided fresh air in the different locations of the mine to be included in the Ventilation Plan.
Temperature and Humidity Measurements	No temperature and humidity measurements were observed to be completed.	Temperature and humidity measurements to be completed and recorded in the Ventilation Recording Book.
Rescue Plan	Rescue Plan to assist evacuation, search and rescue team members by providing main doors, entrance and exit points and by indicating the locations of bridges, dams, ventilation system and emergency phone stations was not observed to be prepared.	Rescue Plan in accordance with the relevant regulation to be prepared and place in each mine as easily accessible during emergency.
Health and Safety Services	Registration of Occupational Health and Safety Expert and Workplace Doctor was observed to be completed on the online system of the Ministry of Labour and Social Security. Similar registration for the other health personnel (workplace nurse) was observed to be incomplete. Workplace nurse was observed to have a valid contract with the employer. After December 31 st , 2014; workplace nurses are obligated to attend a regulatory training provided by an accredited third party.	Online registration of workplace nurse to be completed. Missing training in accordance with the new regulation to be completed.
Training Records	Training records of the employees were observed to be present and kept in the personnel files.	-
Emergency Plans	The site was observed to have emergency plans for fire-fighting, flood earthquake, poisonous gas and emergency evacuation. Patient transport vehicle was also observed.	Emergency and evacuation drill was held on 16 th April, 2014.
Health and Safety Policy	No written Health and Safety Policy was observed during the site visit. Although the Company has procedures in place to manage health and safety and operational related issues, it has not yet developed an OHS Management System. It was reported that the Company intends to develop OHSAS 18001 Management System.	Health and Safety Policy to be posted on Health and Safety Bulletin Boards and to be displayed in several locations in the main office, workshops and operations for review by the personnel during the work.
Yearly Training Plan	No yearly training plan for 2015 was observed to be prepared by the Health and Safety Expert and Workplace Doctor. Training programs were observed to be continuously provided. New employees were	Health and Safety Training Plan of the next year to be prepared during the month of December of the previous year. (2015 Training Plan to be

Topic	Issue Identified	Recommendations
	<p>reported to have 40 hours of orientation and Occupational Health and Safety Training (OHS); the subject training is provided to both HEMA and sub-contractor employees. Training is provided to Chinese employees through a translator.</p> <p>Orientation on OHS includes but not limited to mining site rules, personal protection measures, emergency rules and preventing injuries, labour law, rights and responsibilities of employees, legal liabilities due to occupational accidents and illnesses, physical, biological, psychological and ergonomic risk factors, fire safety and evacuation, health and safety signs. Safety hand-book provided to all employees.</p>	<p>prepared)</p> <p>Safety handbook to be provided to Chinese employees in their language.</p>
Yearly Evaluation Report/Sheet	Yearly Evaluation Report/Sheet assessing the health and safety practices and training results was observed to be not prepared by Health and Safety Expert and Workplace Doctor.	Yearly Evaluation Report/Sheet of the last year to be prepared during the month of January of the following year.
Health and Safety Committee Meetings	<p>It was observed that HEMA has a Health and Safety Committee in line with the regulations, which is required to meet once every month to review health and safety issues. Members of the committee were reported as: Deputy General Manager, HR Supervisor, OHS Expert, Workplace Doctor, Employee Representatives and Union representative.</p> <p>Subcontractor representatives were reported not to be present in the committee meetings. They are invited when needed. Chinese employees were informed about the meeting minutes via translator (orally). Committee meeting minutes for the months of 11/2012, 08/2013 and 08, 09, 10, 11, 12/2014 were not available for review during the site visit.</p>	Health and Safety Committee Meetings to be held regularly every month; sub-contractor employees to be represented to discuss health and safety related issues and the meeting minutes to be signed and posted on Bulletin Boards (both in Turkish and Chinese) for the review of all employees.
Internal Health and Safety Management Plan	<p>It was observed that the Site has an Occupational Health and Safety Management Plan, risk assessment and emergency plans.</p> <p>No signatures of all employees indicating their review and commitment were available during the site visit. Above-mentioned documents were observed to be prepared in Turkish and not available in Chinese.</p>	Occupational Health and Safety Management Plan, risk assessment and emergency plans to be prepared in both Turkish and Chinese languages to be understood by all employees; subject documents to be shared with all employees to obtain their commitment to the plans.
Job Safety Analysis and Safe Working	It was observed that no Job Safety Analysis (JSA) and Safe Working Instructions (SWI) were available to employees for critical or high risk tasks such as shaft crane usage, vehicle wagon hook-up, locomotive driving.	Job Safety Analysis (JSA) and Safe Working Instructions (SWI) for critical or high risk tasks to be prepared as a part of risk assessment process.

Topic	Issue Identified	Recommendations
Instructions		<p>All JSA and SWI to be communicated with all employees (in both Turkish and Chinese languages) enable them to understand the risks associated with their tasks.</p> <p>Training regarding the JSA and SWI to be provided to all employees.</p>
Night Work	<p>Health records of employees of the subcontractor providing security services indicating the fitness to night work were not provided during the site visit.</p> <p>Approval of the working at the night shift was observed to be present in the health records of other employees during the site visit.</p>	<p>Health records of security company employees and approval from the medical doctor indicating their fitness to work to be requested.</p>
Risk Assessments	<p>It was observed that the appropriate risk assessments which are required by the relevant legislation were prepared and available in the computer. Reportedly, it was not communicated with all employees.</p> <p>A 5x5 (likelihood vs. severity) matrix was used for evaluating risks and applicable corrective and preventive measures were identified. The risk assessment process was initiated at 21.10.2013 and included under and aboveground mining processes. According to the regulations, workplaces conduct 'Very hazardous works' are required to revise their risk assessments every 2 years.</p> <p>Risk assessments were implemented under OHS Expert's lead by a team selected from the workforce including line management and employee representatives (shift supervisors and operation staff). Hard copies were observed to have missing signatures of participated individuals.</p> <p>Subcontractors completed their risk assessment in Turkish on September, 2014 and the document was signed by OHS Expert, Workplace Doctor, Chinese Employee Representative and Project Manager.</p>	<p>A signed and approved hard copy of the final version of the Risk Assessment to be communicated with all employees.</p> <p>The risk assessment to be available in Chinese in order to be understood also by the Chinese employees.</p>

Topic	Issue Identified	Recommendations
Fire Training	Adequate number of employees was not observed to be trained for fire-fighting. Similarly, the training of evacuation and firefighting responsables was observed to be inadequate.	Evacuation and firefighting teams to be formed by taken shifts and working areas into consideration; training of the subject teams (evacuation and firefighting) to be provided by health and safety expert or fire brigade.
Hygiene Training	No hygiene training certificates of the employees and Chinese cooks working in the working in the guest-house and food handling activities were observed to be present during the site visit. Hygiene training records and health records from the catering company "Amasra Sofrası" were not provided for review during the audit.	Eight (8) hours of hygiene training to be provided from the Ministry of National Education to the employees working in the working in the guest-house and food handling activities. Catering company to be audited regularly for their hygiene certificates, OHS training records, periodical health controls and periodical Gaita tests results.
Working with Display Screen Equipment (DSE)	Training on occupational diseases and prevention methods were not provided to employees regarding working with DSE.	Training on ergonomoy, relevant occupational diseases and prevention methods to be provided to employees working with DSE.
Manual Handling Operations	It was observed during the site visit that there is excessive manual handling works at the workshops such as heavy truck maintenance and gallery construction. Equipment handling and lifting practices during above-mentioned work need to be reviewed in order to prevent future workplace injuries. A professional manual handling risk assessment is required assessing the working practices. Training on occupational diseases and prevention methods to employees working on manual handling operations were observed not to be provided to employees.	Training associated with the topics such as lifting procedures (e.g. performing the lift with the aid of knee instead of waist), ergonomic grip, occupational diseases and prevention methods to be provided to the employees working on manual handling operations.
Health and Safety Signage	No signboards indicating stay out/keep out in closed paths within the mines. In addition, no signage on the electrical panel such as 'Danger', 'Authorized Use Only', 'No Water Usage During Fire' was observed to be present.	In such circumstances that risks cannot be eliminated, health and safety signs to be used in line with the related regulation.

Topic	Issue Identified	Recommendations
Fire Extinguishers	All units have their fire extinguishers. Each extinguisher has their manufacturing number and all inspection records were kept in the maintenance log book. Periodical control dates of fire extinguishers located in Shaft 3, near the compressor, in the signal room were observed to be expired.	Periodical controls (once every year) of the fire extinguishers to be completed by a mechanical engineer prior to expiry date.
Lightning Conductor/Rod Maintenance	The inspection methods of the lightning conductor/rod at the Site were observed to be non-compliant with the specifications listed in the Regulations on Health and Safety regarding Work Equipment Use, Annex III.	Lightning conductor/rod inspection to be performed in accordance with the standards listed in Regulations on Health and Safety Conditions regarding Work Equipment Use, Annex III.
Work Permit in Explosive Atmospheres	Work Permit System to protect employees from the risks during the work in explosive atmospheres in underground and especially in dynamite storage area was not observed to be present.	Work Permit System to be established for works performed occasionally but may pose health and safety risks to employees.
Danger Zone Categorization	Danger Zone categorization for various types of explosive atmospheres was not observed during the site visit.	For gas explosions, an assessment of Zones 0, 1 and 2; for dust explosions, an assessment of Zones 20, 21 and 22 to be completed and proper signage to be placed in defined zones.
Risk Assessment for Flammable and Explosive Atmospheres	No risk assessment was observed regarding the work at flammable and explosive atmospheres. Employer is obligated to take measures for prevention and protection against explosions and flammable atmospheres and carrying out risk assessments on explosions.	Risk assessment to be completed for underground gas/dust explosions and flammable and explosive atmospheres such as dynamite storage area.
Explosion Prevention/Protection Document	No Explosive Prevention/Protection Document for dynamite storage area was observed to be provided during the site visit.	Explosion protection document to be prepared for the workplace as provided in Appendix 1 and minimum standards for Appendices 2 and 3.
The Use of Scaffolds	The scaffolds used in underground mines were observed to be not meeting the standards and relevant regulations. Proper signage to be placed at the locations where screening in underground mines takes place. The scaffold to be resistant to the load of minimum 125 kg regardless of the direction the load is applied. In addition, no written procedure regarding the use of the scaffolds and portable ladders was observed during the site visit.	During the construction of the scaffold, hand rails at minimum 1 m height, intermediary hand rail at 47 cm and foot barrier at 15 cm to be installed as protective system on the scaffolds. The scaffold

Topic	Issue Identified	Recommendations
		<p>to have an internal ladder as a safety measure.</p> <p>Safety instructions regarding the use of scaffold and portable ladders to be prepared and communicated with all employees.</p>
The Use of the Safety Harness	It was observed during the site visit that the employees working at 3 m height do not wear safety harness. In addition, health report indicating fitness to work at height is required.	No work at height to be performed without the use of safety harness. Employees of working at height to provide fitness to work and the record to be renewed every year.
LOTO (Lock-out/Tag out)	LOTO is a process to control the repair work which may be carried out on electrical equipment without shut-off the electricity supply. LOTO system to be included for mechanical and pressurized systems. This procedure will assist to take adequate precautions to prevent non-operative electrical equipment to be functional. There is no LOTO system at the site.	LOTO (Log Out and Tag Out) to be in place during electrical work. Warning tags to be in place for electrical box and equipment that are in-repair. Unused switch boxes to be kept locked or dismantled. LOTO to be part of the work permit system. Related training to be provided to work permit issuer and contractors and LOTO steps to be included in the risk assessment process.

Table 1: Key Health and Safety Audit Findings

6 LIMITATIONS

ELC prepared this report solely for the use of the Client and those parties with whom a warranty agreement has been executed, or with whom an assignment has been agreed. Should any third party wish to use or rely upon the contents of the report, written approval must be sought from ELC Group Inc. (a company of Royal HaskoningDHV); a charge may be levied against such approval.

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ANNEX A: LIST OF LEGISLATIONS

1. Labour Law No. 4857
(Published in State Gazette dated 22.05.2003, Issue Number 25134)- *Last amendment on 01.01.2015*
2. Occupational Health and Safety Law No.6331
(Published in State Gazette dated 30.06.2012, Issue Number 28339)- *Last amendment on 11.09.2014*
3. Regulation on Subcontracting
(Published in State Gazette dated 27.09.2013, Issue Number 27010)
4. Health and Safety Regulations in Mining Works
(Published in State Gazette dated 19.09.2013, Issue Number 28770)- *Last amendment on 24.09.2015*
5. Regulation on Grounding in Electrical Facilities
(Published in State Gazette dated 21.08.2001, Issue Number 24500)
6. Regulations on Health and Safety for Work Equipment Use
(Published in State Gazette dated 25.04.2013, Issue Number 28628)- *Last amendment on 05.05.2014*
7. Regulation on the Provisions of Occupational Health and Safety Training of Employees
(Published in State Gazette dated 15.05.2013, Issue Number 28648)
8. Dust Prevention Regulation
(Published in State Gazette dated 05.11.2013, Issue Number 28812)
9. Regulation on First Aid Practices
(Published in State Gazette dated 22.05.2002, Issue Number 24762)- *Last amendment on 04.06.2012*
10. Regulation on Health and Safety Services
(Published in State Gazette dated 29.12.2012, Issue Number 28512)- *Last amendment on 31.01.2013*
11. Regulation on Responsibilities of Workplace Doctor and Other Medical Personnel and Related Training Requirements
(Published in State Gazette dated 20.07.2013, Issue Number 28713)- *Last amendment on 22.07.2013*
12. Regulation on Workplace Fire Protection
(Published in State Gazette dated 19.12.2007, Issue Number 26735)- *Last amendment on 06.04.2012*
13. Regulation on the Protection of Workers against Exposure to Dangerous or Explosive Atmosphere
(Published in State Gazette dated 30.04.2013, Issue Number 28633)
14. Regulation on pressure equipment, Regulation based on the Law No. 4703 regarding Technical Properties of Products.
(Published in State Gazette dated 22.01.2007, Issue Number 26411- in accordance with the EC Directive 97/23/EC)
15. Regulations on the Protection of the Employees from Noise Related Risks
(Published in State Gazette dated 28.07.2013, Issue Number 28721)- *Last amendment on 29.07.2013*

16. Regulation on Occupational Health and Safety Committees
(Published in State Gazette dated 18.01.2013, Issue Number 28532)
17. Communique on Qualifications and Selection Criteria of Employee Representative regarding Occupational Health and Safety
(Published in State Gazette dated 29.08.2013, Issue Number 28750)
18. Regulation on Hygiene Training
(Published in State Gazette dated 05.07.2013, Issue Number 28698)
19. Regulation on the Protection of the Workers against Vibration Risks
(Published in State Gazette dated 22.08.2014, Issue Number 28743)
20. Regulation on Health and Safety Requirements Working with Display Screen Equipment (DSE)
(Published in State Gazette dated 16.04.2013, Issue Number 28620)
21. Regulation on Manual Handling - Regulation based on the Labor Law No. 6331. (Published in State Gazette dated 24.07.2013, Issue number 28717- also based on the EC Directive 90/269/EEC published on 29/5/1990).
22. Turkish Criminal Code, Article 178- *Last amendment on 18.06.2014*
23. Regulation of Roles, Responsibility and Training of the Health and Safety Experts based on the Labour Health and Safety Law #6331
(Published in State Gazette dated 29.12.2012, Issue Number 28512) *Last amendment on 11.10.2013*
24. Communique on Workplace Danger Classes related to Occupational Health and Safety
(Published in State Gazette dated 26.12.2012, Issue Number 28509) *Last amendment on 18.04.2014*
25. Regulation on Working Duration Related to Labour Law based on the Labour Law No. 4857/63.
(Published in State Gazette dated 06.04.2004, Issue Number 25425)
26. Regulation on Excess Work and Work in Excess Periods based on the Labour Law No. 4857/41.
(Published in State Gazette Dated 06.04.2004, Issue Number 25425)
27. Regulation on Health and Safety Signs
(Published in State Gazette Dated 11.09.2013, Issue Number 28762)
28. Regulation governing permit requirements for establishing and operating a business. Regulation based on a number of Turkish Laws
(Published in State Gazette dated 10.08.2005, Issue Number 25902) *Last amendment on 26.11.2014*
29. Regulation on Health and Safety Measures in Works with Chemical Substances (Published in State Gazette dated 12.08.2013, Issue Number 28733)-
30. Regulations on Risks from Biological Agents Exposures
(Published in State Gazette dated 15.06.2013, Issue Number 28678)
31. Regulation on Health and Safety Measures in Works with Carcinogenic and Mutagenic Substances
(Published in State Gazette dated 06.08.2013, Issue Number 28730)
32. Regulation on Health and Safety at Construction Sites
(Published in State Gazette dated 30.05.2013, Issue Number 28786)

33. Regulation regarding the Protection of Health and Safety of Workers from the Dangers of Explosive Atmospheres (based on the Labour Law No. 6331)
(Published in State Gazette dated 30.04.2013, Issue Number 28633) Also based on the EC Directive 99/92/EC published on 16.12.1999)
34. Regulation on Machinery Safety
(Published in State Gazette dated 03.03.2009, Issue Number 27158)- *Last amendment on 01.01.2015*

ANNEX B: FINDINGS of FOLLOW – UP SOCIAL – LABOUR AUDIT

FIRST SOCIAL LABOR AUDIT DATE	NUMBER	PRIORITY/RISK (H/M/L)	COMPLIANCE ISSUE OR IMPROVEMENT SUGGESTION	LEGAL REFERENCE INTERNATIONAL STANDARDS (E.G. IFC)	NATIONAL LEGAL REFERENCE (TURKISH LABOUR LAW)	FINDINGS	RECOMMENDATION	FOLLOW-UP SOCIAL-LABOR AUDIT DATE	FOLLOW-UP AUDIT FINDINGS	RECOMMENDATION	% COMPLETE (TO BE FILLED BY HEMA)
2011-10-26	1	HIGH	Improvement Suggestion	Part II, Section II of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>II. Managing workers' accommodation: Worker camps and housing facilities should have a written management plan, including management policies or plans on health and safety, security, living conditions, workers' rights and representation, relationships with the communities and grievance processes.</i>	Not Applicable	No accommodation management plan was developed by Datong/HEMA for the accommodation provided to the Chinese workforce covering organizational issues as cleaning, room arrangements, hygiene requirements, emergency response etc.	An accommodation management plan should be developed by HEMA in cooperation with Datong. The management plan should include plan on living condition (e.g. by the calculation of sleeping arrangements, hygiene requirements and the cleaning arrangements); a health and safety plan, as well as a fire and emergency response plan. In addition it is recommended to investigate whether the accommodation can affect the community which requires the establishment of a community grievance mechanism.	2015-02-17,18,19	In addition to existing facilities, new accommodation facility was constructed near the Shaft 3. Former sub-contractor Datong was replaced with two different sub-contractors namely Qitaihe Long Coal Ltd. (Qitaihe) and China Coal No:1 Ltd (China Coal No:1). The employees of China Coal No:1 are placed in the new facility; whereas employees of Qitaihe remains in the older facility. Housekeeping was observed to be better in the new facility.	Written accommodation plan to be prepared.	
2011-10-26	2	HIGH	Compliance	Part II, Section II-A of the IFC/EBRD Workers' Accommodation: Process and Standards. Laundry <i>When workers are provided with facilities allowing them to individually do their laundry or cooking, it should be the responsibility of each worker to keep the facilities in a clean and sanitary condition. Nonetheless, it is the responsibility of the accommodation manager to make sure the standards are respected and to provide an adequate cleaning, disinfection and pest/ vector control service when necessary.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765 <i>Article 38 - Toilets should be cleaned once a day at least. Furthermore, toilets should be provided to stay clean after each use and deodorized as to hygienic methods.</i> <i>Article 40 - Showers should be cleaned and disinfected once in 15 days properly other than routine cleaning.</i> <i>Article 48 - Dormitories should be swept every day in such a manner that dust will not rise. Once in 6 months or when necessary, they should be cleaned by antiseptic solutions and rodenticide and insecticide applications should be held.</i>	It was reported during the site visit that the workers are responsible for cleaning of living room and toilets. However, no written cleaning plan was available and no cleaning agents were provided to the workers for the cleaning of the toilets/sanitary room.	Sufficient number of staff in charge of cleaning, cooking and general maintenance should be established. The staffs can be recruited from the local communities and should receive basic health and safety training. A clear accommodation management plan should be drafted to include cleaning schedules and types and amount of detergents and cleaning materials needed.	2015-02-17,18,19	It was reported that, workers are responsible for cleaning of living room and toilets. However, no written cleaning plan was available for new and existing accommodation facilities. Cleaning agents were observed to be provided to the workers for the cleaning of the toilets/sanitary room. There is one cleaning personnel is available for kitchen, toilets and canteen for each accommodation facility.	Written cleaning plan to be prepared for new and existing accommodation facilities.	
2011-10-26	3	MEDIUM	Compliance	Part II, Section I-C of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Every resident is provided with adequate furniture such as a table, a chair, a mirror and a bedside light.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 48 - In the dormitories, commodes or dresser drawers shall be located at the bedside so that workers can put their belongings in.</i>	Insufficient furniture is provided to the workers, as only bed and lockers were observed to be present in the living rooms of the accommodation.	It is recommended that every resident is provided with adequate furniture, including a table, a chair, a mirror and a bedside light.	2015-02-17,18,19	Only bed and lockers were observed to be present in some rooms of the accommodation facilities. Satellite is provided for workers to watch Chinese channels and Wireless Fidelity is provided also to communicate with their families and to connect with their social networks during their spare time. Pay phone is provided for each accommodation facility.	Rooms of missing furniture such as table, chair, drawer and bedside-light to be equipped with above-mentioned furniture.	
2011-10-26	4	MEDIUM	Compliance	Part II, Section I-C of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Density standards are expressed either in terms of minimal volume per resident or of minimal floor space. Usual standards range from 10 to 12.5 cubic meters (volume) or 4 to 5.5 square meters (surface).</i> <i>A minimum ceiling height of 2.10 meters is provided.</i> <i>In collective rooms, which are minimized, in order to provide workers with some privacy, only a reasonable number of workers are allowed to share the same room. Standards range from 2 to 8 workers.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 48 - In the dormitories, the minimum ceiling height shall be minimum 2.80. Also minimum 12 cubic meters of air shall be provided per resident and the maximum allowable number of residents shall be calculated accordingly.</i> <i>A plan including air capacity of the dormitory and maximum allowable number of the residents shall be prepared and signed by the employer and these plans shall be provided in the dormitories as well.</i>	Based on the on-site observation, 6 workers share a room that consists of approximately 25 square meters with 2 m high ceiling. This equates to a total volume of approximately 50 cubic meters, 8.3 cubic meters per resident. This amount is considered to be not sufficient according to the requirements of Turkish law and the IFC Standard.	The maximum number of workers living in one room has to be calculated and established in the accommodation management plan. It has to be ensured that a maximum of 5 workers living in one room of 62 m ³ .	2015-02-17,18,19	New accommodation building comprises of rooms with approximately 24 m ² floor area and 60 m ³ volume. In addition toilets, shower rooms and basin are provided. Each room is designed for 4 employees with 2 double bunk beds, eight metal lockers of each having approximately 1 m ³ volume, and each employee must have 2 m ³ of locker space. Some rooms are equipped with a table, chairs and radiators. Some of doors of the rooms were locked due to the annual leave of the employees for National Holiday as Chinese New Year. New mattresses were provided for the new constructed dormitories. A canteen with kitchen is also provided.	Maximum of 4 workers living in one room of 60 m ³ to be ensured by the management. (It is observed that 5-6 workers sharing a room and some rooms are occupied by only 2-3 workers.) It was reported that the main reason is that some of the sub-contractor employees being from the same village and would like to stay together.	

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2011-10-26	5	MEDIUM	Compliance	Part II, Section I-E of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>Laundry facilities</i> <i>Providing facilities for workers to wash both work and non-work related clothes is essential for personal hygiene. The alternative is for the employer to provide a free laundry service.</i> <i>Benchmarks</i> <i>1. Adequate facilities for washing and drying clothes are provided. Standards range from providing sinks or tubs with hot and cold water, cleaning soap and drying</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 51 - Within or near the building where the single workers stay, there should be a laundry to wash and iron workers' clothes, bed linen and bed spreads.</i>	No laundry facilities (e.g. washing and drying machines) are provided at the workers' accommodation. Reportedly at the time of assessment, workers' clothes are washed by workers themselves in the bathroom of their accommodation. According to the site management, washing machines have been purchased and will be installed in the near future.	Adequate facilities for washing and drying/airing both work and non-work clothes should be provided to maintain personal hygiene. Adequate facilities include the provision of sinks or tubs with hot and cold water, cleaning soap and drying lines. As best practice, washing machines and dryers can be provided.	2015-02-17,18,19	Laundry facility of washing and drying machines was observed only in the manager/supervisor's rooms. It was reported during the site visit that, washing machines do not effectively clean the work clothes. Lot of water consumption was reported due to hand-wash of working clothes. Hot water is available in cleaning area.	-	
2011-10-26	6	MEDIUM	Compliance	Part II, Section I-E of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Bed linen is washed frequently and applied with repellents and disinfectants where conditions warrant (malaria).</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 51 - Within or near the building where the single workers stay, there should be a laundry to wash and iron workers' clothes, bed linen and bed spreads. Bed linens shall be kept clean.</i>	Bed linens are washed by the workers themselves outside of the accommodation with water. Currently no laundry facilities are provided to the workers and no cleaning schedule for bed lines cleaning is provided.	According to the IFC standard, bed linen should be washed frequently and applied with repellent and disinfectants.	2015-02-17,18,19	Bed linens and private belongings were reported to be washed by hand in the bathroom outside of the employees' accommodation.	-	
2011-10-26	7	MEDIUM	Improvement Suggestion	Part II, Section I-D of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Shower/bathroom flooring is made of anti-slip hard washable materials.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 40 - Walls and floors of the showers shall be made of readily washable material and the height of the side walls and doors shall be minimum 1.70 m.</i>	The flooring material of toilets and showers in the accommodation buildings consists of ceramic tile and no provision of anti-slip measures to prevent potential fall injury was observed.	According to the IFC standards, shower/bathroom flooring should be made of anti-slip hard washable materials.	2015-02-17,18,19	The flooring material of toilets and showers in the accommodation buildings consists of ceramic tile. No provision of anti-slip measures to prevent potential falls was observed. Some of the armatures of the shower were observed to be missing.	Shower/bathroom flooring to be made of anti-slip hard washable materials and missing shower armatures to be placed.	
2011-10-26	8	HIGH	Compliance	Part II, Section I-G of the IFC/EBRD Workers' Accommodation: Process and Standards <i>The number of first aid kits should be adequately available to the number of residents. The first aid kits should be adequately stocked. Where possible, a 24/7 first aid service or facility should be available.</i>	Regulation on Fire Protection of the Buildings (Official Gazette dated December 19, 2007 and numbered 26375) <i>Article 129 - Emergency Response Team Personnel shall be trained for fire protection, fire extinction, life and goods save, first aid activities and collaboration with fire authority by means of local fire authorities and civil defense organizations under responsibility of building owner and manager. Emergency Response Team Personnel and the other officers in the building shall take experimental trainings regarding how to use the fire extinguishing equipment and how to contact with the fire authority in a shortest time. In the buildings, fire extinguisher and building evacuation drills shall be held once a year.</i> Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 131 - In the workplaces, alarm and evacuation drills shall be held once in 6 months pursuant to workplace fire plan under the control of an experienced chief, building officer and sufficient number of assistants.</i> <i>Article 132 - In the workplaces where a fire department is occupied, fire defense and extinction drills considering especially unexpected and real fire conditions shall be held once a month. Meanwhile, required fire equipment shall be utilized.</i>	There are no adequate first aid kits provided in the accommodation areas (all shafts). As reported by Datong site management, the first aid kits and designated clinic are only available in the construction site. No emergency escape route maps, illuminated lighting devices and exit signs were installed in the accommodation buildings and no muster point is defined outside. Further, no fire evacuation drills were performed to date.	With respect to emergency response in accommodation area, adequate first aid kits should be provided and managed properly to ensure essential first aid supplies are available for use at all times. At the accommodation area, emergency escape route assignments, illuminated lighting devices and exit signs must be installed and a muster point outside to be designated. Regular evacuation drills have to be performed. At the shaft, the alarm and evacuation drill should be performed at least once every 6 months, in accordance to Turkish health and safety regulation.	2015-02-17,18,19	There are first aid kits, fire extinguisher and fire instructions in Chinese provided at the entrance of each accommodation area (for all shafts). No maps indicating emergency escape routes, emergency lighting devices and exit signals was observed to be present in the accommodation buildings and no muster point is defined outside. No emergency evacuation drill was observed to be performed in the accommodation facilities. Evacuation drill only for the mine shafts was observed to be performed on 13 th September, 2014 and on April 16 th , 2014 in accordance with relevant regulation. Reportedly, there are 2 first aiders available per shift. However, they have not received formal first aid training and do not possess the relevant certificates. There is difficulty to carry training program in Chinese.	Sufficient number of employees stated in the relevant regulations to be trained to provide first aid during emergency situations. At least one first aider per every 10 workers to be assigned and she/he to be certified with a "Basic First Aid Certificate" provided by an authorized third party as per the relevant regulation. With respect to the emergency response in accommodation area, first aider and fire warden name and pictures to be displayed in each accommodation and managed properly to ensure essential first aid supplies are available for use at all times. Emergency lighting devices and exit signs to be installed and a gathering point outside to be designated. Emergency drills for accommodation facilities to be carried out.	

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2011-10-26	9	HIGH	Compliance	Part II, Section I-G of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>An adequate number of staff/workers to be trained to provide first aid.</i> Part II, Section II-C of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>A specific fire safety plan is prepared, including training of fire wardens, periodic testing and monitoring of fire safety equipment and periodic drills.</i>	Heavy Manual and Hazardous Works Regulation (Official Gazette dated June 16, 2004 and numbered 25494) <i>It is specified in Annex I of the subject regulation that all sorts of mine excavation and production works are included in the heavy manual and hazardous works.</i> Regulation on Health Services Regulation based on the Law #3359 and Labor Law #4857 (Published in State Gazette dated 2003, Issue Number 25134). (Published in State Gazette dated 22.05.2002, Issue Number 24762) <i>The regulation requires that one (1) "first aider" should be assigned for each 20 and 10 employees in a facility considered "Heavy Workplace" and "Dangerous Workplace", respectively. Appropriate training courses on First Aid should be in place.</i>	Reportedly, there are 2 first aiders available per shift. However, they have not received formal first aid training and do not possess the relevant certificates.	An adequate number of workers should be trained to provide first aid. There should be at least one first aider per every 10 workers and she or he should be certified with a "Basic First Aid Certificate" that is obtained from a licensed center.	2015-02-17,18,19	Reportedly, there are 2 first aiders available per shift. However, they have not received formal first aid training and do not have the first-aid certificates provided by authorized third party. There is a difficulty to carry out training program in Chinese. There should be at least one first aider per every 10 employees and she/he should be certified with a "Basic First Aid Certificate" valid for three years provided by an authorized third party per relevant regulation.		
2011-10-26	10	HIGH	Compliance	Not applicable	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 41 - Should the bathroom and changing room be located separately, there should be an enclosed hallway connecting them. Changing rooms should be luminous, suitable for ventilation, warm in cold weather and clean. They should be cleaned once a day minimum.</i> <i>Article 42 - Wardrobes, banks, chairs and stools should be provided in the changing rooms. Wardrobe height should be no less than 150 cm. Two separate parts shall be located in the wardrobes: one for the helmets on the top and the other for the shoes at the bottom. All the worker wardrobes should be locked and cleaned according to a plan prepared by the employer.</i> <i>Article 43 - Wardrobes which have two main separate parts; one for the clean clothes and another for dirty working clothes should be supplied to the workers working at poisonous and dirty workplaces. If it is not possible, two separate wardrobes to be provided.</i>	Insufficient changing rooms for private and working clothes are provided to the Chinese workers because there is no clear separation between clean and dirty areas. No lockers are provided for the Chinese workforce in the changing rooms. Currently working clothes are stored at self-constructed grids made of reinforcing steel. It was observed that shoes are stored on top of the grids, which cause the risk of contamination of working cloth hanging under the shoes. In addition, it was observed that working clothes are dried very close to radiant heater which possesses a fire hazard. In addition, there is no close hall way which connects the changing room with the showers. Currently the workers have to move from one to the other building without any protection against weather.	The current facilities should be evaluated and adjusted to avoid mixing of dirty work clothes and clean private clothes. Units and equipment like wardrobes, benches chairs etc. should be provided in the changing room. Since the changing room and the showers are not in the same building, an enclosed hallway connecting them should be constructed.	2015-02-17,18,19	In the older accommodation facility where Qitaihe employees reside, changing rooms for private and working clothes are provided to the Chinese workers because there is no clear separation between clean and dirty areas. In the new accommodation facility where China Coal No:1 employees reside, metal dress hanger was provided for work clothes and shoes are placed on the floor. Changing room is facing to shower and toilet facilities. Change room is heated with water-radiators. Electrical radiant heater system in the change rooms to be replaced with extending water radiators. For the new facilities, a solution to be developed to store private clothing in a separate area. The number of furniture to be needed with the increased number of sub-contractor employees to be checked and monitored periodically. The condition of electricity, plugs and cabling as well as the condition of the accommodation facilities to be monitored by using a check list.		
2011-10-26	11	MEDIUM	Compliance	Part II, Section I-E&F of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>Places for food preparation are designed to permit good food hygiene practices, including protection against contamination between and during food preparation.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 42 - Wardrobes, banks, chairs and stools should be provided in the changing rooms. Wardrobe height should be no less than 150 cm. Two separate parts shall be located in the wardrobes: one for the helmets on the top and the other for the shoes at the bottom. All the worker wardrobes should be locked and they should be cleaned according to a plan prepared by the employer.</i>	Benches and hangers in the local workers' changing room were observed to be missing, and workers' shoes are observed to be stored on top of the lockers.	Wardrobes, benches and other equipment as stated in the standards should be provided in the changing rooms.	2015-02-17,18,19	Local workers have separately constructed bathroom, shower and changing room facilities. All cabinets have locks and are divided into two parts: one for daily clothes and the second for work clothes. Work safety shoes and daily shoes are placed in in the changing room cabinets. Benches in the local workers' changing room were observed to be missing. Ceramic tiles are used as flooring material in bathroom and showers. Changing facility area is being cleaned daily. Hot water is available. HEMA is constructing a new changing facility for the local employees near the Shaft 3 entrance and planning to construct adequate facilities for laundry and drying rooms for both work and non-work clothes. Shower/bathroom flooring to be made of anti-slip hard washable materials. Cabinets, benches and chairs to be provided in the new changing facility. Shower/bathroom flooring to be made of anti-slip and washable ceramics materials. In addition, changing facilities for Chinese sub-contractor employees to be removed from this area.		

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2011-10-26	12	HIGH	Improvement Suggestion	<p>Part II, Section I-B of the IFC/EBRD Workers' Accommodation: Process and Standards</p> <p><i>Access to an adequate and convenient supply of free potable water is always available to workers. Depending on climate, weather conditions and accommodation standards, 80 to 180 liters per person per day should be available.</i></p> <p><i>Drinking water quality is regularly monitored.</i></p>	<p>Water Pollution Control Regulation (Official Gazette dated December 31, 2004 and numbered 25687),</p> <p>According to the Article 32, if the average number of people exceeds 84, Table 21 (Standards for Domestic Wastewater Discharge to Receiving Water Bodies) of the subject regulation should be complied with.</p> <p>Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765)</p> <p>Article 38 - Septic tanks should be located at least 30 m away from the kitchens, dining halls and food store.</p> <p>Procedure Communiqué of Regulation on Water Pollution Control (Official Gazette dated October 10, 2009 and numbered 27372)</p> <p>As to Article 5 of the subject Communiqué, industries generating daily domestic wastewater less than 50 cubic meters, should conduct wastewater analyzes once in every four months.</p> <p>Regulation Concerning Water Intended for Human Consumption (Official Gazette dated February 02, 2005 and numbered 25730)</p> <p>Annex II Table B1 of the regulation states that if the amount of water supplied is no more than 100 m³, water quality analyzes should be carried out.</p>	<p>Insufficient capacity of the infrastructure, such as water supply and wastewater discharge, are provided in all accommodation areas (existing at shaft 1, future at shaft 2) should the number of Chinese employees increase.</p> <p>Currently, wastewater is discharged into the septic tanks. Afterwards Amasra Municipality vacuum trucks takes and discharges this domestic wastewater into Amasra Municipality wastewater network. However, Amasra Municipality has no wastewater treatment plant.</p>	<p>The existing infrastructure should be reviewed against the planned number of workers to be on-site. According to the IFC standard, 80 to 180 litres of portable water per person should be available free of charge.</p> <p>According to Turkish regulations, if the average number of workers working in each camp exceeds 84, a wastewater treatment unit might be required depending on the wastewater analyses. Proposed septic tanks should be located at least 30 m away from the kitchens, dining halls and food store.</p>	2015-02-17,18,19	<p>Electricity, water supply and wastewater discharge are provided in all accommodation areas near Shaft 1, Shaft 2 and Shaft 3).</p> <p>Wastewater drainage for Shaft 3 is connected to Amasra Municipality Sewage System. There is a wastewater treatment system capacity that is designed for 1000 employees in Shaft 1 and 300 employees for Shaft 2.</p>		
2011-10-26	13	HIGH	Compliance	<p>Part II, Section I-E&F of the IFC/EBRD Workers' Accommodation: Process and Standards:</p> <p><i>Places for food preparation are designed to permit good food hygiene practices, including protection against contamination between and during food preparation.</i></p>	<p>Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765)</p> <p><i>Article 30 - In the workplaces and outbuildings, all kinds of measures shall be taken to keep insects, vermin and rodents off. To destroy insects, vermin and rodents, required agents like rodenticide and insecticide shall be used, conditions enabling propagation shall be finished and insecticides shall be applied regularly.</i></p> <p><i>Article 36 - Kitchens shall be kept clean, spacious and warm in cold weather and floors shall be made of watertight material whereas wall material shall be washable.</i></p>	<p>One central kitchen is operated by Datong in the accommodation at Shaft 1. Reportedly two cooks are employed by Datong. During the site visit the kitchen was observed to be in improper conditions: - No insect/vermin control kits exist to minimize the food hygiene risk in the kitchen.</p> <p>- The kitchen is not provided with facilities to maintain adequate personal hygiene such as sufficient soap or hand washing liquid.</p> <p>- Lack of proper management for food storage was observed such as placing frozen meat under the rack for defrosting purpose before cooking; storing prepared/cooked food in the raw food storage rooms.</p> <p>- Unhygienic food storage area - food was stored together with tools and hazardous substances on dirty racks.</p> <p>- Unhygienic plastic kitchen tables were used for cutting meat and vegetables. Unlike metal tables, plastic surfaces cannot be properly washed or disinfected after use.</p> <p>- No access control to the kitchen. Employees enter the kitchen with dirty shoes. The floor of the kitchen and all surfaces were observed to be dirty.</p> <p>- Anti-hygienic condition of the freezer (Meat was stored without plastic packaging).</p>	<p>With regard to the management of the kitchen, the following corrective actions should be implemented: -Appropriate protection against disease-carrying animals and in particular insects should be provided in the kitchen;</p> <p>-Hand wash facilities should consist of soap/washing liquid and hygienic means of drying hands; Store food in proper place and container to avoid contact between raw and prepared food, Food preparation table must be equipped with a smooth, durable, easily cleanable, non-corrosive surface made of non-toxic materials such as stainless steel; - Datong should ensure food provided to workers contains an appropriate level of nutritional value.</p> <p>-Hand wash facilities should consist of soap/washing liquid and hygienic means of drying hands. Kitchens should be designed to permit good food hygiene practices and provided with facilities to maintain adequate personal hygiene.</p> <p>-It is recommended for site's sanitary process to follow Five Keys to Safer Food developed by the World Health Organization (WHO).</p>	2015-02-17,18,19	<p>One central kitchen and dinner facility are in operation for Quitoine and China Coal No:1 at each accommodation unit. Reportedly two cooks are employed at each accommodation unit.</p> <p>Following non-compliance practices were identified and appeared to be consistent with the previous findings in 2011:</p> <ul style="list-style-type: none"> - The wall surface adjacent to the kitchen was observed to be non-fire resistant. - LPG tubes are not chained and left on the ground. - No insect/vermin control kits exist to minimize the food hygiene risks in the kitchen. - Lack of proper management for food storage was observed such as placing frozen meat under the rack for defrosting purpose before cooking; - Unlike metal tables, plastic surfaces cannot properly wash or disinfected after use. 	<ul style="list-style-type: none"> - Regular Gaita control of the cooks and cleaning staff. - LPG tubes to be chained at the outside of the door. - Insect/vermin control kits to be installed to minimize the hygiene risks in the kitchen. - Food provided to employees to contain an appropriate level of nutritional value and religious/cultural backgrounds to be taken into account. - Appropriate protection against disease-carrying animals to be provided in the kitchen. 	

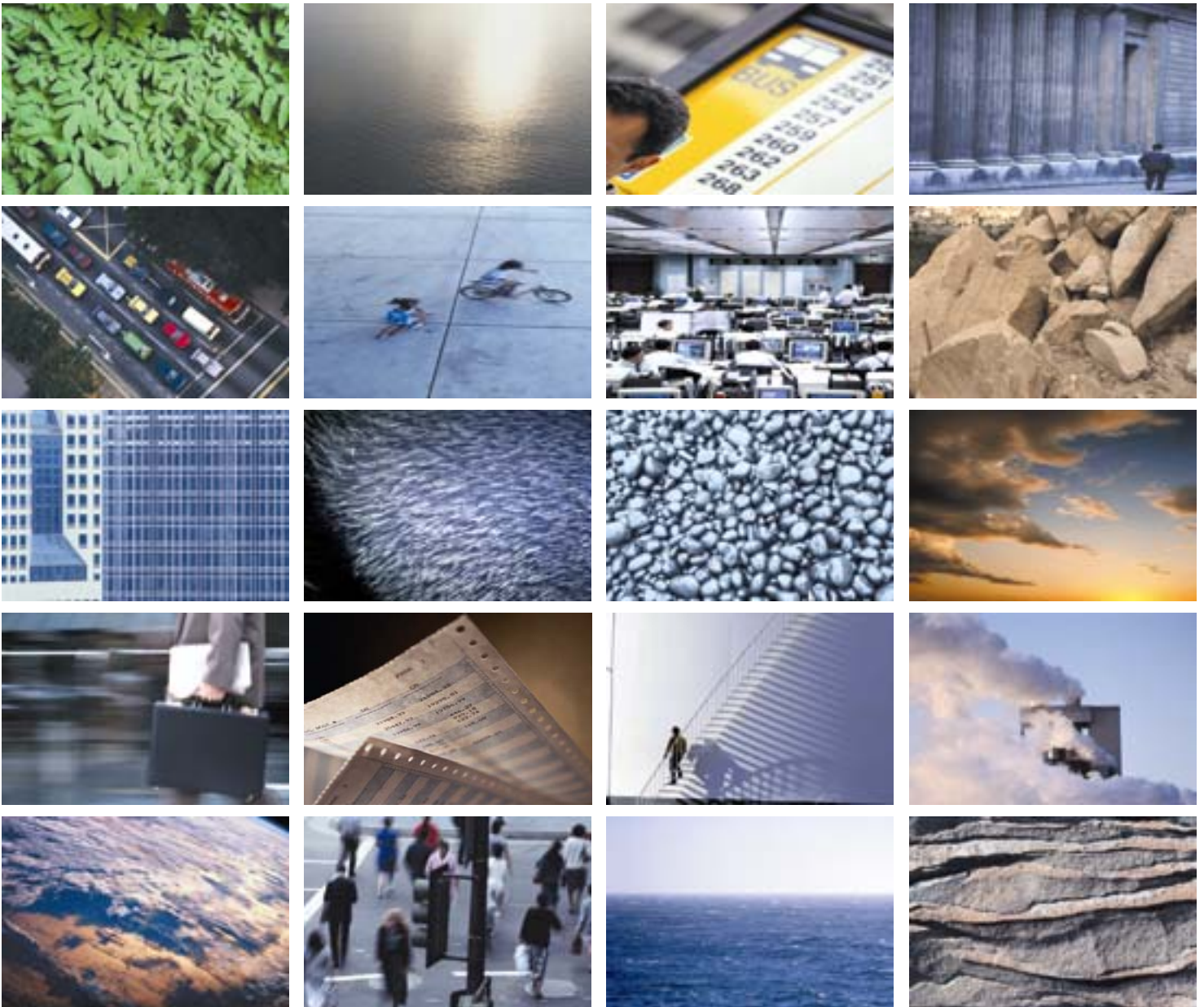
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2011-10-26	14	LOW	Improvement Suggestion	Part II, Section I-F of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Food provided to workers contains an appropriate level of nutritional value and takes into account religious/cultural backgrounds; different choices of food are served if workers have different cultural/religious backgrounds.</i> <i>Food is prepared by cooks. It is also best practice that meals are planned by a</i>	Not Applicable	Reportedly, the cooks have all been working as chefs in China, but it is unclear whether they are professionally or properly trained to provide adequate food that contains sufficient level of nutritional value and general hygienic standards.	According to the IFC standard, food provided to the workers should contain an appropriate level of nutritional value and religious/cultural backgrounds should be taken into account. As a best practice, the food should be prepared by a trained nutritionist.	2015-02-17,18,19	It was observed during the audit that, cooks have employed as a cook in China; however, it is unclear whether they are professionally or properly trained to provide appropriate and adequate food having nutritional value. No training certificates were reviewed during the audit.	Food provided to the employees to contain an appropriate level of nutritional value and religious/cultural backgrounds to be taken into account for meal selections.	
2011-10-26	15	HIGH	Compliance	Part II, Section I-E of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Wall surfaces adjacent to cooking areas are made of fire-resistant materials.</i>	Regulation on Fire Protection of the Buildings (Official Gazette dated December 19, 2007 and numbered 26375) <i>Article 57 - Kitchens and tea houses shall separately be located in the buildings in such a manner that they can resist fire at least for 120 minutes. In these areas, timber and the other inflammable materials cannot be used.</i>	The wall surfaces adjacent to the kitchen were observed to be non-fire resistant.	Wall surfaces adjacent to the cooking areas should be made of fire-resistant materials.	2015-02-17,18,19	Wall surfaces next to the kitchen facilities were observed to be non-fire resistant.	Wall surfaces adjacent to the cooking areas to be of fire-resistant.	
2011-10-26	16	HIGH	Compliance	No. 16 of the IFC PS2 The client will provide the workers with a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the client's work areas, including physical, chemical, biological, and radiological hazards.	Occupational Health and Safety Law #6331 (Official Gazette dated June 20, 2012 and numbered 28339) <i>Article 4 – The employer must perform risk assessments, surveys to protect the health and safety of workers, provide necessary training and information, establish necessary organization and obtain the necessary protection equipment and measures.</i> Health and Safety Regulations in Mining Works (Official Gazette dated September 19, 2013, Issue Number 28770) <i>Article 4 – If a company/business employs workers from more than one sub-contractor, each sub-contractor is responsible for their employees and the work undertaken under their authority. However, it is principal employer's responsibility to implement and coordinate necessary measures to provide safe and secure working environment for subcontractor's employees. The principal employer identifies the purpose and necessary measures and methods to provide the subject coordination in a health and safety document.</i> <i>Article 5 – The employer ensure the preparation of health and safety document as indicated in Articles 4, 10, 14 and 16 of Occupational Health and Safety Law #6331.</i>	Current health and safety management plan developed by HEMA does not include the presence of Chinese workers, and it is not available in Chinese.	It is recommended that the existing health and safety management plan be updated to include the number of Chinese workers working on-site. The management plan should also be available in Chinese so that its contents are understood by the Chinese workers. Emergency preparedness and response plans should be tailored to the risks faced by the workers on-site, and should include an integrated approach to address emergency needs and protect the health and safety of workers, the public and the environment - inside and outside the physical project boundary. Arrangements should be prepared in cooperation with external emergency services and agencies.	2015-02-17,18,19	No written Health and Safety Policy was reviewed during the site visit. Although the Company has procedures in place to manage OHS and operational issues, no OHS Management System was present. It was reported that the Company intends to develop OHSAS 18001 Management System. For mining operations, Health and Safety Plan was observed to be prepared in soft-copy and was only electronically available.	Health and Safety Plan to be prepared prior to work; to be signed, approved and updated periodically. Emergency preparedness and response plans to be available also in Chinese, and to include an integrated approach to address emergency needs and protect the health and safety of all personnel. Similarly, company Health and Safety Policy to be prepared and to be posted on Health and Safety Bulletin Boards placed in different locations in the main office, workshops and operation area where employees can see and read minimum once every day. Site to appoint a Safety Officer for each shift to communicate all unsafe acts with the line management.	
2011-10-26	17	MEDIUM	Compliance	No. 8 of the IFC PS2 <i>Where the client is a party to a collective bargaining agreement with a workers' organization, such agreement will be respected. Where such agreements do not exist, or do not address working conditions and terms of employment (such as wages and benefits, hours of work, overtime arrangements and overtime compensation, and leave for illness, maternity, vacation or holiday) the client will provide reasonable working conditions and terms of employment that, at a minimum, comply with national law.</i>	Labor Law (Official Gazette dated January 18, 2013 and numbered 2853) <i>Articles 5 and 9 – The principal employer shall be jointly liable with the subcontractor for the obligations ensuing from the Labor Law 4857 (Published in Official Gazette dated 22/5/2003, Issue Number 25134, Article 2, Clause 7).</i> <i>(I) Individuals who cannot prove vocational training must not be employed at workplaces identified as 'Dangerous and Very Dangerous Workplace' category in which vocational training is mandatory.</i> <i>(II) Employees of subcontractors or other businesses cannot be assigned to work at principal employer's facility that identified as 'Dangerous and Very Dangerous Workplace' category in which the proof of Health and Safety Training indicating the risks associated with subject work is mandatory.</i>	The contractual conditions (e.g., Wage, working hours, over time arrangements, compensation, leave/holidays, etc.) for the Datong employees/workers are unclear, as their employment contracts are kept by Datong headquarter in China and the copies are not available on-site.	According to the IFC PS2 and Turkish Labor law, workers' working conditions and terms of employment including their entitlement to wages, hours of work, overtime arrangements and overtime compensation, and any benefits (such as leave for illness or holiday) should be documented and communicated. It is recommended that a copy of workers' employment contract be kept on-site and made available to the workers.	2015-02-17,18,19	It was observed that there are registered workers within HEMA for gallery opening activities and there is no production activity. HEMA prepared a contract on OHS direct liability responsibility with the subcontractor. Gallery construction is operated by HEMA Management Team. All Chinese employees have medical compensation and taken care by their company since mid-December, 2014. Their Social Security Registration (SGK) was not observed to be present. The company has a total of 370 subcontractor employees working full time on Company premises, Contract conditions of these indirect payroll workers comply with legal requirements. Mainly their agreement is based on gallery construction performance per daily performance.	As per relevant law, HEMA is deemed responsible to manage all OHS activities and performance of the sub-contractor employees. Sub-contractor employees not be assigned to work without providing following documents: Statement of Employment (SGK payroll statement), vocational training document (if needed), minimum 16 hours of OHS training certificate, medical report indicating the fitness to assigned work, confirmation/commitment letter indicating that Personal Protective Equipment (PPE) is delivered and will be used by the employee. HEMA to ensure the equivalency of vocational training of Chinese employees to Turkish requirements.	

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2011-10-26	18	MEDIUM	Improvement Suggestion	<p>IFC PS2 & IFC Good Practice Note: Address Grievance from Project-Affected Communities</p> <p><i>The client will provide a grievance mechanism for workers (and their organizations, where they exist) to raise reasonable workplace concerns. The client will inform the workers of the grievance mechanism at the time of hire, and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides feedback to those concerned, without any retribution. The mechanism should not impede access to other judicial or administrative remedies that might be available under law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.</i></p>	<p>The Labor Health and Safety Law # 6331 (Official Gazette dated June 20, 2012, numbered 28339)</p> <p>Regulation on the Right to Abstain from Work (Official Gazette dated March 30, 2013, numbered 28603)</p> <p><i>Article 13 – Workers exposed to serious and imminent danger shall file an application to the committee or the employer in the absence of such a committee requesting an identification of the present hazard and measures for emergency intervention. The committee shall convene without delay and the employer shall make a decision immediately and write this decision down. The decision shall be communicated to the worker and workers' representative in writing.</i></p>	<p>Limited grievance mechanism is provided and it is not published to all workers at the construction sites. Workers are free to voice complaints to their managers, or write anonymous mail or e-mail to the head-quarter in China. Reportedly, a comment box for the workers was removed due to lack of use. Datong does not have a written grievance policy and procedure.</p>	<p>According to the IFC PS2, grievance mechanism should be documented, publicized and made easily accessible. The workers should be informed of the mechanism and procedures at the time of hire. As a best practice, options of anonymous grievance mechanism should be established to encourage concerns to be raised freely. A clear policy of non-retaliation, measures to ensure confidentiality and personal data collection in relation to a complaint should be established.</p>	2015-02-17,18,19	<p>Sub-contractors Quitaihe and CHINA COAL No:1 were observed not to have a written grievance policy and procedure. Grievance mechanism is provided by the translator orally and observed not being communicated to all personnel on site.</p>	<p>HEMA to develop a written grievance mechanism to ensure confidentiality and physical protection of complaints. Grievance mechanism to be prepared in both Turkish and English languages and to be easily accessible by the personnel.</p> <p>Employees to be informed of the mechanism and procedures at the start of the employment.</p>	
2011-10-26	19	LOW	Improvement Suggestion	<p>Part II, Section II-G of the IFC/EBRD Workers' Accommodation: Process and Standards</p> <p><i>Community relations plans addressing issues around community development, community needs, community health and safety and community social and cultural cohesion have been designed and implemented.</i></p> <p><i>Community relations plans include the setting up of a liaison mechanism allowing a constant exchange of information and consultation with the local communities in order to identify and respond quickly to any problems and maintain good working relationships.</i></p> <p><i>A senior manager is in charge of implementing the community relations management plan and liaising with the community.</i></p> <p><i>The impacts of workers' accommodation on local communities are periodically reviewed, mitigated or enhanced.</i></p> <p><i>Community representatives are provided with an easy means to voice their opinions and to lodge complaints.</i></p>	Not Applicable	<p>According to the HEMA and Datong management, there have been no serious issues with the community to date. A one-of incidence of trespassing into a private garden by the Chinese workers had been resolved without further issue. The local communities are regularly engaged (e.g. Supply of disability assisting facilities, etc.) are managed by the public relations (PR) department of HEMA. However, no written policy or plan currently exists, and budgets are still been developed.</p>	<p>It is recommended that a comprehensive community relations management plan be developed. The plan should contain the processes to implement the findings:</p> <ul style="list-style-type: none"> - the preliminary community impact assessment and to identify, manage, mitigate or enhance ongoing impacts - the workers' accommodation on the surrounding communities. It should also address issues regarding community development, community needs, community health and safety and community social and cultural cohesion. <p>A liaison mechanism should be set up, allowing constant exchange of information and consultation with the local communities. The management plan and the liaison mechanism should be managed by a senior manager.</p>	2015-02-17,18,19	-	-	

Table 2: Follow-Up Social-Labor Audit Key Findings

ANNEX N-2

Social-Labor Audit of Chinese Contractor



Hema Amasra Hardcoal Project, Bartın, Turkey

Task B2a Social-Labour Audit of Chinese Contractor

Final Report

December 19, 2011

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Hema Amasra Hardcoal Project, Bartın, Turkey



Task B2a

Social-Labour Audit of Chinese Contractor

Final Report

December 19, 2011

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Mitglied der
Environmental Resources
Management Group

PROJECT NO. P0138964



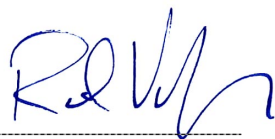
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ERM GmbH

Neu-Isenburg, December 19, 2011

p.p.a. 

Raimund Vogelsberger
Project Director



Anja Kustos
Auditor

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ANNEXES:

- A: Findings table
- B: Photo Documentation

1. INTRODUCTION

Environmental Resources Management Ltd. (ERM) in association with the ELC Group, Engineering and Consultancy Ltd. (ELC) has been commissioned by Hema Endüstri A.S. /Hattat Holding A.S. (Hema) to act as Independent Environmental and Social Consultant (ESC/Consultant) for the development of the Amasra deep coal mine. Task B2a of the ESC service comprises a specific audit of the social-labour conditions and practices (Social-Labour Audit, SLA) at the current construction site, mainly related to Datong Coal Mine Group Co., Ltd. (Datong) and the Datong employed Chinese workers.

Datong is a State owned mining company of People's Republic of China (China) contracted by Hema to undertake many of the project activities, which involves the use of guest workers from China.

The SLA was conducted in Amasra on October 26, 2011 by a 3-person team from ERM and ELC, comprising Ms. Anja Kustos (international labour and social practices expert from ERM), Mr. Daniel Liao (native Chinese expert from ERM who facilitated the necessary interviews with the workers) and Mr. Özgür Can Çelebi (expert on Turkish labour laws from ELC).

Details of the SLA, including auditor observations, are contained within this Report and represent site conditions at the time the audit was conducted. Findings of the SLA are summarized in a Findings table in Annex A and a photo documentation from the audit is provided in Annex B of this Report.

2. BACKGROUND

The planned mining activities by Hema for the Field Development include:

- Development of three shaft explorations (Shaft #1 at Tarlaagzi, #2 at Kazpinari and #3 at Amasra) by Chinese workers, completed in February 2011;
- Gallery development using drilling-blasting method (by Datong) for main road drivage works. This activity is ongoing at the time of SLA;
- Gateway developments among panel developments by Hema to start 20 months after gallery drivage. Face developments to start following the face equipment assembly operations;
- Production with mechanized/semi-mechanized panels to initially produce up to 5 million ton coal per year; and
- Construction of a coal processing facility.

Gallery development by Datong began in October 2011 and is estimated by Hema to take four years to complete. 42 Chinese employees, comprising 25 miners and 17 technicians/engineer and managers, were directly employed by Datong on-site at the time of the SLA (October 26, 2011), and it is estimated that approximately 120 more workers will be invited to Turkey over the coming months. At the time of SLA the Chinese workers only operated in Shaft #1, but they are also expected to perform work on Shaft #2 as the number of workers increases in the future. The Chinese workers will work along side the local Turkish workers but live in separate accommodations and use different canteens.

Reportedly, all Chinese workers are of Chinese Han ethnic origin and there are no ethnic minorities. All workers are male, except for one female translator who was not on-site at the time of audit. According to the Datong management, the female employee lives in a Hema owned hotel at Shaft #3, separate from the other workers.

3. *PURPOSE*

Hema is committed to undertaking the Amasra Coal Field Development Project in adherence to the Lender requirements for conformance to the Equator Principles (EPs) as a condition of their participation in financing. This SLA therefore aims to understand the situation regarding labour and working conditions of the Datong-employed Chinese workers in Amasra project field, and to identify social and labour issues and risks associated with the Project.

The SLA was performed by comparing the actual working conditions of the Chinese workers with the applicable Turkish labour laws and International Finance Corporation (IFC) Performance Standard 2 *Labour and Working Conditions* (PS2), along with several relevant Guidance Documents, including:

- IFC Labor Toolkit, 2008; and
- IFC-EBRD Guidance on Worker's Accommodation Processes and Standards, 2009

4. *APPROACH*

The SLA comprised of visits by the ERM/ELC team to the Shafts #1 and #2 and both existing and future workers' accommodation camps, and interviews with Chinese workers plus discussions with management representatives of Datong and Hema's Amasra team. Worker interviews were conducted at the shaft and workers' accommodation at Shaft # 1, as this is the only location at which Chinese workers were present at the time of SLA. There were a total of

42 Datong employees on site at the time of SLA; it is understood that the mine-workers are living in the dormitory/worker accommodation provided by Hema at Shaft #1, whereas the managers, technicians/engineers and a translator live in a Hema owned hotel at Shaft #3 that is also used to accommodate external guests.

Within the time available on-site and workers' shift schedule, 7 out of the total 25 miners were interviewed by ERM at Shaft # 1, representing 28% of the total Chinese miners (or 17% of the total Datong employees) on-site. Interviewees were selected by the ERM interviewer at random during their shift break, and the interviews were conducted face-to-face in Mandarin Chinese without the presence of Datong management. Ms. Berrak Koltuk, the environmental engineer of Hema, was present during some of the interviews, but she did not engage in the interview process as she was not able to understand nor speak Chinese. The interviewees understood the motive behind the interviews and were encouraged to speak openly.

Throughout the SLA (apart from the workers' interview), the ESC team was accompanied by both Ms. Büşra Arif (Project Engineer) and Ms. Merve Kus (Environmental Engineer) of Hema, Istanbul. The personnel from Hema's Amasra team involved in the audit were:

- Mr. Suat Ölmez (Mine Manager);
- Ms. Özge Gülay Uysal (Environmental Engineer);
- Ms. Berrak Koltuk (Environmental Engineer);
- Mr. Aytaç Sevinç (Occupational Health and Safety Specialist) and
- Ms. Şaziye Yapici (Translator).

Mr. Ali Umut Aslan (Project Finance Manager) of Hema supported the project from Hema's site in Istanbul, Turkey.

An Interview was conducted with the Datong Manager Mr. Jinren Tian, Chief Representative of Datong and General Manager of Datong's Turkey Project Department.

5. GENERAL SITE OBSERVATION

The Chinese workers' accommodations are provided by Hema for all three (3) shafts of the Amasra Hardcoal Project Field and each accommodation area (ie one area per Shaft) has the capacity to house 25 workers (with assumption that 5 workers live together in one room). Although the canteen and kitchen

facilities in all shafts were observed to be in use, only the dormitory at Shaft #1 is occupied by the Chinese workers. It was reported during the SLA that approximately 15 Chinese workers are staying in a Hema owned hotel at Shaft #3.

Based on the on-site observations by ERM, the accommodation compound for the Chinese workers at Shaft #1 is located approximately 250 m from the shaft and consists of four single storey buildings (photo 1 in *Annex B*), including one dormitory building, a canteen with an adjoining kitchen (photo 6 in *Annex B*), a storage building and a building for working clothes adjacent to the dormitory building. The dormitory building comprises 5 rooms with approximately 24 m² floor area and 62 m³ volume each. In addition, 3 toilets, 2 shower rooms and 1 wash basin are provided within the dormitory building (photos 17-20 in *Annex B*). Each room in the dormitory is shared by 3 to 6 workers and all rooms are fitted with 3 double bunk beds regardless of the number of occupants. The rooms are equipped with 8 metal lockers with volume of approximately 1 m³ each, and each worker/occupant is entitled to up to approximately 2 m³ of locker space (photo 18 in *Annex B*). The rooms are also equipped with a table and a radiator (photo 17-18 in *Annex B*). The doors of the room are lockable and each worker is provided with a key (photo 18 in *Annex B*).

The dormitories at all shafts were observed to be recently renovated and in good condition. According to the Hema management, they were renovated in summer 2011. Reportedly, new mattresses will be provided to all new coming Chinese workers, and new mattresses were observed in the rooms at Shaft #1. Newly purchased laundry facilities, such as washing machines, were observed to be stored in the storage room at Shaft #2, but they have not been installed nor made available to the workers at the time of the SLA.

The wall surfaces adjacent to the cooking area in the kitchens are not made of fire resistant material, and the kitchens were observed to be unhygienic with food stored on the floor, and no soap was provided (photos 9-16 in *Annex B*). More details are presented in the Findings table in *Annex 1*.

6. KEY FINDINGS AND ISSUES TO IMPROVE

In general, the situation at Amasra compares reasonably well versus some other worker camps that ERM has visited at such types of construction projects (with the exceptions to the kitchen and hygiene conditions). Overall, no “red flag” conditions or practices were observed nor reported with respect to the Chinese workers at Amasra, given the current number of workers on-site. The management from both Hema and Datong appear to be positively

engaged in providing a sound working and living environment for the workers on-site, and this is supported by a smooth communication channel between the two parties that was evident during the SLA.

Nevertheless, the following key findings of the SLA for the Amasra Hardcoal Project Field were made:

- Lack of accommodation management plan, which should include the calculation of sleeping arrangements, hygiene requirements and the cleaning arrangements, for example. The accommodation management plan should include general requirements for H&S management, fire and emergency plans;
- Insufficient capacity of the existing infrastructure (water, waste water) should the number of Chinese workers increase at all shaft locations;
- Insufficient changing facilities (e.g. no black and white separation of changing rooms and showers), and hangers and banks/benches are not provided in workers' changing room;
- Lack of proper food storage and cooling facilities, and unhygienic conditions of the kitchens;
- Laundry facilities (e.g. washing and drying machines) purchased but not installed at the time of SLA;
- Lack of first aid facilities at the workers' accommodation and properly trained first aiders;
- General health and safety management plan does not include the presence of Chinese workers, and it is not available in Chinese;
- Unclear contract conditions. Datong does not have a copy of the employment contract for its workers on-site; and
- Lack of proper grievance mechanism.

The above findings were presented to the Amasra team of Hema at a close-out meeting for the audit and to the Hema management representative, in Istanbul. The audit findings and recommendations are summarized in this Report and in the overview table in Annex A.

Since the project is at its beginning and the majority of Chinese workers have not yet arrived on-site, it presents a good opportunity for setting up a management plan that can take effect enters its full swing. ERM recommends that Hema undertakes the following actions:

- Develop an accommodation management plan that includes the calculation of sleeping arrangements, hygiene requirements (particular *Five Keys to Safer Food* by *World Health Organization WHO*), cleaning arrangements and changing arrangements for work clothes, H&S management and fire and emergency response provisions;
- Evaluate and review the existing infrastructure against the planned number of workers to be on-site to ensure sufficient capacity for portable water and wastewater to cope with the planned number of workers on-site. Should the average number of workers working in each shaft exceed 84, a wastewater treatment unit would need to be installed;
- Conduct regular site inspection in cooperation with Datong and the subcontractors of Datong (if applicable) at workers' accommodation and social facilities in each shaft to identify potential areas of concern; all concerns and issued identified during site inspections should be entered in a list for follow-up on the status;
- Agree with Datong on implementation of a workers grievance mechanism: put up a comment drop box, regular workers surveys (distribute and collect feedback forms for all workers on site with predefined questions and free comments field), random workers satisfaction interviews – all submissions under anonymity) analyse and evaluate.

CONTENTS

ANNEXES

- A: Findings Table
B: Photo Documentation

ANNEX A

Findings Table

Project: Hema Amasra Hardcoal Project, Turkey
Task: Task B2a: Social-Labour Audit of Chinese Contractors
Site: T.T.K. A.T.I. Binasi Kat:3 No. 709, 74300 Amasra, Bartin, Turkey
Date: Final, 14 December 2011

Audit Date	No.	Finding	Classification	Compliance Issue or Improvement Suggestion	Priority/Risk (H/M/L)	Reference International Standards (e.g. IFC Standard)	Reference Turkish Labour Law	Recommendation	To be completed by Hema				
									Due Date	Responsibility	% Complete	Completion Status	Results / Reply from the site
2011-10-26	1	No accommodation management plan was developed by Datong/Hema for the accommodation provided to the Chinese workforce covering organizational issues as cleaning, room arrangements, hygiene requirements, emergency response etc.	Accommodation	Improvement Suggestion	High	Part II, Section II of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>II. Managing workers' accommodation: Worker camps and housing facilities should have a written management plan, including management policies or plans on health and safety, security, living conditions, workers' rights and representation, relationships with the communities and grievance processes.</i>	Not Applicable	An accommodation management plan should be developed by Hema in cooperation with Datong. The management plan should include plan on living condition (e.g. by the calculation of sleeping arrangements, hygiene requirements and the cleaning arrangements); a health and safety plan, as well as a fire and emergency response plan. In addition it is recommended to investigate whether the accommodation can affect the community which requires the establishment of a community grievance mechanism.					
2011-10-26	2	It was reported during the site visit that the workers are responsible for cleaning of living room and toilets. However, no written cleaning plan was available and no cleaning agents were provided to the workers for the cleaning of the toilets/sanitary room.	Accommodation	Compliance	High	Part II, Section II-A of the IFC/EBRD Workers' Accommodation: Process and Standards. Laundry <i>When workers are provided with facilities allowing them to individually do their laundry or cooking, it should be the responsibility of each worker to keep the facilities in a clean and sanitary condition. Nonetheless, it is the responsibility of the accommodation manager to make sure the standards are respected and to provide an adequate cleaning, disinfection and pest/ vector control service when necessary.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 38 - Toilets should be cleaned once a day at least. Furthermore, toilets should be provided to stay clean after each use and deodorized as to hygienic methods.</i> <i>Article 40 - Showers should be cleaned and disinfected once in 15 days properly other than routine cleaning.</i> <i>Article 48 - Dormitories should be swept everyday in such a manner that dust will not raise. Once in 6 months or when necessary, they should be cleaned by antiseptic solutions and rodenticide and insecticide applications should be held.</i>	Sufficient number of staff in charge of cleaning, cooking and general maintenance should be established. The staffs can be recruited from the local communities and should receive basic health and safety training. A clear accommodation management plan should be drafted to include cleaning schedules and types and amount of detergents and cleaning materials needed.					
2011-10-26	3	Insufficient furniture are provided to the workers, as only bed and lockers were observed to be present in the living rooms of the accommodation.	Accommodation	Compliance	Medium	Part II, Section I-C of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Every resident is provided with adequate furniture such as a table, a chair, a mirror and a bedside light.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 48 - In the dormitories, commodes or dresser drawers shall be located at the bedside so that workers can put their belongings in.</i>	It is recommended that every resident is provided with adequate furniture, including a table, a chair, a mirror and a bedside light.					
2011-10-26	4	Based on the on-site observation, 6 workers share a room that consists of approximately 25 square metres with 2 m high ceiling. This equates to a total volume of approximately 50 cubic metres, 8.3 cubic metres per resident. This amount is considered to be not sufficient according to the requirements of Turkish law and the IFC Standard.	Accommodation	Compliance	Medium	Part II, Section I-C of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Density standards are expressed either in terms of minimal volume per resident or of minimal floor space. Usual standards range from 10 to 12.5 cubic metres (volume) or 4 to 5.5 square metres (surface).</i> <i>A minimum ceiling height of 2.10 metres is provided.</i> <i>In collective rooms, which are minimised, in order to provide workers with some privacy, only a reasonable number of workers are allowed to share the same room. Standards range from 2 to 8 workers.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 48 - In the dormitories, the minimum ceiling height shall be minimum 2.80. Also minimum 12 cubic metres of air shall be provided per resident and the maximum allowable number of residents shall be calculated accordingly. A plan including air capacity of the dormitory and maximum allowable number of the residents shall be prepared and signed by the employer and these plans shall be provided in the dormitories as well.</i>	The maximum number of workers living in one room has to be calculated and established in the accommodation management plan. It has to be ensured that a maximum of 5 workers living in one room of 62 m3.					

Audit Date	No.	Finding	Classification	Compliance Issue or Improvement Suggestion	Priority/Risk (H/M/L)	Reference International Standards (e.g. IFC Standard)	Reference Turkish Labour Law	Recommendation	Due Date	Responsibility	% Complete	Completion Status	Results / Reply from the site
2011-10-26	5	No laundry facilities (e.g. washing and drying machines) are provided at the workers' accommodation. Reportedly at the time of assessment, workers' clothes are washed by workers themselves in the bathroom of their accommodation. According to the site management, washing machines have been purchased and will be installed in the near future.	Accommodation	Compliance	Medium	Part II, Section I-E of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>Laundry facilities Providing facilities for workers to wash both work and non-work related clothes is essential for personal hygiene. The alternative is for the employer to provide a free laundry service. Benchmarks 1. Adequate facilities for washing and drying clothes are provided. Standards range from providing sinks or tubs with hot and cold water, cleaning soap and drying</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 51 - Within or near the building where the single workers stay, there should be a laundry to wash and iron workers' clothes, bed linen and bed spreads.</i>	Adequate facilities for washing and drying/airing both work and non-work clothes should be provided to maintain personal hygiene. Adequate facilities include the provision of sinks or tubs with hot and cold water, cleaning soap and drying lines. As best practice, washing machines and dryers can be provided.					
2011-10-26	6	Bed linens are washed by the workers themselves outside of the accommodation with water. Currently no laundry facilities are provided to the workers and no cleaning schedule for bed lines cleaning is provided.	Accommodation	Compliance	Medium	Part II, Section I-E of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Bed linen is washed frequently and applied with repellents and disinfectants where conditions warrant (malaria).</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 51 - Within or near the building where the single workers stay, there should be a laundry to wash and iron workers' clothes, bed linen and bed spreads. Bed linens shall be kept clean.</i>	According to the IFC standard, bed linen should be washed frequently and applied with repellent and disinfectants.					
2011-10-26	7	The flooring material of toilets and showers in the accommodation buildings consists of ceramic tile and no provision of anti-slip measures to prevent potential fall injury was observed.	Accommodation	Improvement Suggestion	Medium	Part II, Section I-D of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Shower/bathroom flooring is made of anti-slip hard washable materials.</i>	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 40 - Walls and floors of the showers shall be made of readily washable material and the height of the side walls and doors shall be minimum 1.70 m.</i>	According to the IFC standards, shower/bathroom flooring should be made of anti-slip hard washable materials.					
2011-10-26	8	There are no adequate first aid kits provided in the accommodation areas (all shafts). As reported by Datong site management, the first aid kits and designated clinic are only available in the construction site. No emergency escape route map, illuminated lighting devices and exit signs has been installed in the accommodation buildings and no muster point is defined outside. Further, no fire evacuation drills were performed to date.	Accommodation	Compliance	High	Part II, Section I-G of the IFC/EBRD Workers' Accommodation: Process and Standards <i>The number of first aid kits should be adequately available to the number of residents. The first aid kits should be adequately stocked. Where possible, a 24/7 first aid service or facility should be available.</i>	Regulation on Fire Protection of the Buildings (Official Gazette dated December 19, 2007 and numbered 26375) <i>Article 129 - Emergency Response Team Personnel shall be trained for fire protection, fire extinction, life and goods save, first aid activities and collaboration with fire authority by means of local fire authorities and civil defence organizations under responsibility of building owner and manager. Emergency Response Team Personnel and the other officers in the building shall take experimental trainings regarding how to use the fire extinguishing equipments and how to contact with the fire authority in a shortest time. In the buildings, fire extinguish and building evacuation drills shall be held once a year.</i> Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 131 - In the workplaces, alarm and evacuation drills shall be held once in 6 months pursuant to workplace fire plan under the control of an experienced chief, building officer and sufficient number of assistants.</i> <i>Article 132 - In the workplaces where a fire department is occupied, fire defence and extinction drills considering especially unexpected and real fire conditions shall be held once a month. Meanwhile, required fire equipments shall be utilized.</i>	With respect to emergency response in accommodation area, adequate first aid kits should be provided and managed properly to ensure essential first aid supplies are available for use at all times. At the accommodation area, emergency escape route assignments, illuminated lighting devices and exit signs must be installed and a muster point outside to be designated. Regular evacuation drills have to be performed. At the shaft, the alarm and evacuation drill should be performed at least once every 6 months, in accordance to Turkish health and safety regulation.					

Audit Date	No.	Finding	Classification	Compliance Issue or Improvement Suggestion	Priority/Risk (H/M/L)	Reference International Standards (e.g. IFC Standard)	Reference Turkish Labour Law	Recommendation	Due Date	Responsibility	% Complete	Completion Status	Results / Reply from the site
2011-10-26	9	Reportedly, there are 2 first aiders available per shift. However, they have not received formal first aid training and do not possess the relevant certificates.	Accommodation	Compliance	High	Part II, Section I-G of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>An adequate number of staff/workers is trained to provide first aid.</i> Part II, Section II-C of the IFC/EBRD Workers' Accommodation: Process and Standards: <i>A specific fire safety plan is prepared, including training of fire wardens, periodic testing and monitoring of fire safety equipment and periodic drills.</i>	Heavy Manuel and Hazardous Works Regulation (Official Gazette dated June 16, 2004 and numbered 25494) <i>It is specified in Annex 1 of the subject regulation that all sorts of mine excavation and production works are included in the heavy manuel and hazardous works.</i> First Aid Regulation (Official Gazette dated May 22, 2002 and numbered 24762) <i>Article 16 - It is compulsory that in all institutions and organizations, there should be one first aider with "Basic First Aid Certificate" obtained from licensed centres for each 10 personnel working at the heavy manuel and hazardous works.</i>	An adequate number of workers should be trained to provide first aid. There should be at least one first aider per every 10 workers and she or he should be certified with a "Basic First Aid Certificate" that is obtained from a licensed centre.					
2011-10-26	10	Insufficient changing rooms for private and working clothes are provided to the Chinese workers because there is no clear separation between clean and dirty areas. No lockers are provided for the Chinese workforce in the changing rooms. Currently working clothes are stored at self-constructed grids made of reinforcing steel. It was observed, that shoes are stored on top of the grids, which cause the risk of contamination of working cloth hanging under the shoes. In addition it was observed that working clothes are dried very close to radiant heater, which poses a fire hazard. In addition there is no close hall way which connects the changing room with the showers. Currently the workers have to move from one to the other building with out any protection against weather.	Accommodation	Compliance	High	Not applicable	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 41 - Should the bathroom and changing room be located separately, there should be an enclosed hallway connecting them. Changing rooms should be luminous, suitable for ventilation, warm in cold weather and clean. They should be cleaned once a day minimum.</i> <i>Article 42 - Wardrobes, banks, chairs and stools should be provided in the changing rooms. Wardrobe height should be no less than 150 cm. Two separate parts shall be located in the wardrobes: one for the helmets on the top and the other for the shoes at the bottom. All the worker wardrobes should be locked and cleaned according to a plan prepared by the employer.</i> <i>Madde 43 - Wardrobes which have two main separate parts; one for the clean clothes and another for dirty working clothes should be supplied to the workers working at poisonous and dirty workplaces. If it is not possible, two separate wardrobes should be provided them.</i>	The current facilities should be evaluated and adjusted to avoid mixing of dirty work clothes and clean private clothes. Units and equipments like wardrobes, benches chairs etc. should be provided in the changing room. Since the changing room and the showers are not in the same building, an enclosed hallway connecting them should be constructed.					
2011-10-26	11	Benches and hangers in the local workers' changing room were observed to be missing, and workers' shoes are observed to be stored on top of the lockers.	Accommodation	Compliance	Medium	Not applicable	Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765) <i>Article 42 - Wardrobes, banks, chairs and stools should be provided in the changing rooms. Wardrobe height should be no less than 150 cm. Two separate parts shall be located in the wardrobes: one for the helmets on the top and the other for the shoes at the bottom. All the worker wardrobes should be locked and they should be cleaned according to a plan prepared by employer.</i> <i>Article 43 - Wardrobes which have two separate parts; one for the clean clothes and another for dirty working clothes should be supplied to the workers working at poisonous and dirty workplaces. If it is not possible, two separate wardrobes should be provided them.</i>	Wardrobes, benches and other equipment as stated in the standards should be provided in the changing rooms.					

Audit Date	No.	Finding	Classification	Compliance Issue or Improvement Suggestion	Priority/Risk (H/M/L)	Reference International Standards (e.g. IFC Standard)	Reference Turkish Labour Law	Recommendation	Due Date	Responsibility	% Complete	Completion Status	Results / Reply from the site
2011-10-26	12	<p>Insufficient capacity of the infrastructure, such as water supply and wastewater discharge, are provided in all accommodation areas (existing at shaft 1, future at shaft 2) should the number of Chinese workers increase.</p> <p>Currently, wastewater is discharged into septic tanks. Afterwards Amasra Municipality vacuum trucks takes and discharges this domestic wastewater into Amasra Municipality wastewater network. However, Amasra Municipality has no wastewater treatment plant.</p>	Accommodation	Improvement Suggestion	High	<p>Part II, Section I-B of the IFC/EBRD Workers' Accommodation: Process and Standards</p> <p><i>Access to an adequate and convenient supply of free potable water is always available to workers. Depending on climate, weather conditions and accommodation standards, 80 to 180 litres per person per day are available.</i></p> <p><i>Drinking water quality is regularly monitored</i></p>	<p>Water Pollution Control Regulation (Official Gazette dated December 31, 2004 and numbered 25687),</p> <p><i>According to the Article 32, if the average number of people exceeds 84, Table 21 (Standards for Domestic Wastewater Discharge to Receiving Water Bodies) of the subject regulation should be complied with.</i></p> <p>Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765)</p> <p><i>Article 38 - Septic tanks should be located at least 30 m away from the kitchens, dining halls and food store.</i></p> <p>Procedure Communiqué of Regulation on Water Pollution Control (Official Gazette dated October 10, 2009 and numbered 27372)</p> <p><i>As to Article 5 of the subject Communiqué, industries generating daily domestic wastewater less than 50 cubic meter, should conduct wastewater analyses once in every four months.</i></p> <p>Regulation Concerning Water Intended for Human Consumption (Official Gazette dated February 02, 2005 and numbered 25730)</p> <p><i>Annex II Table B1 of the regulation states that if the amount of water supplied is no more than 100 m3, water quality analyses should be carried out once in every four months.</i></p>	<p>The existing infrastructure should be reviewed against the planned number of workers to be on-site. According to the IFC standard, 80 to 180 litres of portable water per person should be available free of charge.</p> <p>According to Turkish regulations, if the average number of workers working in each camp exceeds 84, a wastewater treatment unit might be required depending on the wastewater analyses. Proposed septic tanks should be located at least 30 m away from the kitchens, dining halls and food store.</p>					
2011-10-26	13	<p>One central kitchen is operated by Datong in the accommodation at Shaft 1. Reportedly two cooks are employed by Datong. During the site visit the kitchen was observed to be in improper conditions:</p> <ul style="list-style-type: none"> - No insect/vermin control kits exist to minimize the food hygiene risk in the kitchen. - The kitchen is not provided with facilities to maintain adequate personal hygiene such as sufficient soap or hand washing liquid. - Lack of proper management for food storage was observed such as placing frozen meat under the rack for defrosting purpose before cooking; storing prepared/cooked food in the raw food storage rooms. - Unhygienic food storage area - food was stored together with tools and hazardous substances on dirty racks. - Unhygienic plastic kitchen tables were used for cutting meat and vegetables. Unlike metal tables, plastic surfaces cannot properly washed or disinfected after use. - No access control to the kitchen. Employees enter the kitchen with dirty shoes. The floor of the kitchen and all surfaces were observed to be dirty. - Unhygienic condition of the freezer (meat was unhygienic stored without plastic packaging). 	Accommodation	Compliance	High	<p>Part II, Section I-E&F of the IFC/EBRD Workers' Accommodation: Process and Standards:</p> <p><i>Places for food preparation are designed to permit good food hygiene practices, including protection against contamination between and during food preparation.</i></p>	<p>Worker's Health and Occupational Safety Bylaw (Official Gazette dated January 11, 1974 and numbered 14765)</p> <p><i>Article 30 - In the workplaces and outbuildings, all kinds of measures shall be taken to keep insects, vermins and rodents off. To destroy insects, vermins and rodents, required agents like rodenticide and insecticide shall be used, conditions enabling propagation shall be finished and insecticides shall be applied regularly.</i></p> <p><i>Article 36 - Kitchens shall be kept clean, spacious and warm in cold weather and floors shall be made of watertight material whereas wall material shall be washable.</i></p>	<p>With regard to the management of the kitchen, the following corrective actions should be implemented: Appropriate protection against disease-carrying animals and in particular insects should be provided in the kitchen; Hand wash facilities should consist of soap/washing liquid and hygienic means of drying hands; Store food in proper place and container to avoid contact between raw and prepared food; Food preparation table must be equipped with a smooth, durable, easily cleanable, non-corrosive surface made of non-toxic materials such as stainless steel; Datong should ensure food provided to workers contains an appropriate level of nutritional value; Hand wash facilities should consist of soap/washing liquid and hygienic means of drying hands. Kitchens should be designed to permit good food hygiene practices and provided with facilities to maintain adequate personal hygiene. It is recommended for site's sanitary process to follow <i>Five Keys to Safer Food</i> developed by the World Health Organisation (WHO).</p>					

Audit Date	No.	Finding	Classification	Compliance Issue or Improvement Suggestion	Priority/Risk (H/M/L)	Reference International Standards (e.g. IFC Standard)	Reference Turkish Labour Law	Recommendation	Due Date	Responsibility	% Complete	Completion Status	Results / Reply from the site
2011-10-26	14	Reportedly, the cooks have all been working as chefs in China, but it is unclear whether they are professionally or properly trained to provide adequate food that contains sufficient level of nutritional value and general hygienic standards.	Accommodation	Improvement Suggestion	Low	Part II, Section I-F of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Food provided to workers contains an appropriate level of nutritional value and takes into account religious/cultural backgrounds; different choices of food are served if workers have different cultural/religious backgrounds.</i> <i>Food is prepared by cooks. It is also best practice that meals are planned by a trained nutritionist.</i>	Not Applicable	According to the IFC standard, food provided to the workers should contain an appropriate level of nutritional value and takes into account of religious/cultural backgrounds. As a best practice, the food should be prepared by a trained nutritionist.					

Audit Date	No.	Finding	Classification	Compliance Issue or Improvement Suggestion	Priority/Risk (H/M/L)	Reference International Standards (e.g. IFC Standard)	Reference Turkish Labour Law	Recommendation	Due Date	Responsibility	% Complete	Completion Status	Results / Reply from the site
2011-10-26	15	The wall surfaces adjacent to the kitchen was observed to be non-fire resistant.	Accommodation	Compliance	High	Part II, Section I-E of the IFC/EBRD Workers' Accommodation: Process and Standards <i>Wall surfaces adjacent to cooking areas are made of fire-resistant materials.</i>	Regulation on Fire Protection of the Buildings (Official Gazette dated December 19, 2007 and numbered 26375) <i>Article 57 - Kitchens and tea houses shall separately be located in the buildings in such a manner that they can resist fire at least for 120 minutes. In these areas, timber and the other inflammable materials can not be used.</i>	Wall surfaces adjacent to the cooking areas should be made of fire-resistant materials.					
2011-10-26	16	Current health and safety management plan developed by Hema does not include the presence of Chinese workers, and it is not available in Chinese.		Improvement Suggestion	High	No. 16 of the IFC PS2 <i>The client will provide the workers with a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the client's work areas, including physical, chemical, biological, and radiological hazards.</i>	Labour Law (Official Gazette dated June 06, 2003 and numbered 25134), <i>Article 77 - With a view to ensure occupational health and safety in their workplaces, employers shall take all the necessary measures and maintain all the required means and tools in full; and employees are under the obligation to obey and observe all the measures taken in the field of occupational health and safety.</i> Occupational Health and Safety Regulation (Official Gazette dated December 09, 2003 and numbered 25311) <i>Article 5 - Employer is responsible for protecting workers' health and safety in every respect in the occupational issues.</i> <i>Article 6 - Employer shall accommodate health and safety measures to changing conditions and shall continuously develop these subject measures.</i>	It is recommended that the existing health and safety management plan be updated to include the number of Chinese workers working on-site. The management plan should also be available in Chinese so that its contents are understood by the Chinese workers. Emergency preparedness and response plans should be tailored to the risks faced by the workers on-site, and should include an integrated approach to address emergency needs and protect the health and safety of workers, the public and the environment - inside and outside the physical project boundary. Arrangements should be prepared in cooperation with external emergency services and agencies.					
2011-10-26	17	The contractual conditions (e.g., Wage, working hours, over time arrangements, compensation, leave/holidays, etc.) for the Datong employees/workers are unclear, as their employment contracts are kept by Datong headquarter in China and the copies are not available on-site.	Pay	Compliance	Medium	No. 8 of the IFC PS2 <i>Where the client is a party to a collective bargaining agreement with a workers' organization, such agreement will be respected. Where such agreements do not exist, or do not address working conditions and terms of employment (such as wages and benefits, hours of work, overtime arrangements and overtime compensation, and leave for illness, maternity, vacation or holiday) the client will provide reasonable working conditions and terms of employment that, at a minimum, comply with national law.</i>	Labour Law (Official Gazette dated June 06, 2003 and numbered 25134), <i>Article 8 - Written form is required for employment contracts with a duration of one year or more.</i> <i>In cases where no written contract has been made, the employer is under the obligation to provide the employee with a written document, within two months at the latest, showing the general and special conditions of work, the daily or weekly working time, the basic wage and any wage supplements, the time intervals for remuneration, the duration if it is a fixed term contract, and conditions concerning the termination of the contract. This subsection shall not apply in the case of fixed term contracts whose duration does not exceed one month.</i>	According to the IFC PS2 and Turkish labour law, workers' working conditions and terms of employment including their entitlement to wages, hours of work, overtime arrangements and overtime compensation, and any benefits (such as leave for illness or holiday) should be documented and communicated. It is recommended that a copy of workers' employment contract be kept on-site and made available to the workers.					

Audit Date	No.	Finding	Classification	Compliance Issue or Improvement Suggestion	Priority/Risk (H/M/L)	Reference International Standards (e.g. IFC Standard)	Reference Turkish Labour Law	Recommendation	Due Date	Responsibility	% Complete	Completion Status	Results / Reply from the site
2011-10-26	18	Limited grievance mechanism is provided and it is not published to all workers at the construction sites. Workers are free to voice complaints to their managers, or write anonymous mail or e-mail to the headquarter in China. Reportedly, a comment box for the workers was removed due to lack of use. Datong does not have a written grievance policy and procedure.	Grievance Mechanism	Improvement Suggestion	Medium	<p>IFC PS2 & IFC Good Practice Note: Address Grievance from Project-Affected Communities</p> <p><i>The client will provide a grievance mechanism for workers (and their organizations, where they exist) to raise reasonable workplace concerns. The client will inform the workers of the grievance mechanism at the time of hire, and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides feedback to those concerned, without any retribution. The mechanism should not impede access to other judicial or administrative remedies that might be available under law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.</i></p>	<p>Occupational Health and Safety Regulation (Official Gazette dated December 09, 2003 and numbered 25311)</p> <p><i>Article 11 - Employer shall receive the workers' and their representatives' opinions about occupational health and safety issues and shall provide them to attend the meetings regarding occupational health and safety.</i></p> <p><i>Madde 16 - One or more workers shall be responsible to involve and observe in the health and safety meetings, to request for taking measure and to represent the workers in occupational health and safety issues.</i></p> <p>There is no specific grievance mechanism in Turkey. Yet in the meetings regarding occupational health and safety, workers can state the issues they dislike about. (For instance if they are unhappy about meals, showers etc.)</p>	<p>According to the IFC PS2, grievance mechanism should be documented, publicised and made easily accessible. The workers should be informed of the mechanism and procedures at the time of hire. As a best practice, options of anonymous grievance mechanism should be established to encourage concerns to be raised freely. A clear policy of non-retaliation, measures to ensure confidentiality and physical protection of complaints, safe guarding of personal data collection in relation to a complaint should be established.</p>					
2011-10-26	19	According to the Hema and Datong management, there has been no serious issues with the community to date. An one-off incidence of trespassing into a private garden by the Chinese workers had been resolved without further issue. The local communities are regularly engaged (e.g., Supply of disability assisting facilities, etc.) and is managed by the public relations (PR) department of Hema. However, no written policy or plan currently exists, and budgets are still been developed.	Communities	Improvement Suggestion	Low	<p>Part II, Section II-G of the IFC/EBRD Workers' Accommodation: Process and Standards</p> <p><i>Community relations plans addressing issues around community development, community needs, community health and safety and community social and cultural cohesion have been designed and implemented.</i></p> <p><i>Community relations plans include the setting up of a liaison mechanism allowing a constant exchange of information and consultation with the local communities in order to identify and respond quickly to any problems and maintain good working relationships.</i></p> <p><i>A senior manager is in charge of implementing the community relations management plan and liaising with the community.</i></p> <p><i>The impacts of workers' accommodation on local communities are periodically reviewed, mitigated or enhanced.</i></p> <p><i>Community representatives are provided with an easy means to voice their opinions and to lodge complains.</i></p>	Not Applicable	<p>It is recommended that a comprehensive community relations management plan be developed. The plan should contain the processes to implement the findings of the preliminary community impact assessment and to identify, manage, mitigate or enhance ongoing impacts of the workers' accommodation on the surrounding communities. It should also address issues regarding community development, community needs, community health and safety and community social and cultural cohesion.</p> <p>A liaison mechanism should be set up, allowing constant exchange of information and consultation with the local communities. The management plan and the liaison mechanism should be managed by a senior manager.</p>					

ANNEX B

Photo Documentation

Photo 1 *Workers' accommodation at Shaft # 1.*



Photo 2 *Shaft # 1.*



Photo 3 Telephone booth for Chinese workers at Shaft # 2.



Photo 4 Bunk beds and mattresses ready for Chinese workers due to arrive on-site at Shaft # 2.



Photo 5 Canteen used by the Chinese workers at Shaft # 1.



Photo 6 Canteen used by the Chinese workers at Shaft # 1.



Photo 7 Canteen to be used by the Chinese workers at Shaft # 2.



Photo 8 Canteen to be used by the Chinese workers at Shaft # 3.



Photo 9 Kitchen used by the Chinese workers at Shaft # 1.



Photo 10 Kitchen used by the Chinese workers at Shaft # 1.



Photo 11 Kitchen used by the Chinese workers at Shaft # 1 with food stored on the floor.



Photo 12 Freezer in the kitchen used by the Chinese workers at Shaft # 1.



Photo 13 Kitchen to be used by the Chinese workers at Shaft # 3.



Photo 14 Kitchen to be used by the Chinese workers at Shaft # 3.



Photo 15 Kitchen operated by the Chinese workers at Shaft # 3.



Photo 16 Kitchen operated by the Chinese workers at Shaft # 3.



Photo 17 Chinese workers' accommodation at Shaft # 1.



Photo 18 Chinese workers' accommodation at Shaft # 1.



Photo 19 Showers in Chinese workers' accommodation at Shaft # 1.

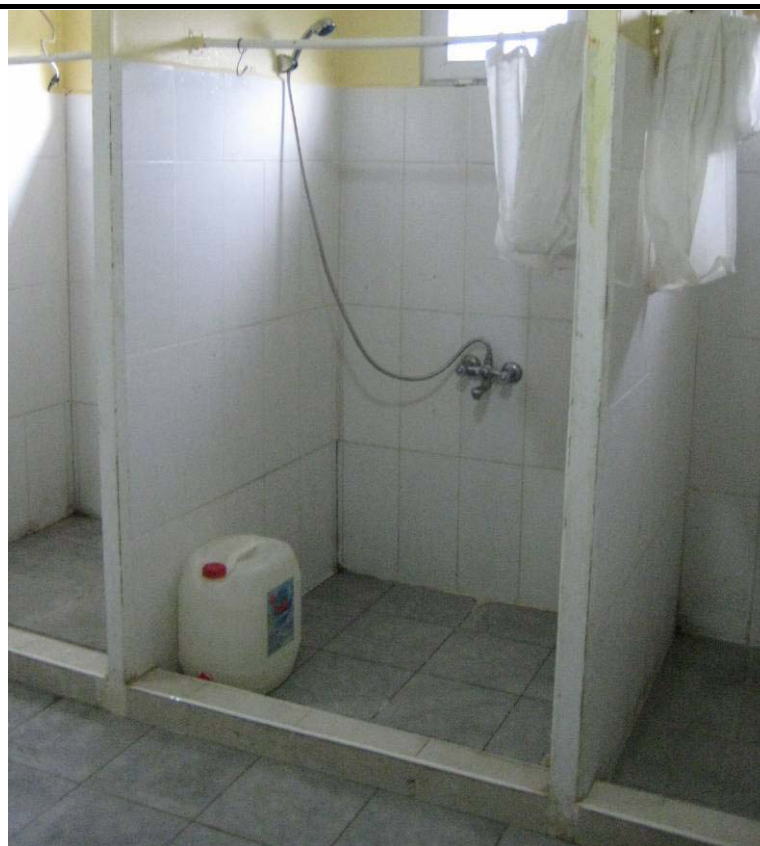


Photo 20 Toilet in Chinese workers' accommodation at Shaft # 1.



Photo 21 Chinese workers' changing room at Shaft # 1.



Photo 22 Chinese workers' changing room at Shaft # 1.



Photo 23 Chinese workers' accommodation at Shaft # 3.

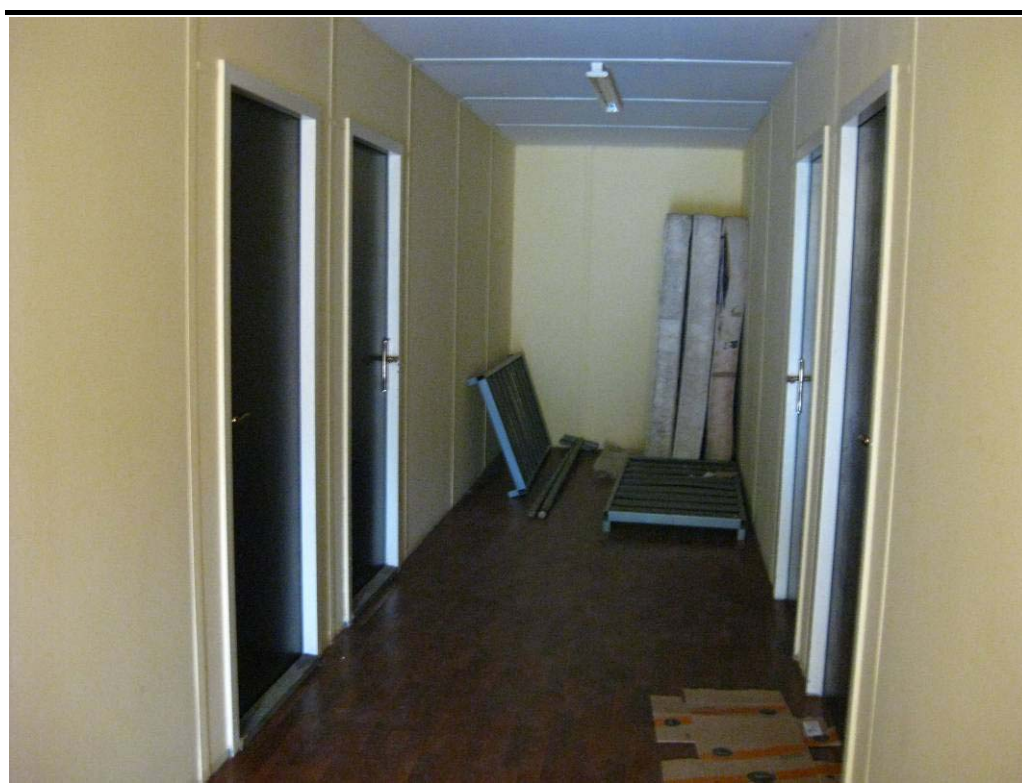


Photo 24 Chinese workers' accommodation at Shaft # 3.



Photo 25 Chinese workers' accommodation at Shaft # 3.

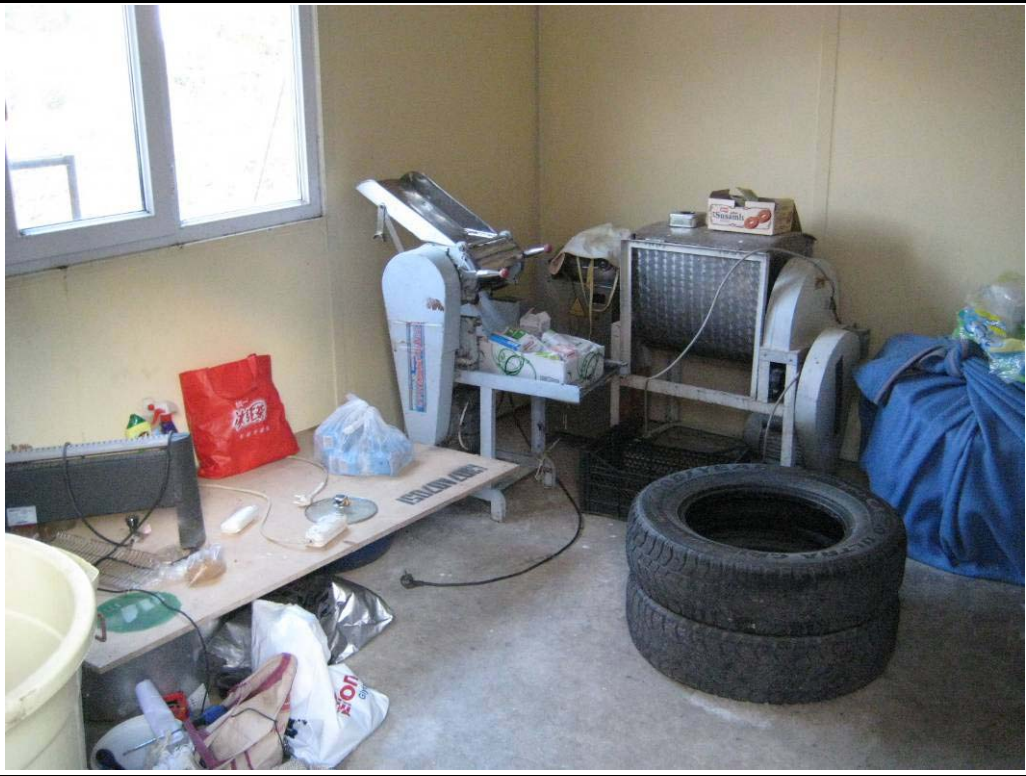


Photo 26 Food storage for the Chinese workers at Shaft # 3.



Photo 27 Safety poster for the Chinese workers, outside of workers' accommodation at Shaft # 3.



Photo 28 Central kitchen operated by Hema at Shaft # 3.



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