

## Child Labor and Forced Labor Policy

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## **1. Foreword**

The protection of human rights, ethical and social considerations and fundamental freedoms is a top priority for İSGOLD and is codified and enforced through the company's Social Standards. İSGOLD will therefore not tolerate any form of child labor or forced labor.

## **2. Introduction**

According to the International Labor Organization (ILO), approximately 218 million children between the ages of 5 and 17 are in employment worldwide. Of these, some 152 million work under conditions that violate their rights and deprive them of their childhood. It is estimated that 12 million people worldwide, half of which are children, are forced to perform work that they would not otherwise engage in voluntarily under threat of punishment.

The elimination of child labor and forced labor is a central challenge for the international community and is promoted by international organizations such as the United Nations. Nonetheless, due to the lack of comprehensive national and international mechanisms, the massive violation and curtailment of elementary human rights cannot be prevented. As an international group, İSGOLD takes an active stand against child labor and forced labor.

Child Labor and Forced Labor Policy unconditionally prohibits and condemns both child labor and forced labor and at the same time contains procedural rules for addressing instances of child or forced labor.

İSGOLD is committed to compliance with the İSGOLD Social Standards and requires the same level of commitment from its business partners. These Standards set out the basic rights of employees and guidelines for environmental stewardship based on internationally recognized standards.

The purpose of this Child Labor and Forced Labor Policy is to address the issue of child labor and forced labor in greater depth than in the Social Standards and provide background information. It entails no further obligations for Suppliers.

## **3. Application of the Policy**

### **3.1. İSGOLD**

This Policy applies to all companies and undertakings of İSGOLD. Compliance is mandatory for all employees.

### **3.2. Business Partners**

The Child Labor and Forced Labor Policy complements ISGOLD Social Standards, which are mandatory for companies that currently do business with ISGOLD. Acceptance of the ISGOLD Social Standards, and as a result this Policy, by potential business partners is also a mandatory prerequisite for entering into new business relationships. ISGOLD expects its business partners to fulfill their duty of care and obliges to advise subcontractors and sub suppliers on their obligation to comply with the ISGOLD Social Standards.

## **4. Child Labor in General**

### **4.1. Distinction between Child Labor and Young Workers**

In keeping with internationally recognized standards, ISGOLD makes a distinction between child labor and young workers. ISGOLD will not tolerate child labor under any circumstances. The employment of young workers, i.e., minors who have reached the minimum age of employment and completed compulsory schooling, is allowed under strict conditions and in compliance with the ILO standards.

The distinction between child labor and young workers is based upon socioeconomic factors. In countries in which the educational system and the economy are not sufficiently developed, the existence of families can be jeopardized if minor children who have reached the minimum age of employment are not allowed to work. ISGOLD therefore considers it preferable to forego any general ban on the employment of young workers and instead to respect domestic law and international standards. ISGOLD does not, however, actively promote the employment of young workers for normal work and such cases are the exception. ISGOLD expressly advocates dedicated training programs and educational opportunities for young workers.

ISGOLD monitors compliance with the ban on child labor as well as the conditions for the employment of young workers by its business partners.

### **4.2. Child Labor**

#### **4.2.1. Definition**

The definition of child labor adopted by ISGOLD is based upon the internationally recognized standards of the ILO. Accordingly, child labor is first of all work that deprives children of their childhood, their potential and their dignity and is harmful to their physical and mental development. In keeping with the ILO standards, ISGOLD defines child labor as:

- Work that is mentally, physically, socially or morally dangerous and harmful

- Work that fails to take into account compulsory schooling
- Work that prevents children from attending school ☒ Work that makes it necessary for children to leave school prematurely
- Work that requires children to combine school attendance with long and heavy work

The worst forms of child labor involve enslavement, separation of children from their families and exposure to hazardous conditions.

ISGOLD sets age limits to prevent the employment of children who are too young. Here too, the international standards of the ILO are taken as the basis. In keeping with ILO Convention 138, employment of children who are under 15 years of age and have not completed compulsory schooling is not allowed.

In addition, work that jeopardizes their physical, mental or psychological well-being may not be carried out by persons under the age of 18. Under exceptional circumstances and in strict compliance with safety regulations, that age may be reduced to 16.

#### **4.2.2. Prohibition of Child Labor**

ISGOLD Social Standards provide the basis for collaboration with all suppliers. They prohibit child labor and provide information on minimum criteria for employment. In the event of any failure to comply with the Social Standards, ISGOLD will require that the situation be remedied as quickly as possible.

#### **4.2.3. Preventive Strategy**

Reliable control mechanisms must be implemented at the level of hiring procedures to prevent child labor. ISGOLD therefore requires that its business partners put in place effective controls. It is absolutely necessary to verify the age of applicants for employment by requiring presentation of valid identification issued by an official authority prior to employment. A copy of such identification and all other legally required documentation must be kept on file during the entire period of employment. In the event it should prove impossible to present such identification, other legal proof of age such as a diploma, birth certificate or official document from the place of residence of the applicant may be accepted. Employers will be responsible for verification of the authenticity of documents submitted.

In cases in which the physical appearance of an applicant does not seem to be consistent with the documents presented, medical documents from a reliable source should be required as proof of age. Employers must also determine whether applicants have already completed their compulsory schooling.

#### **4.2.4. Dealing with Violations / Procedure**

This Policy contains a set of rules that cover procedural and investigatory measures to be adopted if a business partner of ISGOLD is found to be using child labor. In order to ensure the well-being

of the child in such cases, ISGOLD requires compliance with the minimum conditions set forth below:

- The child must cease work immediately.
- The employer must provide the child with appropriate compensation for the loss of employment.
- The employer must safeguard and promote the welfare of the child, which will include, for example, verification of continuation of compulsory schooling and financial assistance for the family of the respective child.

ISGOLD has taken it upon itself to monitor implementation of these measures. Information on implementation will therefore be requested from employers at regular intervals. In the case of difficulties during the implementation phase, business partners may turn to ISGOLD for advice.

ISGOLD will also require proof of implementation of all measures required to ensure that hiring processes are designed to preclude child labor in the future through careful examination of documents. Proof of age must be kept on file for all employees.

ISGOLD also requires formal confirmation to the effect that all possible actions have been taken and implemented. ISGOLD also reserves the right to verify the implementation of such actions on site. In the event a business partner should refuse to cooperate, ISGOLD reserves the right to terminate the business relationship as a last resort.

### **4.3. Young Workers**

#### **4.3.1. Definition**

In keeping with the understanding of the ILO, ISGOLD defines young workers as those who have completed their compulsory education and are at least 15 but not yet 18 years of age. Employment of young workers is permitted only in compliance with the provisions of national law and international standards.

#### **4.3.2. Employment of Young Workers**

For ISGOLD, the employment of young workers is permissible only if their specific needs are taken into account and appropriate measures adopted to meet such needs. The employment of young workers will also be permissible only in the absence of any conflict with national legislation and international standards. In keeping with ILO Recommendation R146, employment of young workers will be subject to the following conditions:

- Young workers must be registered with the proper authorities.
- Employers should implement a system based on national law to identify work that is not suitable for young workers.

- Employers must ensure that young workers do not perform physically strenuous work or work that involves hazardous materials.
- Young workers may not perform any work that is dangerous, jeopardizes their physical, mental or psychological well-being, impairs their intellectual, moral and social development or is not commensurate with their qualifications.
- Young workers may not work overtime. Assignment to night shifts is also prohibited.
- Twelve hours of rest must be provided between any two shifts. Provision must also be made for weekly days of rest.
- Young workers must receive at least four weeks of paid leave per year. The paid leave of young workers may not be shorter than that of adult employees.
- Young workers should be covered by social security insurance. Such insurance should cover work accidents, medical care and health insurance and include other appropriate employment-related insurance.
- Employers should provide young workers with fair pay based on the principle of “equal pay for equal work”.

#### **4.3.3. Dealing with Violations / Procedure**

In the case of any violation of rules pertaining to the protection of young workers, ISGOLD will require that the violation be remedied immediately. In addition, appropriate indemnification will be required.

ISGOLD has taken it upon itself to monitor implementation of these measures. Information that documents implementation will therefore be requested from employers at regular intervals. In the case of difficulties during implementation, business partners may turn to ISGOLD for advice. ISGOLD also reserves the right to verify the implementation of such actions on site. In the event a business partner should refuse to cooperate, ISGOLD reserves the right to terminate the business relationship as a last resort.

### **5. Forced Labor**

#### **5.1. Definition**

ISGOLD defines forced labor in line with ILO Convention No. 29 as any work or service performed involuntarily under threat of penalty. ISGOLD will not tolerate or condone any form of forced labor, modern slavery or human trafficking (hereinafter referred to as “forced labor”).

#### **5.2. Prohibition of Forced Labor**

ISGOLD takes an active stand against all forms of forced labor. ISGOLD strictly prohibits the use of forced labor and expects the same of its business partners. The freedom of workers may not be restricted and must be ensured at all times.

Through compliance with the ISGOLD Social Standards, ISGOLD takes a firm stand against all forms of forced labor and as a result lives up to its sense of corporate responsibility.

### **5.3. Preventive Strategy**

ISGOLD will not tolerate or condone any form of forced labor and expects the same of its business partners. Acceptance of the ISGOLD Social Standards, which condemn and prohibit all forms of the forced labor, is a basic prerequisite for establishing a business relationship with suppliers.

ISGOLD also provides its own employees with annual training as regards the values and rules embodied in its Social Standards. Special attention is devoted in the Standards to recognition of forced labor and related practices. This enables employees to recognize and report violations.

### **5.4. Dealing with Violations / Procedure**

Any violation of the rules contained in the ISGOLD Social Standards must be remedied immediately. Measures must then be taken to prevent repetition of the violation of the Social Standards. ISGOLD also expects the parties affected to receive appropriate compensation.

ISGOLD sees it as its duty to monitor implementation of these measures. Information regarding implementation of the measures will therefore be requested from employers at regular intervals. In the case of difficulties during the implementation of such measures, business partners may turn to ISGOLD for advice. ISGOLD also reserves the right to verify the implementation of such actions on site. In the event a business partner should refuse to cooperate, ISGOLD reserves the right to terminate the business relationship as a last resort

## **6. General Information**

General information on ISGOLD Social Standards may be downloaded [here](#).

## **7. Contact in the Case of Violation**

Violations of ISGOLD Social Standards, whether actual or potential, may be reported directly to ISGOLD at [compliance@isgold.com](mailto:compliance@isgold.com) .