

# CHILD LABOR AND FORCED LABOR POLICY

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# **Table of Contents**

| CHAPTER I PURPOSE                              | 2 |
|--|---|
| CHAPTER II LEGAL BASIS                         |   |
|  |   |
| CHAPTER III CHILD LABOR                        |   |
| Article 1 Definition                           |   |
| Article 2 Worst Forms of Child Labor           |   |
| Article 3 Prohibition of Child Labor           | 3 |
| Article 4 Preventive Strategy                  | 3 |
| Article 5 Dealing with Violations              | 4 |
| CHAPTER IV FORCED LABOR                        | 4 |
| Article 1 Definition and Forms of Forced Labor | 4 |
| Article 2 Prohibition of Forced Labor          | 5 |
| Article 3 Preventive Strategy                  | 5 |
| Article 4 Dealing with Violations              | 5 |
| DISCLAIMER                                     | 6 |



## **CHAPTER I**

## **PURPOSE**

PT Ciputra Development Tbk and its subsidiaries (hereinafter referred as "Ciputra") are committed to conduct business by always complying with and respecting human rights and workers' rights as well as ensuring that employees have the right to enter work voluntarily and freely, without menace of any penalty. Therefore, Ciputra will act professionally, fairly and with full of integrity in carrying out business relations with every employee without giving tolerance to all forms of child labor and forced labor, either directly or indirectly.

# **CHAPTER II**

### **LEGAL BASIS**

This policy is prepared in accordance to the International Labor Organization (ILO) conventions.

#### **CHAPTER III**

#### **CHILD LABOR**

# Article 1

# **Definition**

The definition of child labor adopted by Ciputra is based upon the internationally recognized standards of the International Labor Organization (ILO).

Child is every person under 18 (eighteen) years old.

*Child labor* is work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:

- is mentally, physically, socially or morally dangerous and harmful to children; and/or
- interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

# Article 2

# **Worst Forms of Child Labor**

The worst forms of child labor involves children slavery, separation of children from their families, exposure to serious hazards and illnesses and/or left to fend for themselves on the streets of large cities – often at a very early age.



Although child labor takes many different forms, the priority is to eliminate without delay the worst forms of child labor as defined by Article 3 of ILO Convention No. 182 as follows:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children in armed conflict;
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

## Article 3

# **Prohibition of Child Labor**

Ciputra strictly prohibit and do not tolerate any child labor practices in all of Ciputra's activity. Ciputra's Regulation also provide information on minimum criteria for employment.

In the event of any failure to comply with the regulation, Ciputra will require that the situation be remedied as quickly as possible and any employee who violate the regulation will be imposed with sanction and disciplinary action up to, termination of employment in accordance with the Company's Regulations and the Code of Conduct.

## Article 4

# **Preventive Strategy**

Ciputra implements reliable control mechanism and strategy in order to prevent child labor practices. This effort may be conducted by verifying the age of applicants for employment using the following techniques:

- medical examination prior to employment;
- provision of multiple written documents and affidavits which present valid identifications issued by an official authority;
- detailed interviews with employees and applicants who appear to be too young;
- certificate of completion of the last education for those above minimum age

Ciputra will require proof of implementation of all measures required to ensure that hiring processes are designed to preclude child labor through careful examination of documents. All employees' proof of age files must be kept by Ciputra.



# Article 5

# **Dealing with Violations**

This policy contains a set of rules that cover procedural and investigatory measures to be adopted if there is any practices using child labor. In order to ensure the well-being of the child in such cases, Ciputra 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 include, for example, verification of continuation of compulsory schooling and financial assistance for the family of the respective child.

# **CHAPTER IV**

# **FORCED LABOR**

# Article 1

# **Definition and Forms of Forced Labor**

Ciputra defines forced labor based on ILO Convention No. 29 (1930) as all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

Forced labor can include practices such as restricting people's movement or imprisoning them; withholding wages or identity documents to force them to stay on the job; or entangling them in fraudulent debt from which they cannot escape. Forced labor is a criminal offence and a violation of fundamental human rights.

Any person means adults as well as children, regardless of their nationality; it is considered irrelevant whether the person is a national of the country in which the forced labor case has been identified.

Menace of any penalty means criminal sanctions as well as various forms of coercion such as threats, violence, and the retention of identity documents, confinement, or non-payment of wages. The penalty may also take the form of a loss of rights or privileges.

Voluntary means workers' consent to enter into employment and to their freedom to leave the employment at any time, with reasonable notice in accordance with national law or collective agreements.



## Article 2

## **Prohibition of Forced Labor**

Ciputra strictly prohibit and do not tolerate any forced labor practices in all of Ciputra's activity. The freedom of workers may not be restricted and must be ensured at all times. In the event of any failure to comply with the regulation, Ciputra will require that the situation be remedied as quickly as possible and any employee who violate the regulation will be imposed with sanction and disciplinary action up to, termination of employment in accordance with the Company's Regulations and the Code of Conduct.

# Article 3

# **Preventive Strategy**

Ciputra implements strategy in order to prevent forced labor practices using the following techniques:

- Continuously monitor and provide information to shareholders and potential investors regarding ethical business practice including prevention of forced labor as part of commitment to operate a sustainable business;
- Ensure that all employees have written contracts, specifying employee's rights with regards to payment of wages, overtime, retention of identity documents, and other issues related to preventing forced labor.

# Article 4

# **Dealing with Violations**

Any violation of the rules contained in this policy must be remedied immediately. In order to ensure the well-being of the employee in forced labor cases, Ciputra requires compliance with the minimum conditions set forth below:

- The employer must provide material support for the victim could include stipends, housing support, legal assistance, medical care, psychological support or other assistance that the victim may not be able to access on their own;
- The employer must provide restitution and compensation for lost wages or illegal wage deductions, also compensation for pain and suffering endured.



# **DISCLAIMER**

This document constitutes an English translation of Child Labor and Forced Labor Policy of PT Ciputra Development Tbk, originally drafted, published and authenticated in Indonesian. While reasonable efforts are made to provide accurate information, portions may be incorrect and PT Ciputra Development Tbk cannot take responsibility for any errors. In case of a discrepancy, the Indonesian original will prevail.