



## **Port of Bandirma, Environmental and Social Advsior**

DraftReport

7<sup>th</sup> April 2010

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Celebi Holdings A S


# Port of Bandirma, Environmental and Social Advisor

7<sup>th</sup> April 2010

Draft Report

Prepared by:

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For and on behalf of Environmental Resources Management
Approved by: Karen Raymond _____ Signed:

Position: Partner _____ Date: 7 <sup>th</sup> April 2010 _____

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## **EXECUTIVE SUMMARY**

### **BACKGROUND**

*This draft environmental and social review report, prepared by Environmental Resources Management Ltd (ERM) on behalf of Çelebi Joint Venture Group (Çelebi) presents the findings of an independent environmental and social due diligence assessment of the development of the Port of Bandırma (the Port), in Turkey (the Project) by Çelebi. Although Çelebi is the beneficiary of this due diligence report, it has been prepared independently of Çelebi and it is understood that potential lenders may seek reliance on the report in the future (subject to a reliance agreement mutually agreed between ERM and the individual parties).*

*In May 2008, Çelebi was selected as the preferred bidder for a 36 year transfer-of-operating-rights scheme for the Port by the Turkish Privatisation Administration, and entered into negotiations to finalise a Transfer of Operating Rights Agreement (TOORA). The TOORA is approaching completion and management of the Port is expected to be transferred to Çelebi on 15 May 2010.*

*Çelebi is seeking financial support for the Project from a consortium of financial institutions including UniCredit Bank AG (UniCredit) who will hold the structuring bank mandate, Yapı Kredi Bankası A.Ş (YKB) and the Multilateral Investment Guarantee Agency (MIGA), who is considering underwriting the loan.*

*In accordance with the Environmental and Social Policy and Performance Requirements of MIGA and the financial industry benchmark "Equator Principles" which UniCredit has adopted, Çelebi has commissioned ERM as an independent environmental and social consultant to undertake environmental and social due diligence of the Project on behalf of the consortium of financial institutions before their approval of financing.*

*ERM's due diligence assessment is based on the review of the documents provided by Çelebi and a site visit between 15-17 April 2010 including interviews with staff from Çelebi, TCDD (Government owned Turkish Railways, and the current operator of the Port), and key Project stakeholders. At the date of ERM's assessment, Çelebi had a staff of five on site (General Manager, Operations Manager, Technical Manager and two Management trainees) who were preparing for the handover. The day-to-day operations of the Port were being managed by TCCD staff.*

### **THE PROJECT – PORT DEVELOPMENT**

*The Project will involve expansion, modernisation and management of services at the Port to facilitate an increase in capacity from 3.0 million t/year to up to 6.0 million t/year. The Project will achieve the capacity increase through the following:*

- *On transfer of operating rights, immediate replacement of all 339 of existing TCDD staff with 40 Çelebi management employees and 276 subcontracted staff (for unloading/loading, towing, health services, and security services).*

- From one year following the transfer date, purchase of state-of-the-art cranes to allow Çelebi to undertake unloading/loading themselves, and reducing the use of unloading/loading sub-contracted staff to only peak times.
- Switch from 24 hr operations Monday-Friday to 24 hr operations Monday-Sunday.
- Use of the currently redundant railway infrastructure.

The above will be supported by following construction and demolition activities on-site:

- structural improvements of quays to increase load-bearing capacity;
- surface covering of quays;
- railroad upgrade and maintenance;
- constructing a multi-storey car parking area;
- developing an area for container operations;
- fire safety systems installation;
- upgrade of water and waste treatment facilities;
- renovation of warehouses, workshops, port entrances and administrative building; and
- demolishing of one warehouse and social building.

In addition, as the single rail line to the Port will not have the capacity to deal with the projected increase in capacity, a cargo storage area will be constructed, where rail cargo can be transferred to trucks and delivered to the Port. This is expected to be located 10-15 km south of the site adjacent to the rail and highway and on existing industrial site.

#### **REDEPLOYMENT OF EXISTING PORT STAFF**

Under the concession agreement, the Port will be transferred to Çelebi without its current workers, and Çelebi has no obligations regarding their future employment. TCDD is retaining all responsibility and has offered three options following transfer of the Port: retirement, redundancy or redeployment to one of TCDD's operating ports Izmir, Derince or Haydarpaşa.

The Ports of İzmir and Derince are themselves in the process of tender for privatization, however it is considered unlikely that privatization will be successful in this tender round, with varying estimates on when the government will initiate a second attempt (from 2-5 years). The Port of Haydarpaşa is expected to be closed in 2014 and therefore is not considered a viable option by the workers.

Of the 265 blue-collar existing TCDD workers (comprising 40 operators, 60 shipmen, 55 technical workers, rest general workers) TCDD's site Personnel Director reported that up to 40% will select retirement (age ranging 40-55 with average 50) as TCDD workers are entitled to retirement after 25 years (and are reportedly exempt from the

*new Turkish Law which specifies a retirement date of 65). Retirees will be entitled to a % of their basic salary, based on time worked and rank.*

*The remaining 60% of blue-collar workers (age ranging 30-55) have requested redeployment – 60% requested İzmir or Derince (reportedly 80% to İzmir), the remainder requesting transfers to other TCDD operations (even though this was not on offer). The redeployments are at the same working conditions as Bandırma although the workers expect limited opportunities for overtime which reportedly comprises 20% (quote from union leader) to 50% (quote from TCDD management) of their income. The redeployed workers are entitled to relocation allowance based on government policy which is per km and includes additional fees for family members.*

*In terms of the redeployment process the largest complaints from both TCDD management and union representatives were as follows:*

- lack of information and support from TCDD Ankara;*
- lack of choice for redeployment within TCDD infrastructure (only 2 choices although TCDD has many operations throughout Turkey);*
- fast time-frame (3 days to make decision on receipt of questionnaire with options from TCDD Ankara);*
- uncertainty as to fate of Ports of İzmir and Derince re privatization, resulting in the redeployed workers needing to move again in 2-5 years; and*
- uncertainty on timing of redeployment, and short-time frame to relocate - 25 days from signature by Client of concession agreement (10 days to conclude agreement for redeployment and 15 days to relocate)*

*No information is available on the plans of the 74 existing white-collar TCDD workers, although it is expected that the majority will take the retirement option, as they are all eligible.*

*Çelebi regularly met with representatives of Liman-İş (Port Workers Union) over the past 8 months, and offered workers to apply for positions in the new structure. 5-6 workers who are applying for retirement approached Çelebi of which 2-3 will be employed. They are workers over 55 and will likely be employed for 3 to 5 years. However reportedly no-one was approached who was not eligible for retirement. It is expected that this is due to the reduced wages on offer compared to TCDD's current salary structure.*

## **REPORT STRUCTURE**

*This environmental and social due diligence assessment includes:*

- description of the current Port of Bandırma and proposed Project activities;*
- methodology for the Environmental and Social Due Diligence;*
- assessment of compliance of the Project against local regulations, Equator Principles, and relevant MIGA Performance Standards and MIGA General and Sectoral Environmental and Health & Safety Guidelines;*

- *Environmental and Social Action Plan (ESAP) to address identified impacts, risks and non-compliances; and*
- *draft Stakeholder Engagement Plan.*

## **FINDINGS**

### ***Non-compliance of Current Activities with Local Legislation***

*ERM identified a number of non-compliances and potential non-compliances with Turkish regulatory requirements related to current Port activities, as follows:*

- *A number of unsafe practices were observed including the presence of personnel in hazardous areas where equipment was in operation.*
- *The Port does not hold an emission permit in non-compliance with the Industrial Air Emission Control Regulation which requires a permit for facilities handling more than 200t of bulk cargo a day.*
- *Domestic waste water on site is discharged to two septic pits in non-compliance with Water Pollution Control Regulation which requires sites with more than 84 staff to either treat domestic wastewater or connect to the local municipal sewer under a permit.*
- *All surface runoff water is discharged directly to the sea without treatment. As surface runoff water may become contaminated by bulk cargo residues and oil, this is a potential non-compliance with the Water Pollution Control Regulation.*
- *The on-site separator for treatment of bilge water and contaminated ballast water is in disrepair (refer photo 1.7), and oily bilge and sludge are stored on site prior to removal by a licensed sub-contractor. Whilst the operations appear to be in compliance there is evidence of past discharges of bilge and sludge to ground in the vicinity of the separator (refer photo 1.8) and may constitute a non-compliance with the Soil Pollution Control Regulation.*
- *There are two underground diesel storage tanks of 20 and 10 tonnes storage capacity, with no information on integrity tests. It is likely that they age from the establishment of the Port and that they have impacted the surrounding soil and groundwater quality, and may constitute a non-compliance with the Soil Pollution Control Regulation.*
- *An area managed by the Highways Agency is significantly contaminated with oil products, and is likely to have impacted the surrounding soil and groundwater quality (refer photos 1.8, 1.9 and 1.10), and may constitute a non-compliance with the Soil Pollution Control Regulation.*
- *Waste oils (from workshops and other machinery) appear to be burnt on-site and therefore their disposal is not in compliance with the Waste Oil Control Regulation.*

- *The Port operates five transformers. Given their age, it is likely they contain Polychlorinated Biphenyls (PCBs). Under Regulation on the Control of Polychlorinated Biphenyls and Polychlorinated Terphenyls, transformer oils should be analysed. If PCB is present, oil and contaminated equipment should be disposed of according to Hazardous Waste Control Regulation.*
- *A number of stakeholders (the municipality, fishermen and residents representatives) reported dust from Port activities as a significant issue, and this was observed on site. The problem is due to a number of factors: poor road condition (refer photo 1.5), poor unloading/loading practices, poor gripping equipment in the cranes, and open-trucks travelling within Port. Reportedly grain dust is the primary source of dust (refer photo 1.18) and the most sensitive and vulnerable receptors are residential areas immediately south of the Port and down-gradient of the predominant wind direction. It is understood that no dust monitoring has been undertaken at the site or in the vicinity.*
- *The Port does not have environmental insurance in non-compliance with Regulation of the Law Pertaining to the Principles of Emergency Intervention And Indemnification of the Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances, nor approval from the local authorities for its Emergency Response Plan.*

### **Key Environmental and Social Project Impacts and Risks**

*Given its urban location, and the fact that ground water is not used for supply and there are no surface freshwater resources or designated ecological or cultural heritage protection areas in the vicinity, the Port's setting is considered to be of low environmental sensitivity and vulnerability.*

*However the Port is considered to be in a sensitive social setting being within the urban area of Bandırma, close to residential areas (50m), schools (Trade Chamber Primary School: 1 km to the Port and 100 m to the Truck Road, 17 Eylül Primary School-900m to the port, Marmara Primary School-600 m to the Port), recreational areas (300 m-Bandırma Square), and a fishing port (adjacent). The residential area is down-gradient of prevailing winds from the Port.*

*Development of the Port will be undertaken as part of the Project but the planned actions are not expected to pose significant risks or impacts during the life-time of the Project. A specific Environmental and Social Impact Assessment is not therefore considered to be necessary and the review has focused principally on an audit/analysis of existing operations and conditions. There will, however, be some changes in operating arrangements and a rapid assessment of these has identified the following non-exhaustive list of potential risks and impacts.*

- *Risks of increased environmental and social impact (noise, dust, road traffic accidents) as a result of increased road traffic to and from the Port and in the vicinity of the new cargo storage area. Whilst the majority of the road route into the Port is on highways and away from residential areas, there are reported complaints of trucks travelling through residential areas, parking in residential areas and congestion at specific traffic intersection (reported by Municipality and*

observed during visit). The new cargo area (40,000 m<sup>2</sup> to 50,000 m<sup>2</sup>) is most likely to be located on vacant industrial plot approximately 10-15 km south of the site between rail and highway to Port which may also add congestion in this area locally;

- Social and health risks associated with replacement of 339 existing TCDD staff with Çelebi management employees and sub-contracted workers, related to conflicts between incoming new workers and the local community, and increased risk accidents on site due to less experienced workers;
- The Project will result in increased number of vessels using the Port. Currently ships queue outside port and keep their lights on all night and this is reported to hinder fishing. It is reported (by Fishermen Association and observed during visit) that up to 18 tankers can be waiting at any one time. Increased capacity has the potential to increase this impact; and
- A general increase in activity at the Port and extension of operation to 24 hours, seven days a week will lead to the potential for increased disturbance of neighbouring communities from noise, dust, lighting, traffic and general activity. Planned mitigation measures will lead to a reduction in dust emissions;

As discussed above, the retrenchment resulting from Port privatisation is not the responsibility of Çelebi and its consequences for the workforce and the local community are not identified as impacts of the Project.

It is considered that all the above impacts are site-specific largely reversible and readily addressed through mitigation measures and that a full impact assessment is not therefore required (categorisation of the project is discussed below).

## **APPLICABLE EQUATOR PRINCIPLES AND PERFORMANCE STANDARDS**

### **Overview**

It is considered that of the ten Equator Principles (EP1-EP10), the following are applicable to the Project:

- EP1: Categorisation and Review;
- EP2: Social and Environmental Assessment;
- EP3: Applicable Social and Environmental Standards (MIGA Performance standards);
- EP4: Action Plan and Management System;
- EP5: Consultation and Disclosure;
- EP6: Grievance Mechanism;
- EP7: Independent Review; and
- EP8: Covenants in loan agreement

Based on available information in the due diligence assessment, it is considered that of the eight IFC/MIGA Performance Standards (PS1-PS8) the following are applicable in terms of managing the Project's impacts within EP3:

- PS 1: Social & Environmental Assessment and Management Systems;



- PS 2: Labor & Working Conditions;
- PS 3: Pollution Prevention & Abatement; and
- PS4: Community Health, Safety & Security.

PS5-8 are not considered in the due diligence assessment for the following reasons

- PS5 (Land Acquisition & Involuntary Resettlement) as the only land acquisition is purchase of vacant land on industrial site;
- PS6 (Biodiversity Conservation & Sustainable Natural Resource Management) as there are no drinking water sources or environmental protection areas in the vicinity of the Site (the nearest natural protected area is 8.5km from the Port);
- PS7 (Indigenous Peoples) as there are no indigenous communities potentially affected by this project; and
- PS 8 (Cultural Heritage) as there are no cultural relic preservation sites, scenic spots, or historical relics in the immediate vicinity (the nearest protected site is Kayacik Village 3.4km from the site).

### **Environmental and Social Categorization**

ERM recommends that the Project should be classified as Category B according to MIGA's Policy on Social and Environmental Policy and review procedures. Category B projects have 'potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures' and do not necessarily require a full scale social and environmental impact assessment.

The categorization was based on the predicted adverse social impacts of the Project (staff redeployment, increased traffic) which can be addressed using simple mitigation measures, as well as an understanding of the gaps and uncertainties which were identified in the course of due diligence. Main uncertainties relate to commitment on upgrading the surrounding road network and a reduction of dust emissions.

### **Compliance with Equator Principles and MIGA Performance Standards**

The Project is currently in partial compliance with the Equator Principles and MIGA Performance Standards, with the most significant gaps as follow:

- Project lacks a Environmental, Social and Health and Safety Management System (ESHMS) including Management Programme, Organisational structure, Training, Community Engagement, Monitoring and reporting.
- The Environmental and Social Action Plan (including Stakeholder Engagement Plan) is still under development.
- There has been no formal public disclosure and consultation in relation to the Project. Although public hearings are not required under Turkish regulations, the importance of the Port to the community of Bandırma merits regular public

*consultation to identify concerns and impacts of the Project and help develop mitigation measures.*

- *Project affected parties, including vulnerable groups have not been identified.*
- *A grievance mechanism related to the Project's social and environmental performance, freely and easily accessible to the local communities, has not been established.*
- *No alternatives analysis was performed during the Project design. Although the Project is driven by engineering design requirements and resource efficiency, the analysis should take into account environmental and social impacts.*

#### **PRELIMINARY ENVIRONMENTAL AND SOCIAL ACTION PLAN**

*ERM has identified the following corrective actions and measures that are required in order to address the above identified risks, impacts and non-compliances with relevant Equator Principles and MIGA Performance Standards and EHS Guidelines.*

- *Develop and implement Environmental and Social, and Health and Safety Management Systems (to include Management Programme, Organisational structure, Training, Community Engagement Monitoring and Reporting).*
- *Develop and Implement Stakeholder Engagement Plan, including regular public consultations, and a grievance mechanism related to the Project's social and environmental performance which is easily accessible to the local communities.*
- *Review organizational structure so that the EHS Manager reports directly to the General Manager; transfer EHS responsibilities from the Quality Manager (to allow him to focus on obtaining ISO9001 certification), and place the H&S specialist under the EHS Manager.*
- *Include provisions in sub-contractors' conditions of contract on compliance with Client's H&S requirements, highlighting compliance with Article 5 on Labour Code (discrimination) and the rights of employees under national legislation.*
- *Include in site's HR policy clauses on provision of information regarding their rights under national labour and employment law including rights to form workers association and H&S requirement.;*
- *Obtain an Air Emission Permit for bulk storage according to Industry Air Pollution Control Regulation, and commence implementation of regular ambient air monitoring.*
- *Construct a domestic wastewater treatment plant or connect with the municipal sewer system.*
- *Engage with Directorate of Environment and Forests to develop a plan for application for the required permits.*
- *Consider construction of truck covering-area near TMO facility to prevent dust from trucks travelling across site.*

- *Install new oil separators and settlement units at the surface-water discharge points to Sea.*
- *Prepare a waste management plan covering all types of wastes generated on site (e.g. waste oils, waste batteries, vegetable waste oil and packaging).*
- *In conjunction with TCDD, undertake a soil/groundwater site investigation in identified contaminated areas, to establish baseline conditions on transfer of the Port to the Client, such that when the Port is returned it can be demonstrated that the contamination was not caused by their operations.*
- *Analyse transformers for Polychlorinated Biphenyls and buildings for asbestos-containing materials.*
- *Engage with Ministry of Environment and Forests to obtain approval of the Emergency Action Plan and obtain insurance covering environmental damage. Develop Emergency Response plan with input from local community.*
- *Prepare ship traffic management plan to manage anchored ships in Port.*
- *Prepare road traffic management plan to minimize the impact of Port traffic on sensitive land uses and risks of traffic accidents on roads accessing the port, and provide subcontract conditions, instructions and training to ensure compliance by Project and subcontractor personnel with road traffic regulations and Port requirements including measures to protect public safety.*
- *Request from highways agency a connection between the two main access roads and upgrade of adjacent roundabout. Discuss construction of truck park adjacent to the Port and away from residential areas.*

*The above actions are additional to the actions which are already budgeted in the Port's development plan.*

## **1 INTRODUCTION**

### **1.1 OVERVIEW**

This draft report, prepared by Environmental Resources Management Ltd (ERM) on behalf of Çelebi Joint Venture Group (Çelebi), presents the findings of an independent environmental and social due diligence assessment of the development of the Port of Bandırma (the Port), in Turkey (the Project), by Çelebi. Although Çelebi is the beneficiary of this due diligence report, it has been prepared independently of Çelebi and it is understood that potential lenders may seek reliance on the report in the future (subject to a reliance agreement mutually agreed between ERM and the individual parties).

### **1.2 BACKGROUND**

Çelebi was awarded the rights to take over the operation of the Port of Bandırma from TCDD, the state run port operating company, by the Turkish Privatization Administration in 2008. The agreement is approaching completion pending approval by the Council of State and management of the Port is expected to be transferred to Çelebi on 15 May 2010.

Çelebi is seeking financial support for the Project from a consortium of financial institutions including UniCredit, who will hold the structuring bank mandate, YKB, and the Multilateral Investment Guarantee Agency (MIGA), who may be the underwriters of the loan. The legal process is at its final stage and in advance of being able to sign the Transfer of Operating Rights Agreement (TOORA), due diligence tasks have been undertaken to inform the UniCredit-led consortium.

The intention, subject to due diligence, is to provide financing for the payment of a concession fee in the amount of USD 175.5 million and capital expenditure estimated at around USD 50 million for port development and modernisation including construction and demolition activities, and purchase of new port equipment (cranes, trucks, transtainers, etc).

In accordance with the Environmental and Social Policy and Performance Requirements of MIGA and the financial industry benchmark “the Equator Principles”, which UniCredit has adopted, Çelebi has commissioned ERM as an independent environmental and social consultant to undertake environmental and social due diligence of the Project on behalf of the consortium of financial institutions before their approval of financing.

ERM was commissioned to:

1. Undertake environmental and social due diligence of the Port privatisation, including an environmental and social audit to assess the

environmental and social issues associated with existing facilities and operations, and an analysis of the environmental and social impacts and benefits of the priority investments to be financed.

2. Based on the findings of these initial investigations develop an Environmental and Social Action Plan (“ESAP”). Where gaps are identified between current and future predicted performance and relevant standards, identify options for measures to mitigate any legacy issues and potential future impacts. The plan should also outline the proposals for future stakeholder engagement.

### 1.3

#### *STRUCTURE*

The remainder of the report is structured as follows:

Section 3: Site and Project Information;  
Section 4: Methodology and Approach;  
Section 5: Audit and Analysis Report; and  
Section 6: Environmental and Social Action Plan and Stakeholder Engagement Plan

Annex A: Site Photos

## 2.0 EXISTING SITE DESCRIPTION

The Port of Bandırma (the Port) is located to the south of the Marmara Sea between Ense Cape (40°23'42"N/27°42'12"E) and Levent district (40°22'00"N/27°59'30"E).

Plans for a port at Bandırma began in 1952 followed by construction in 1963, and the Port operations were formally handed over to TCDD in 1969 from the Ministry of Public Works.

The Main units are presented in Figure 2.1.

**Figure 2.1: Bandırma Port: Main Units**



The Port is built on an area of 268,348 m<sup>2</sup> and has 20 berths with depths between 4 -12 meters and a total length of 2,844 meters. Open storage area is 150,000 m<sup>2</sup>, and there are 3 warehouses with a total area of 9,000 m<sup>2</sup>. There is no specially separated parking area for trucks; however there is an area for truck parking at front of the Operation Management Building. There is also a

social building for workers, and 2 breakwaters with lengths of 1,000 and 500 meters respectively.

The border of the Port is enclosed with a wired barrier of 1.85 m height. There are 3 entrance gates: a passenger gate, Gate A (assigned for cars) and Gate B (assigned for cargo trucks). There are 6 security points at the Port area; 3 of which are at the entrance gates and the rest are in the terminal area as security towers.

Loading and unloading processes are handled with cranes. Current Port handling equipments include 3 quay cranes, 5 mobile cranes, 2 loaders, several forklifts and other vehicles. The Port also has 3 towing boats, 1 pilot boat, 2 mooring boats and 2 lash ships.

Electricity demand is provided via the grid. High voltage energy is reduced to 280 volt with 5 on-site transformers. Total power capacity is 2500 kVA. Communication is provided by the TELEKOM lines and internal lines. VCH radios are used for sea traffic follow-up and communication. There is no radar. Heating of the buildings is provided with central heating from a coal-fire boiler.

A waste reception facility has been established on site in order to receive, store and transfer the operational ship waste to disposal facilities. The facility lifetime was planned as 25 years and its units are shown in Table 2.1

Table 2.1 *Bandırma Port Waste Reception Facility Units*

Unit	No	Capacity
Bilge tank	1	150 m <sup>3</sup>
Sludge tank	1	40 m <sup>3</sup>
Dewatered bilge tank	1	50 m <sup>3</sup>
Wastewater tank	1	40 m <sup>3</sup>
Separator	1	1.5 m <sup>3</sup> /hour
Solid waste container	1	50 m <sup>3</sup>
Mobile tank	2	6 m <sup>3</sup>
Waste truck	1	10 m <sup>3</sup>
Vacuum track	1	10 m <sup>3</sup>
Tanker	1	15 m <sup>3</sup>

Currently TCDD employs 265 blue-collar workers (40 operators, 60 shipmen, 55 technical workers, and rest general workers) and 74 white-collar workers employed by TCDD. All the workers of the Port are members of The National Port and Land Stevedores Union of Turkey (Liman-Is).

The main operations carried out in the Port are:

- Loading and unloading;
- Storage;
- Pilotage –Towage service;
- Potable water transfer to the ships; and
- Waste acceptance from the ships.

The Port serves for bulk cargos, general cargo and passengers. The average annual cargo handled in last three years (2007-2009) was 3,070,000 t.

Export goods are mainly mine ores, while the import goods are mainly animal feed such as crushed seeds and soybean (up to 2,000,000 t/yr) , phosphoric and sulfuric acid and vegetable oil (up to 200,000 t/yr) .

There are the following ongoing long-term contracts with tenants of the Port;

- ETI (ETI Mine Works General Management): Up to 2037;
- TMO (Turkish Grain Board): Up to 2036;
- IDO ( Istanbul Municipality Ferry Lines): Up to 2042; and
- Various cabotage operators.

Berth No. 12-13-14 is dedicated to ETI and is segregated from the Port area. ETI is one of the biggest customers for the Port, exporting approximately 900,000 t cargo annually. ETI has its own facilities for handling 60% of its cargo including 9 vertical silos for borax pentahydrate storage with a total capacity of 9,000 tonnes, an integrated conveyor band system and 2 continuous loader cranes. The remaining 40% of cargo of ETI is handled by the Port. ETI also has an off-site ore storage area located adjacent to the site. ETI has a total number of 100 employees comprising 20 permanent workers and 80 subcontractors.

Berth No.11 is dedicated to TMO but is not segregated from the Port area. This berth can also be used by the Port when not used by TMO. TMO has 18 silos, each with 1,000 tonnes capacity and 8 star-shaped bins (interstice bins formed between four cylindrical silos), each with 250 tonnes capacity. These silos have a combined total capacity of approximately 20,000 tonnes and a volume of 55,000m<sup>3</sup>. Three of these silos have ventilation systems to aerate damp grain. Silos are used to store grain purchased by TMO prior to it being sold. Companies which import or export grain can rent TMO's silos for periods of around 10-15 days to avoid demurrage charges. TMO also has a horizontal warehouse located just outside the Port area, which has a capacity of 30,000 tonnes. This warehouse can also be rented by companies for periods of about 3-5 months and is connected to the Port by a conveyor line. There are also two cranes belonging to TMO, one for loading and one for both loading and unloading. TMO's operation at the Port is decreasing year by year and did not operate any vessel in 2009, only using its facilities for storage operations.

Berth No. 1 is dedicated to IDO and it is segregated from the Port area.

In the area where cabotage cargos are handled, the yard is rented out, in parts that are deemed appropriate by the Port Management, to companies on



request using long-term rental contracts. Customers can carry out loading/discharging of both cabotage and import/export cargo in the Port of Bandırma, using their own equipment. There is no equipment belonging to the Port in the area where cabotage cargo operations are carried out.

Turkish trading ships with more than 1000 GT capacity and foreign ships with more than 150 GT capacity are obliged for taking pilotage service which is provided by the Port.

## 2.1

### *PLANNED PROJECT OPERATIONS*

Main port operations are planned to be provided by subcontractors and a total 316 workers will be employed after the handover (276 workers will be employed by subcontractors while 40 employees will be permanent and employed directly by Çelebi).

Every operation will be controlled under Çelebi's management including decision making and planning. Subcontractors will be the implementer of operations.

The details of planned subcontractor services are given as follows:

- *Loading-Unloading Services:* Vessel loading/unloading, yard and warehouse operations, terminal and all related labor services (trimming, sweeping etc.) will be provided by subcontractors. Totally 167 persons will be employed by subcontractors.
- *Towage Services:* Towage and mooring services will be provided by subcontractors. Only the pilotage service will be provided by the Port administration. Totally 32 persons will be employed by subcontractor.
- *Health Services:* 1 medical doctor will be employed by the subcontractor.
- *Security Services:* All security services and vehicle traffic arrangements will be provided by subcontractors. Totally 53 persons will be employed by subcontractors.
- *Cleaning and Catering Services:* Cleaning services in the administrative buildings and offices, and catering services will be provided by subcontractors. Planned numbers of workers are totally 4 persons.

After the first year Çelebi will procure its own machinery equipment replacing the current cranes. Subcontractor machinery will then be used for only peak times. During the period of handover, subcontractor machinery equipment will be:

- mobile harbour cranes,
- material handling machines & excavators, and

- loaders, mini loaders, forklifts and skid steer loaders.

Çelebi is also planning to undertake structural works at the site. These include:

- structural improvements of quays;
- surface covering of quays;
- railroad upgrade and maintenance;
- constructing a multi-store car parking area;
- developing an area for container operations;
- fire safety system installations;
- upgrade of waste treatment facilities;
- renovations of warehouses, workshops, Port entrances and administrative building; and
- demolishing of one warehouse and social building.

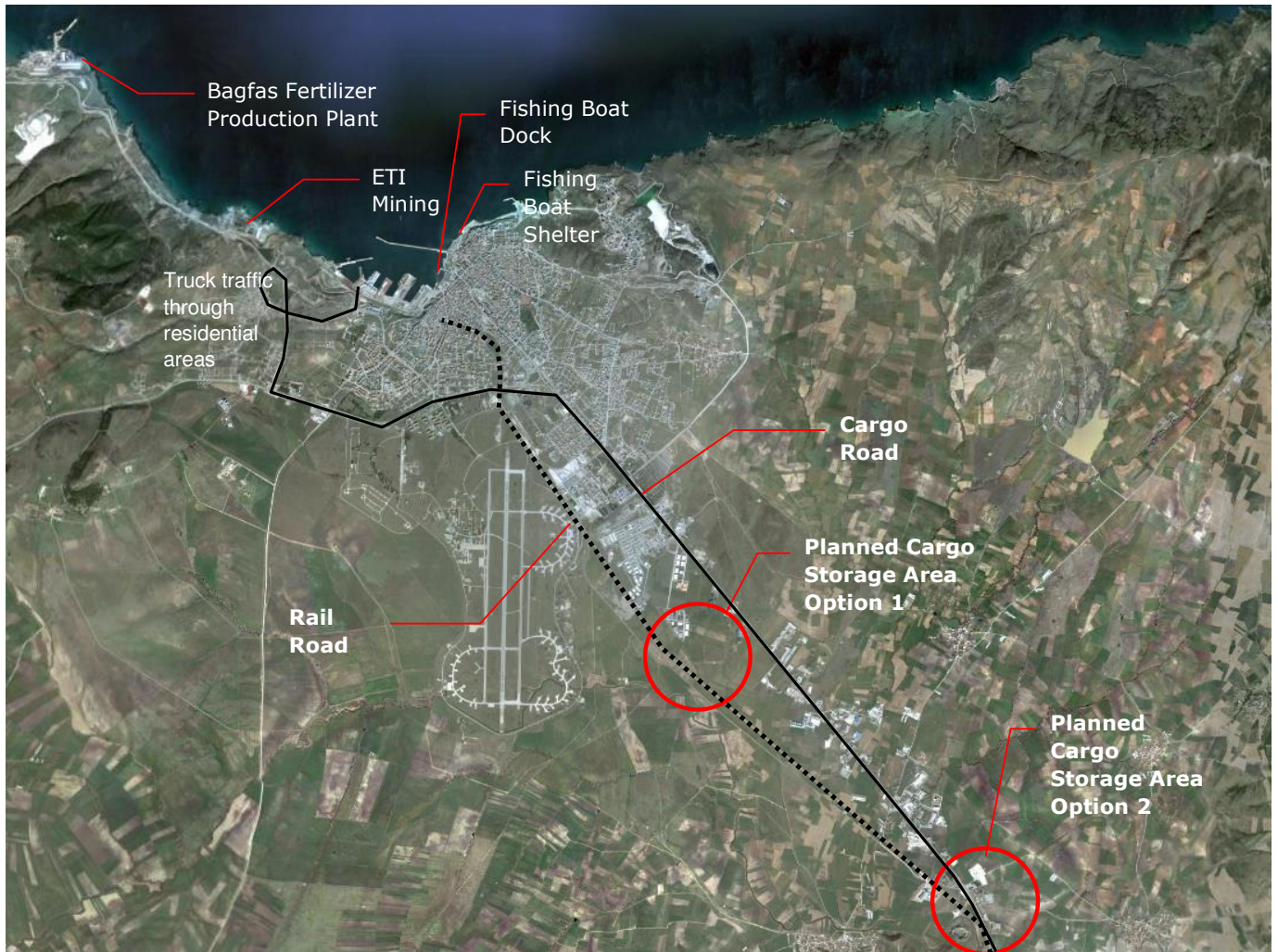
Currently railway transport is not used actively. One third of the total cargo is planned to be carried by railway. The single rail will be at overcapacity to deal with the planned 10,000 t/day of cargo, as a result Çelebi plans to establish a stock layout site of approximately 40 ha in an area at the south of Bandırma. The location of the layout site is to be determined but is expected to be in an existing industrial zone approximately 10 -15 km to the south of the Port.

## 2.2 *ENVIRONMENTAL AND SOCIO-ECONOMIC SITE SETTING*

### 2.2.1 *Overview*

The town centre of Bandırma is to the east and southeast of the Port, however there are also residential areas directly adjacent to the south and south west of the Port. ETI Acid Production is located 4.5 km to the North east. A fishing boat dock and wholesale fish market are located 300 m to the Port entrance. The Port and its close surround are presented in Figure 2.2 below.

**Figure 2.3** The Port and its Surround



## 2.2.2 Physical Environmental Setting

### *Climate*

The climate in Bandırma is strongly influenced by its location on the Marmara Sea, and to a lesser extent by the Anatolian land-mass, the Mediterranean and the Black Seas. Summers are hot and dry, with winters mild and wet.

### *Temperature*

The annual mean temperature, annual mean maximum temperature and annual mean minimum temperature observed in Bandırma is 7.1°C, 18.4 °C and 10.0°C, respectively. Temperature data for Bandırma are presented in Tables 2.2 and 2.3. The warmest months are July and August, whereas the coldest month is February.

*Table 3.2. Temperature data from Bandırma Meteorological Station (1975 – 2006).*

Month	Mean Temperature (°C)	Mean Maximum Temperature (°C)	Mean Minimum Temperature (°C)
January	5.3	8.9	2.1
February	5.4	9.3	2.1
March	7.6	12.1	3.8
April	12.1	17.1	7.5
May	16.6	21.3	11.7
June	21.4	26.3	16.0
July	23.6	28.0	19.1
August	23.6	27.9	19.6
September	20.0	24.8	15.5
October	15.6	20.1	11.7
November	10.5	14.8	6.8
December	7.1	10.6	3.9
Annual	7.1	18.4	10.0

Table 2.3. Maximum and minimum temperatures (1975 – 2006).

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Max Temp (°C)	20.0	22.5	28.0	31.8	35.0	40.1	42.4	42.0	38.0	36.6	28.6	23.0
Min Temp (°C)	2.1	2.1	3.8	7.5	11.7	16.0	19.1	19.6	15.5	11.7	6.8	3.9

#### Precipitation and Cloud Cover

Bandırma's annual average total rainfall is 703.7 mm. Average annual number of snowy, foggy and cloudy days are 15.3, 20.6 and 213.8, respectively. Table 2.4 presents the precipitation and cloud cover data.

Table 2.4. Precipitation and cloud cover data

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
Average Total Precipitation (mm)	101.3	74.6	67.9	55.5	34.4	23.2	17.5	15.3	33.3	69.3	97.7	113.7	703.7
Average number of snowy days	4.3	5.0	2.7	0.1	-	-	-	-	-	-	0.5	2.7	15.3
Average number of foggy days	2.6	2.3	2.1	1.2	1.0	0.1	0.2	0.2	0.9	3.2	4.5	2.7	20.6
Average number of cloudy days	14.3	13.8	17.1	19.2	21.4	17.9	17.4	18.6	19.2	20.9	18.0	16.0	213.8

### Relative Humidity and Pressure

The annual average relative humidity is 71%. Maximum, minimum and average pressure measured at Bandırma are 1033 hPa, 983.2 hPa and 1009.6 hPa, respectively. Table 2.5 shows the relative humidity and pressure values.

Table 2.5 Relative Humidity and Average Pressure

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
Average Relative Humidity(%)	76	74	74	72	71	66	67	69	68	72	73	75	71
Minimum Relative Humidity(%)	26	23	12	18	14	16	14	19	13	14	19	19	12
Average Pressure (hPa)	1012.8	1011.9	1010.3	1007.4	1007.9	1006.9	1005.7	1006.3	1009.2	1011.9	1012.4	1012.4	1009.6

### Wind Speed and Direction

The prevailing wind direction in Bandırma is from north-northeast (NNE). The maximum wind speed is recorded as 32.8 m/s. The average number of stormy days in Bandırma is 24.4. Average wind speed is 4.0 m/s. Average wind speeds, average number of stormy days, average number of days with strong winds and prevailing wind directions are listed in Table 2.6. In addition, Table 2.7 shows the direction and speed of the fastest wind.

Table 2.6. Wind Data for Bandırma District

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
Average Wind Speed (m/s)	4.0	4.3	4.0	3.2	3.4	3.6	4.7	4.9	4.2	4.2	3.5	4.0	4.0
Average number of stormy days (wind speed $\geq 17.2$ m/s)	3.3	3.4	2.6	1.1	1.4	0.6	1.3	1.2	1.6	2.3	2.1	3.5	24.4
Average number of days with strong winds (10.8-17.1 m/s)	8.1	8.1	8.7	6.9	8.0	8.0	12.6	13.2	9.2	8.9	7.3	8.6	107.6
Prevailing wind direction	NNE	NE	NNE	NNE	NNE	NNE	NNE	NNE	NE	NNE	NE	NNE	NNE

Table 2.7. Direction and speed of the fastest wind

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
Direction of the Fastest Wind	N	NE	NNE	S	WSW	NNE	N	N	NE	NNE	NE	N	N
Speed of the Fastest Wind	32.8	26.7	29.4	29.4	23.6	20.1	23.5	20.0	23.8	27.2	24.0	28.5	32.8

(m/s)													
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The Port of Bandırma is exposed to strong winds from NNE resulting in difficult manoeuvring of Ro-Ro and container vessels with high freeboard, arriving and departing at the Port against the prevailing winds. The strong winds from the NNE create challenging conditions for berthing/unberthing vessels as well.

There is a dust problem at the Port as a result of uncovered stored materials and equipments used for bulk cargo handling that are not dust-tight. Due to the prevailing wind direction, the dust is spread towards residential areas immediately south of the Port. Public and civil society organisations have reacted against the Port Management on this matter in the past years.

### *Geology*

The majority of the Port facilities were constructed on fill material (which was obtained from the near surrounding), steel pilings and a layer of concrete. Areas behind the Port were built on fill material with shallow ground water levels underlain by recent silty fine sand and beach and alluvial deposits.

Neogene deposits, which cover large areas at the region (conglomerate, sandstone, marl, claystone, clayey limestone and limestone alteration), underlies the coastal plane where the Port is located and also the south part of Bandırma town. The elevations at the east and west of the Port have exposed surfaces of metamorphic schists that belong to Paleozoic Fazlıkonağı formation comprising marble and serpentinite masses in lens and band shapes, which underlay the Neogene deposits.

### *Local Hydrology and Hydrogeology*

The most significant fresh surface-water feature to the Port is Eğri Dere which is located 5 km to the south. Eğri Dere flows into the Manyas Lake which is located 13 km to the south. There are no other significant continuously flowing streams in the surrounding area.

The Port area is located in the Susurluk hydrogeological basin. The most significant groundwater and surface water resources are in the area between south of the Port and Manyas Lake in the Neogene units. The closest water reservoir is Manyas Dam which is located 45 km to the south.

According to past investigations at the Port area, groundwater levels are 1,10-2,20 m in alluvium deposits, 2,85-8,60 m in Neogene aged rocks, 1,85-8,10 m in metamorphic units. The highest levels of ground water are observed in March and April, while lowest levels are in August, September and October.

Groundwater flow direction is generally from south to the north in the region towards the Marmara Sea with hydraulic gradient between 5 and 35%.

There are 3 groundwater wells utilized by the site located 100-200 m distance to the south, up-gradient of the Port.

There are no geothermal resources in Bandırma.

#### *Tectonic Movements and Seismicity*

The Port is located in 1<sup>st</sup> Level Earthquake Zone in Turkey Earthquake Zones Map of Ministry of Public Works and Settlement. The most significant active faults around the Port area and their specifications were described below:

- Manyas Fault: located 28 km to the south of the Port. Its length is approximately 60 km and direction is east to west with right lateral strike slip. It caused an earthquake in 1964 having an intensity of 7.0. An earthquake of 7.0-7.4 intensity can be expected on this fault.
- Edincik Fault: the closest fault to the area, located 5 km to west. Its length is approximately 30-35 km and direction is northeast to southwest. This right lateral strike slip fault caused an earth quake of 6.4 intensity in 1935. An earthquake of 6.0-6.5 intensity can be expected on this fault.
- Yenice-Gönen Fault: located 46 km to the southwest of the Port with northeast-southwest direction and length of approximately 55 km. It caused and earth quake of 7.2 intensity in 1953. Regarding the relation between fault length and earthquake intensity, an earthquake of 7.0-7.4 intensity can be caused by this fault.
- Sarıköy Fault: located 22 km southwest to the Port, with northeast-southwest direction and length of approximately 60 km. This right lateral strike slip fault can cause an earth quake of 7.2-7.5 intensity.

All of the buildings in the Port area should comply with the requirements of Regulation on Structures to be Constructed in Earthquake Zones dated 06.03.2006 and numbered 26100.

#### *Flood and Landslide Potential*

There are natural drainage channels (e.g. creeks, dry creeks) in various sizes that drain rainwater and surface runoffs in Bandırma residential area. There are no surface water bodies around the Port which may cause floods as well as other disasters such as landslides and rock falls.

Along the shoreline, there are cliffs with nearly vertical slopes and active wave scourings, balance disturbings such as small sized rock falls, block slides, rock creeps are observed. At the west of the Port area near the ETI Lodgings, there are highly weathered rocks belonging to the Neogene deposits and metamorphic basement. Here the slopes collapse as a result of wave scourings and mass movements to the sea are occasionally encountered. It is probable for these currently non-impacting mass movements to move into the inner

slopes from the coastal slopes as long as heel scourings to continue. However, it is unlikely that Port and access truck road is affected from these mass movements.

### 2.2.3 Ecological Setting

#### Overview

Information on the ecological environment is extracted from the Emergency Response Plan prepared for the Port. Studies have been carried out between September and December in 2007.

#### Phytoplanktons

A total of 86 species were observed including 44 species belonging to Dinophyta division, 28 species belonging to Bacillariophyta division, 3 species belonging to Euglenophyta division, 3 species belonging to Phaeophyta division, 1 species belonging to each Rhodophyta, Prymnsiophyta and Dictyochophyta divisions.

#### Zooplanktons

A total of 19 species were observed including 3 species of Rotifera and 16 species of Arthropoda.

#### Invertebrates

A total of 32 species were observed including the following species: 1 species of Porifera, 3 species of Cnidaria, 10 species of Mollusca, 4 species of Annelida, 6 species of Arthropoda and 8 species of Echinodermata.

#### Fish species

The following fish species were observed around the Port: *Raja clavata*, *Raja stellata*, *Alosa caspia*, *Clupea pilchardus*, *Clupea aurita*, *Belone belone*, *Gadus merlangius*, *Morone labrax*, *Pomatomus saltator*, *Mullus barbatus*, *Mullus surmuleus*, *Maena smaris*, *Boops boops*, *Pagrus pagrus*, *Sparus auratus*, *Dentex dentex*, *Scomber scomber*, *Scomber japonicus*, *Sarda sarda*, *Mugil cephalus*, *Solea solea* and *Scorpaena scrofa*.

#### Bird Species

A total of 13 bird species were observed around the Port. These species include *Haliaeetus albicilla*, *Gavia stellata*, *Gavia arctica*, *Phalacrocorax carbo*, *Ardea cinerea*, *Tadorna tadorna*, *Charadrius alexandrinus*, *Calidris ferruginea*, *Larus canus*, *Larus ridibundus*, *Sterna sandvicensis*, *Sterna hirundo* and *Sterna albifrons*.

9 of the bird species are listed in Annex-2 of the Bern Convention, and 4 of them are listed in the Annex-3 of the Bern Convention. All of the bird species are listed in the "least concern" category under 2006 IUCN Red List.



### *Mammals*

No mammals are observed around the Port area. However, it is likely that *Tursiops truncatus*, *Delphinus delphis* and *Phocoena phocoena* may be present in the open sea which are listed in Annex-2 of the Bern Convention and 2006 IUCN Red List.

### *Protection Sites*

The nearest “natural protection sites” are Edincik Town and Manyas Lakes which are 1st degree natural protection sites located 8.5 km to the west of the Port and 12 km to the south of the Port, respectively.

Manyas (Bird) Lake and its close surrounding area, which is located in both Bandırma and Manyas Districts, is designated as 1<sup>st</sup> level Natural Site in 1981. Manyas Bird Lake (also designated as a National Park) can be reached by travelling south on a 3 km road from 15<sup>th</sup> km of Balıkesir-Bandırma Highway. The distance of the Port to Manyas Lake is approximately 13 km.

Manyas Lake and its surrounding is also a wetland protected under Ramsar Convention.

### *Cultural Setting*

Edincik Town (8.5 km to the west of the Port) is designated as an “urban protection site” under Turkish legislation. Kayacık Village-Hayantarla Region (3.5 km to the east of the Port) is designated as an “archaeological protection site” under Turkish legislation.

There are other archaeological protected sites in Bandırma, however they mostly present at the south of the Port at a distance ranging from 55 km to 130 km.

There are long natural beaches at the side of the Kapıdağ peninsula which front the Port.

There are no close fish production facilities around the Port.

### *Socio-Economic Setting*

Bandırma district (population: 132,077 in 2009) is one of the leading industrial districts in Turkey with industrial facilities concentrated at Bandırma town (population: 113,385 in 2009). Although the establishment of industry dates here back centuries, the number of industrial facilities and industrial production increased significantly in 1980s, following establishment of the Port in 1970.

ETI Mining Bor and Acid factories and Bagfas fertilizer factories are the most important industrial facilities in Bandırma. 15% of the chemical fertilizers that

are produced in Turkey are produced in Bandırma. Manufacturing industry constitutes nearly all of the industrial output.

In addition to industrial activities, Bandırma is also an important trading town. The Port is the second largest port in the Marmara Sea, and the main factor in the development of trade in the region. The majority of the export includes industrial products, mines, chicken, eggs, sea and aquatic products. Industrial raw materials constitute 70% of the import.

Agriculture is also important in the economy of Bandırma district outside Bandırma town, due to productive soils and a suitable climate. Grain, cotton, sugar beet, olive and grape are raised in the region. In addition, fishery and aquatic products are among important sources of income.

#### 2.2.4

##### *Transport*

Access to the Port is via single track rail line (currently unused by the Port) which runs through residential areas of Bandırma or via road which avoids urbanized areas.

From the main Cahakkale-Bursa highway, the Port is accessed by a 1km dual lane highway with central reservation (Erdok Yolu C) and then a 1km single road (Liman Yolu C) to a roundabout which then has access road to the Port. Both roads avoid residential areas, however, there is currently no connection between the two roads forcing trucks to pass through residential area, and the municipality indicated that the roundabout area is an area of congestion. Another reported problem is trucks stationed in the residential area which is a public nuisance.

### 3 METHODOLOGY AND APPROACH

#### 3.0 OVERVIEW

In accordance with the Environmental and Social Policy and Performance Requirements of MIGA and the “Equator Principles”, which UniCredit has adopted, the financial institutions involved in the Project have commissioned an independent environmental and social consultant to undertake environmental and social due diligence of the Project before approving financing. The due diligence involves assessment of the Project against the Equator Principles, MIGA’s Performance Standards and local legislation.

#### 3.1 EQUATOR PRINCIPLES

The Equator Principles (EPs) represent a financial industry benchmark for determining, assessing and managing social and environmental risk in project financing. They are a set of ten principles which have been adopted by over sixty financial institutions (Equator Principles Financial Institutions - EPFIs) in order to ensure the projects they finance are developed in a manner that is socially responsible and reflect sound environmental management practices, and are listed in *Box 3.1*

##### *Box 3.1. Equator Principles*

- Equator Principle 1: Review and Categorization
- Equator Principle 2: Social and Environmental Assessment
- Equator Principle 3: Applicable Social and Environmental Standards
- Equator Principle 4: Action Plan and Management System
- Equator Principle 5: Consultation and Disclosure
- Equator Principle 6: Grievance Mechanism
- Equator Principle 7: Independent Review
- Equator Principle 8: Covenants
- Equator Principle 9: Independent Monitoring and Reporting
- Equator Principle 10: EPFI Reporting

#### 3.2 APPLICABLE EQUATOR PRINCIPLES

##### 3.2.1 EP 1: Review and Categorization

Principle 1 of the Equator Principles applies to all Projects and requires social and environmental categorisation of the Project by the financing institution based on the International Finance Corporation (IFC)’s environmental and social screening criteria. The IFC criteria screen projects based on their potential environmental impacts, in order to classify them as A (high), B (medium) or C (low).

Whilst financial institutions vary in their interpretation of the IFC screening criteria, it is considered that in almost all cases, the Project would be classified as a Category B, as the potentially adverse environmental and social impacts can be easily mitigated.

Given Category B, and that the Project is not located in a high-income OECD country the, it is considered that the following requirements under the Equator Principles would be triggered:

- Social and Environmental Assessment (as per EP2);
- Assessment according to the IFC Performance standards (as per EP3);
- Action Plan and Management System (as per EP4);
- Consultation and Disclosure (as per EP5);
- Grievance Mechanism (as per EP6);
- Independent Review (as per EP7); and
- Covenants (as per EP8)

### **3.2.2 EP 2: Social and Environmental Assessment**

For any category A or B project, a social and environmental assessment must be prepared that includes mitigation and management measures for predicted impacts. Given the scale and nature of the Project a full international Environmental and Social Impact Assessment (ESIA) is not considered necessary, but a focused environmental and social due diligence assessment described herein.

### **3.2.3 EP 3: Applicable Social and Environmental Standards**

Projects in non-high income OECD countries (such as Turkey) the assessment referred to in EP2 must comply with local laws and all applicable IFC Performance Standards and EHS Guidelines (as these are consistent with MIGA Performance Standards this is discussed further in Section 4.4). The assessment looks at compliance of design specifications with IFC sector guidelines and/or Best Available Techniques, together with preliminary review of both regulatory requirements of Russian legislation and international standards.

### **3.2.4 EP 4: Action Plan and Management System**

Projects in non-high income OECD countries (such as Turkey) that are of category A or B, an action plan (AP) should be prepared. This AP incorporates the findings of the Assessment and develops mitigation measures to effectively manage the impacts and risks identified. A comprehensive environmental management system (EMS) for all the stages of Project implementation is normally developed later and comprise dates, priorities, objectives, environmental and social measures, reporting and monitoring system.

### **3.2.5 EP 5: Consultation and Disclosure**

As appropriate, Category B projects should be subject to consultation with project affected communities<sup>1</sup> in a structured and culturally appropriate manner as appropriate to the level of predicted impacts. Given the Port's location within the urban area of Bandırma and previous impacts from dust emissions and traffic, it is considered appropriate for this EP to apply.

### **3.2.6 EP 6: Grievance Mechanism**

As appropriate, Category B projects must establish an appropriate grievance procedure as part of the management system. The purpose of this procedure is to provide a clear and understood mechanism for communication and resolution of concerns about the Project's performance from project-affected community. Given the Port's location within the urban area of Bandırma and previous impacts from dust emissions and traffic, it is considered appropriate for this EP to apply.

### **3.2.7 EP 7: Independent Review**

This report represents completion of this EP

### **3.2.8 EP 8: Covenants**

As a Category B project, the lenders will need to develop covenants that address compliance with social and environmental host country laws, and the findings of the due diligence assessment and Action Plan.

### **3.2.9 EP 9: Independent Monitoring and Reporting**

Independent monitoring and reporting over the life of the Project against the covenants is not considered necessary.

### **3.2.10 EP 10: EPFI Reporting**

EP10 is not relevant to the Project.

## **3.3 MIGA (IFC) STANDARDS**

As discussed above, as the Project is not located in a high-income OECD country, the Project must comply with applicable IFC Performance Standards (PS1-8) and Environmental Health and Safety Guidelines in order for the Project to be aligned with the Equator Principles. These PSs are aligned with MIGA Performance Standards as listed below.

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(1) According to the Equator Principles, "affected communities" are those of the local population within the project's area of influence who are likely to be adversely affected by the project. Where such consultation needs to be undertaken in a structured manner, EPFIs may require the Public Consultation and Disclosure Plan (PCDP) is prepared.

### **Box 3.2 MIGA (IFC) Performance Standards**

- Performance Standard 1: Social and Environmental Assessment and Management System;
- Performance Standard 2: Labour and Working Conditions;
- Performance Standard 3: Pollution Prevention and Abatement;
- Performance Standard 4: Community Health, Safety and Security;
- Performance Standard 5: Land Acquisition and Involuntary Resettlement;
- Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management;
- Performance Standard 7: Indigenous Peoples; and
- Performance Standard 8: Cultural Heritage.

In addition to the above The IFC EHS Guidelines are technical reference documents, providing general and industry-specific examples of good international practice in environmental management to assist with the due diligence assessment. They represent the performance standards normally considered acceptable by the IFC, and generally considered to be achievable in new facilities at reasonable costs by existing technology. For the purposes of the Project, the General and Ports, Harbours and Terminals IFC EHS Guidelines are applicable.

#### **3.3.2 Applicable Standards**

Based on available information in the due diligence assessment, it is considered that the following Performance Standards are applicable in terms of managing the Project's impacts:

- PS1: Social & Environmental Assessment and Management Systems;
- PS2: Labour & Working Conditions;
- PS3: Pollution Prevention & Abatement; and
- PS4: Community Health, Safety and Security.

PS5-8 are not considered in the due diligence assessment for the following reasons

- PS5 (Land Acquisition and Involuntary Resettlement) as the only land acquisition is purchase of vacant municipal land;
- PS6 (Biodiversity Conservation & Sustainable Natural Resource Management) as there are no drinking water sources or protected areas in the vicinity of the Site (the nearest natural protected area is 8.5km from the Port);
- PS7 (Indigenous Peoples) as there are no indigenous communities potentially affected by this project; and
- PS 8 (Cultural Heritage) as there are no cultural relic preservation sites, scenic spots, and historical relics in the immediate vicinity (the nearest protected site is Kayacık Village 3.4km from the site). However, it may apply if any artefacts are inadvertently uncovered during construction, however this is considered unlikely.

Environmental, health and safety legislation was reviewed taking into account the activities at the Port. The purpose and relevant provisions of the laws and regulations are provided in the tables below.

Draft Report

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Port of Bandırma (ref to relevant section)
<p>ENVIRONMENT</p> <p>Environmental Law (Law No: 2872) (Official Gazette Date/Number: 16.08.1983/18132)</p>	<p>The purpose is to protect the environment, which is the common asset of all the living beings, in line with the principles of sustainable environment and sustainable development.</p>	<p>Article 8: Pollution Ban It is forbidden to discharge, store, carry and transfer any type of waste contrary to defined standards and methods given in relevant regulations and in a way that gives harm to the environment. When there is a possibility of pollution, the concerned parties are liable to prevent pollution. In case of pollution occurs, the concerned parties are liable to eliminate pollution and to take necessary measures to remove or minimize the effects of pollution.</p> <p>Article 11: Permitting, Treatment and disposal The producers of waste are responsible of taking the necessary measures to reduce the amount of waste they create to the minimum level possible by using appropriate technologies and methods. It is essential to recover the waste and collect the recoverable waste at its source separately. The principles pertaining to the preparation of waste management plans shall be arranged by the relevant regulations issued by the Ministry. The waste that cannot be recovered shall be disposed of by using the appropriate methods that are determined in the relevant regulations.</p> <p>Article 12: Inspection, information supply and declaration liability The concerned parties are obliged to provide the information and the documentation, which can be requested by the Ministry or the other competent authorities responsible of inspection, as well as cover the costs of the measurements and the analysis which will be performed by the authorities or their staff and to provide every convenience during the inspection process. If requested by the Ministry or the authorized inspection unit, the concerned parties are obliged to provide information and documentation related with the raw materials and fuel used the products and the waste, as well as production diagrams, emergency response plans, monitoring systems, pollution reports and other related information, regarding their activities that may cause environmental pollution.</p> <p>Article 15. Suspension of Activities Those who violate this law and related regulations can be granted a period only for once and not exceeding one year, for correcting the noncompliance issue. The activity is suspended immediately if no period is given, or in case a period is given, at the end of this period if the noncompliance issue is not corrected. Activities that create danger to human health and the environment are suspended indefinitely.</p> <p>Article 28: Responsibility of the Polluter Those who pollute and damage the environment are responsible without searching for a fault condition for the damage arising from pollution and deterioration that they cause.</p>
<p>Regulation on Permits and Licenses Required by Environmental Law (Official Gazette Date/Number: 29.04.2009/27214)</p>	<p>The purpose of this Regulation is to determine all applications and processes related with the permits and</p>	<p>Article 4. Facilities are classified into two groups according to their environmental impacts: Annex 1 includes facilities that have a high pollution impact on the environment, Annex 2 includes facilities that have a pollution impact on the environment. Ports are listed in Annex 1 of</p>



Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Port of Bandırma (ref to relevant section)
Environmental Audit Regulation (Official Gazette Date/Number: 21.11.2008/27061)	<p>licenses required by the Environmental Law to be obtained by sites and facilities listed in Annex-I and Annex-II, the duties and responsibilities of authorized bodies, environmental management units and environmental responsables related with these applications and processes and liabilities of environmental consultant companies that are authorized by MoEF and their operators.</p> <p>The purpose of this regulation is to provide a standard for collection and upkeep of environmental information on the facility so that it can be reviewed by auditor inspection by the government.</p>	<p>the regulation and should get “environmental permit” or “environmental permit and licence” in accordance with this regulation. Environmental permit is defined as at least one of the permits for emissions, discharge, noise control, deep sea discharge or hazardous materials discharge. Environmental licence covers the collection, recovery, recycle and disposal of wastes.</p> <p>Article 7. Port should get a temporary activity permit which is valid for one year. Within the six months after the receipt of the temporary activity permit, port should apply for the environmental permit or environmental permit&amp;licence. Otherwise, the temporary permit is cancelled.</p> <p>Temporary article 1. Existing facilities that have received their permits or licences separately before the enforcement date of this regulation, should apply for environmental permit/licence at least thirty days before the expiry date of the permit/licence whose validity will be expired first.</p> <p>The regulation requires that competent employees be designated to act as environmental auditors.</p> <p>Ports are listed in Annex-1 of the regulation meaning that they should meet one of the following requirements:</p> <p>(i) establish an environmental unit involving at least three competent employees (referred to as “environment responsible”), (ii) employ at least 2 environment responsible, or (iii) sign an agreement with a competent firm. Environment responsible will be responsible for filling the forms, performing internal audits and be present for providing information to the authorities during the time of the external audit.</p>
<p>Emergency Response</p> <p>Law Pertaining to the Principles of Emergency Intervention And Indemnification of the Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances (Law No: 5312, Official Gazette Date/Number: 11.03.2005/25752)</p>	<p>The law determines the principles for (i) emergency plans to prevent, mitigate and cure the pollution; (ii) determination of damages and their compensation; (iii) fulfillment of international obligations after the occurrence of damages; and (iv) duties and liabilities of sea vessels, facilities, persons and public entities within the scope of Law No. 5312.</p>	<p>“Coastal facilities” is defined as “Facilities engage in activities which may cause sea pollution with petroleum and other dangerous elements at the coast or zones near the coast including open sea facilities and pipelines” in Article 3 of the Law No. 5312.</p> <p>Pursuant to the law; owners, operators, captains, directors, lessees, possessor and guarantors of the coastal facilities are liable to comply with all necessary requirements envisaged in the international law for the safety of lives, navigation, goods and environment.</p> <p>Coastal facilities should take financial liability insurance against the damages within the scope of this Law. Coastal facilities that fail to comply with the requirement to take insurance are not allowed to operate.</p>
<p>Implementation Regulation of the Law Pertaining to the Principles of Emergency Intervention And Indemnification of the</p>	<p>The purpose of this regulation is to determine the principles to effectively implement the provisions of Law No.</p>	<p>In accordance with this regulation, coastal facilities must prepare emergency response plans for all levels defined in the regulation as follows:</p> <p>Level 1 includes incidents that may cause small scale pollution at the coastal facility or as a result</p>

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Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances (Official Gazette Date/Number: 21.10.2006/26326)	5312 and the implementation-oriented measures to be taken; authority, duty and responsibilities with respect to issues stated in the Law; and procedures and principles regarding implementation.	<p>of the operational activities at the vessels. These incidents can be controlled by the own capabilities of the coastal facilities or the vessels.</p> <p>Level 2 includes medium scale incidents that the capability of the coastal facility or the vessel is not sufficient to control and regional capabilities are required.</p> <p>Level 3 includes large scale incidents resulting from serious accidents that occur at the seas and/or coastal facilities.</p> <p>Equipments to be used at the coastal facilities for emergency response should have nationally and internationally accepted standards. In order to ensure compliance of the equipments with each other, equipment standardization is required.</p>
Protection of air, water and soils Industry Originated Air Pollution Control Regulation (Official Gazette Date/Number: 03.07.2009 /27277)		Facilities which involve loading and unloading of materials by dumper trucks, ladles or technical equipments, with a capacity of 200 ton/day or above and that may cause dust during stockpiling, and facilities where materials with a capacity of 200 ton/day or above are transferred are subject to receive an emission permit. In accordance with the regulation, the following measures are recommended for the temporary storage of materials outside: (i) wind barriers can be placed to the area, (ii) top of the conveyors and other carriers can be covered, (iii) loading and unloading are carried out without scattering, (iv) materials are covered with canvas or with materials that have particle sizes greater than 10 mm, (v) the top layers are stored at a moisture content of 10%.
Water Pollution Control Regulation (Official Gazette Date/Number: 31.12.2004/25687)	The purpose of this Regulation is to set the legal and technical principles to be followed in the control of water pollution, in order to protect the ground and surface waters, and to prevent water pollution taking into consideration the sustainable development objectives.	In accordance with the regulation, sites having a staff of more than 84 persons should either treat domestic wastewater or connect to the local municipal sewer with permission. The Provincial Directorate of Environment and Forestry is authorized about all wastewater discharge permits into the receiving waterbody. The regulation forbids the discharge of garbage, petroleum and its derivatives; bilge waters, dirty ballast waters, sludge, slop, oil and similar solid and liquid wastes that may also be contaminated with petroleum and its derivatives; and all types of cargo wastes into the seas. It is also prohibited to discharge excavated soils, debris, sludge and similar waste to seas and coastal waters.
Regulation on Pollution Control Caused by Dangerous Substances in Aquatic Environment (Official Gazette Date/Number: 26.11.2005/26005)	This Regulation includes technical and administrative basis regarding the determination of dangerous substances in surface waters, estuary waters and regional waters; organization of pollution reduction programs; prevention and monitoring of pollution; creating an inventory of dangerous substances discharged into water; determination of discharge standards and quality criteria.	<p>Pursuant to Article 9 of the Regulation, direct discharge of wastewater containing hazardous substances to the receiving environment is forbidden.</p> <p>In the discharge of wastewater containing hazardous substances to receiving environment or to sewage specified within the scope of this Regulation; it is essential to obtain permits from relevant administration, and that the permits obtained conform to pollution reduction programs and special programs that are to be prepared.</p>

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Soil Pollution Control Regulation (Official Gazette Date/Number: 31.05.2005/25831)	The purpose of the regulation is to determine the measures for the discharge, disposal, leakage of hazardous substances and wastes into soil as well as the principles regarding the controlled usage of sludge created as a result of the treatment of domestic and industrial wastewater.	It is forbidden to discharge any kind of waste directly or indirectly on the soils. At areas where there is a risk of contamination, potential polluters are liable to prevent pollution; whereas at contaminated areas potential polluters are liable to stop contamination, to determine the extent of contamination and to carry out necessary work and take measures to remediate the site.
Waste Regulation on the Collection of Wastes from Vessels and Control of Wastes (Official Gazette Date/Number: 26.12.2004/25682)	The purpose of the regulation is to define the procedures to establish and operate waste reception facilities, and for waste reception vessels, for the prevention of marine environment.	It is forbidden to discharge directly and/or indirectly vessel-generated wastes to the marine environment. Ports need to establish waste reception facilities with enough capacity and technical equipments, for the collection of vessel-generated wastes and get a license for these facilities. Port should fill "waste transfer forms" and submit them to Provincial Directorate of Environment and Forestry. For any request by the vessels regarding reception of any type of waste other than listed in the license of the facility, ports should get permit from MoEF. Ports should prepare a waste management plan and submit it to MoEF every three years. General criteria for waste reception facilities include the following: (i) capacity to receive the wastes within 24 hours after the vessel notifies the port, (ii) standard discharge connection flange defined in MARPOL 73/78, (iii) enough capacity and criteria that is found appropriate by MoEF.
Regulation on Services for Waste Reception from Vessels (Official Gazette Date/Number: 11.03.2004/25399)	The purpose is to set procedures for the establishment and operation of waste reception facilities at ports, in order to implement MARPOL 73/78 in an effective manner.	In accordance with the regulation: (i) Ports giving services to international-cruise vessels heavier than 400 gross ton berth, should have a waste reception facility to receive the oily wastes from vessels. (ii) Ports giving services to international-cruise vessels heavier than 200 gross ton or to vessels that are lighter than 200 gross ton but include more than 10 people, should have waste reception facilities to receive the wastewaters from vessels. (iii) All ports in Turkey should have facilities to receive garbage from vessels. Ports with above mentioned criteria should receive "Waste Management Compliance Certificate's (WMCC) for each type of waste they receive (e.g. for (i) WMCC for MARPOL Annex-1, (ii) WMCC for MARPOL Annex-IV, (iii) WMCC for MARPOL Annex-V. In order to receive WMMC, ports should prepare a waste management plan that is in accordance with their activity area and waste reception facilities, and submit it to the Regional Directorate of Undersecretariat of Maritime Affairs. If the waste reception facility and plan is found appropriate after the Regional Directorate examines the site, port is granted a WMMC.
Regulation on Control of Excavated Soil, Construction and Debris Wastes (Official		Regarding the demolishing activities to be performed: Disposal and filling of excavated soil, construction and debris wastes in seas, lakes, rivers or any

Act, Regulation, Order (date and ref)	Brief summary of scope	Relevance to the Operational Activities of the Port of Bandırma (ref to relevant section)
Gazette Date/Number: 18.03.2004/25406)		<p>other place except the recovery and storage facilities (permitted by municipalities or the greatest civil administrator of the location) is forbidden. The producers of excavated soils and construction wastes must obtain "Waste transportation and acceptance certificate" from the municipality if the amount of waste exceeds 2 tons. Before starting demolition, demolition permit should be received from the municipality. Recoverable materials and hazardous materials should be collected separately from other materials. In case asbestos containing materials are present, demolition of those buildings are performed in accordance with the "Regulation on the Health and Safety Measures in working with Asbestos" to protect the health and safety of the workers. Those who perform demolition activities are liable to take measures to minimize noise and visual pollution and dust emissions..</p> <p>Asbestos, dye, fluorescent, mercury, acids and similar hazardous wastes contained in construction/debris wastes shall be collected separately and disposed of in accordance with the provisions of the Hazardous Waste Control Regulation.</p>
Solid Waste Control Regulation (Official Gazette Date/Number: 14.03.1991/20814)	The Solid Waste Control Regulation lays down the principles and procedures for production, collection, temporary storage, recycling, and disposal of solid wastes. The regulation provides information on landfilling, composting and incineration of solid wastes.	It is forbidden to dump solid wastes into seas, lakes and similar receiving medium; in streets, forests and places that may cause adverse effects on the environment. Solid wastes shall be kept in closed containers and disposed of in disposal facilities of the relevant municipalities. Producers of solid wastes are liable not to mix any hazardous wastes into the solid wastes and also participate to works related to recovery of solid wastes.
Hazardous Waste Control Regulation (Official Gazette Date/Number: 14.03.2005/25755)	The regulation lays down the principles and procedures for production, collection, temporary storage, transportation, exportation, recycling and disposal of hazardous wastes. The Regulation also provides design criteria and standards for hazardous waste management, and hazardous waste storage and treatment facilities.	<p>The amount and type of hazardous waste, if generated any shall be recorded. Hazardous wastes shall be collected separately and kept in a "Temporary Storage Area" and finally disposed of in recovery and/or disposal facilities that are licensed by the Ministry of Environment and Forestry.</p> <p>Facilities producing hazardous wastes are responsible for submitting hazardous waste declaration forms to the relevant provincial environmental directorate each year indicating the amount of hazardous wastes produced at their site.</p> <p>List of hazardous wastes is given in the "Regulation on the General Principles of Waste Management (Official Gazette dated 05.07.2008 and numbered 26927).</p>
Waste Oil Control Regulation (Official Gazette Date/Number: 30.07.2008/26952)	The purpose of the Waste Oils Regulation is to provide standards for storage, transportation and disposal of waste oils and to prevent their discharge into the receiving environment.	<p>Under the Waste Oils Regulation, waste oils are categorized into three categories and can be managed as defined below:</p> <p>Category I waste oils are those that are appropriate for recycling by way of refining or regeneration or can be used as additional fuel in those facilities that acquired a license from the Ministry.</p> <p>Category II waste oils are those that are appropriate to use in facilities that have acquired a license</p>

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Regulation on the Assessment and Management of Environmental Noise (Official Gazette Date and Number: 07.03.2008/26809)	The regulation applies to noise to which humans are exposed, in particular in built-up areas, in public parks or other quiet areas, near schools, hospitals and other noise-sensitive buildings or areas. The regulation also covers principles and criteria for buildings exposed to vibration.	<p>from the Ministry for use as a secondary fuel.</p> <p>Category III waste oils are not appropriate for refining and regeneration, and pose risk to human and environmental health if used as fuel and therefore shall be returned to harmless products by incineration in hazardous waste incineration facilities.</p> <p>Waste oils should not be discharged directly or indirectly to sea, underground water, sewage system or soil. Waste oil producers are liable to take all the necessary measures to minimize waste oil generation, to analyze waste oils (or have them analyzed) and temporarily store them separately depending on their categories, not to mix different category waste oils and with PCBs and any other hazardous wastes, to have waste oils transferred to licensed disposal facilities by licensed transporters, to keep records and to fill the waste oil declaration form and send it to MoEF by the end of February of the succeeding year.</p> <p>Category III oils that are not appropriate for recycling and that need to be disposed of in hazardous waste incineration facilities are required to be disposed of in licensed facilities in accordance with the provisions of Hazardous Waste Control Regulation.</p> <p>Environmental noise levels are designated for ports which are 65 dBA, 60 dBA, and 55 dBA for day time, evening time and night time.</p>
Regulation on the Control of Polychlorinated Biphenyls and Polychlorinated Terphenyls (Official Gazette Date/Number: 27.12.2007/26739)	The purpose is to determine the principles for the disposal of materials and equipments containing polychlorinated biphenyls without giving harm to the environment and human health.	PCB containing materials and equipments should be purified or disposed of until 2025. Those who have materials and equipments that contain 5 L or more PCB, have to register these materials and equipments to the MoEF's PCB inventory. The equipments and insulation liquids should be analyzed for PCB content. Equipments that contain more than 500 ppm PCB should be purified to decrease the concentration of PCB below 500 ppm, and if possible below 50 ppm.
Regulation on the Control of Waste Battery and Accumulators (Official Gazette Date/Number: 31.08.2004/25569)	The regulation lays down procedures to prevent direct release of batteries and accumulators to the receiving environment.	The producers of waste battery and accumulators are liable to collect these wastes separately and not to mix them with domestic wastes. It is essential that the waste batteries and accumulators are recovered. The accumulators of vehicles that are to be renewed shall be provided free of charge to the temporary storage areas. Waste batteries that contain hazardous substances shall be disposed of in accordance with the Hazardous Waste Control Regulation.
Land use, physical planning and zoning		

<b>Act, Regulation, Order (date and ref)</b>	<b>Brief summary of scope</b>	<b>Relevance to the Operational Activities of the Port of Bandırma (ref to relevant section)</b>
Coastal Law (Law No: 3621) (Official Gazette Date/Number: 17.04.1990/20495)	Protection of the coastal line of seas, lakes and streams	Pursuant to article 15 of the law, it is prohibited to dump waste such as debris, soil, garbage, into the coastal environment. Those who dispose of waste in such a manner will be penalized based on the type of waste and its damaging effect on the environment, in accordance with the Turkish Penal Code, Faults Law and Environmental Law.
Regulation on the Principles for Giving Operation Permits to Coastal Facilities (Official Gazette Date and Number: 18.02.2007/26438)	The purpose is to regulate the principles related to the operation permits to be given to the coastal facilities by the Undersecretariat of Maritime Affairs.	Coastal facilities are required to get a operation permit from the Undersecretariat of Maritime Affairs. Port may be granted a temporary operation permit for a period of 6 months to 1 year, for the following case: To allow for the completion of the 1/1000 scaled development plan by the Privatization High Council and other activities that are within the jurisdiction of General Directorate for the Construction of Railways, Seaports and Airports, for coastal facilities that are built before the enforcement date of the Coastal Law (17.04.1990), that are operated by public bodies and are within the scope of privatization. Temporary article 2 of the regulation includes transition provisions for the current facilities: For coastal facilities that are in operation before this regulation comes into force: (i) It is obligatory to apply to the Undersecretariat of Maritime Affairs until 01.01.2010 to get a operation permit or temporary operation permit (ii).It is obligatory to get the operation permit or temporary operation permit until 01.07.2010. Otherwise, it is not allowed for vessel berthing until the permit is received.
Regulation on the Implementation of Coastal Law (Official Gazette Date/Number: 03.08.1990/20594)		Article 5 of the implementation regulation also prohibits the discharge of waste into the coast and states that the provisions of Water Pollution Control Regulation is valid.  Pursuant to article 1 2 of the regulation, planning and the construction on coast shall not start before the preparation and the approval of development plan with a scale of 1/1000.

<b>Act, Regulation, Order (date and ref)</b>	<b>Brief summary of scope</b>	<b>Relevance to the Operational Activities of the Bandırma Port (ref to relevant section)</b>
<b>HEALTH AND SAFETY</b>		
Labor Law (Official Gazette Date/Number: 10.6.2003/25134)	The purpose of this law is to regulate the working conditions and work-related rights and obligations of employers and employees working under an employment contract.	Article 3. Declaring the establishment: The employer who sets up or takes over an establishment covered by this Act, who completely or partly changes the nature of his business, or who permanently closes down an establishment due to the completion of work or for any other reason must, within one month, notify the regional directorate of labour of the name and surname or trade mark and address as well as the names, surnames and addresses of employer representatives, if there are any. Article 5. The principle of equal treatment: No discrimination based on language, race, sex, political opinion, philosophical belief, religion and sex or similar reasons is allowed. Unless there are essential reasons, the employer must not make any discrimination between a full-time and a part-time employee or between an employee working under a fixed-term employment contract (contract made for a definite period) and one working under an open-ended employment contract (contract made for an indefinite period). Article 8. Written form is required for employment contracts with a fixed duration of one year or

more, Such written documents are exempt from the stamp tax and all kinds of fees.

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. If the employment contract has expired before the lapse of two months, this information must be communicated to the employee in written form on the expiration date at the latest.

Article 28. The employer must furnish the employee leaving employment with a certificate stating the nature and duration of employment.

The employee who suffers a loss or the new employer who has recruited him may claim compensation from the previous employer for the latter's failure to furnish the certificate on due time or for the incorrect information contained in the certificate.

Such certificate is exempt from taxes and fees.

Article 63. In general terms, working duration is at most forty-five hours a week.

Article 69. Night hours and night work: Night work for employees must not exceed seven and a half hours.

Suitability of employees for night work shall be certified by a health report that will be obtained before the employees start working. Night workers shall be subjected to a periodic health examination at least once every two years by the employer. The costs of workers' health examinations shall be met by the employer.

The employer is liable to submit the list of night workers as well as a copy of the health reports issued before starting work and those that are periodical, to the relevant regional directorate of labour.

Article 73. Children and young employees under the age of eighteen must not be employed on industrial work during the night.

Article 75. The employer shall arrange a personnel file for each employee. The employer is obliged to keep the employee's identity information and all the documents and records which he has to arrange in accordance with this law and other legislation in this personnel file and to show them to authorised persons/authorities upon request.

Article 77: Occupational health and safety obligations of employers and employees:  
With a view to ensure occupational health and safety in their establishments, employers shall take all the necessary measures and maintain all the needed 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.

In order to ensure compliance with and supervision of the measures taken for occupational health and work safety at the establishment, the employer must inform the employees of the occupational risks and measures that must be taken against them as well as employees' legal rights and obligations and, in this connection, he must provide the employees with the necessary training on occupational health and safety.

The principles and methods of training shall be indicated in the regulation to be issued by the Ministry of Labour and Social Security.

Employers shall notify, in written form, any work accident and occupational disease which occurs

		<p>in the establishment to the relevant regional directorate of labour within two working days at the latest.</p> <p>The provisions contained in this chapter as well as in the bylaws and regulations related to occupational health and work safety shall also apply to the apprentices and trainees in the establishment.</p> <p>Article 80. Occupational Health and Safety Board: In workplaces that are regarded as industrial works (loading, unloading and storage of raw materials, semi-finished and final products at ports are included in works that are regarded as industrial works in accordance with the "Regulation Related to Works that are Regarded as Industry, Trade, Agriculture and Forestry works" published in the Official gazette dated 03.09.2008 and numbered 26986) and where a minimum of fifty employees are employed and where permanent work is performed for more than six months, the employer should establish an occupational health and safety board.</p> <p>Article 85. Arduous and dangerous work: Young employees who have not completed the age of sixteen years, children and workers who have not got an occupational training about the work they are responsible must not be employed on arduous or dangerous work.</p>
<p>Worker Health and Occupational Safety Bylaw (Official Gazette Date/Number:11.01.1974/14765)</p>	<p>The bylaw defines safety requirements in places where workers stay, measures and tools to prevent illnesses caused by equipments, machinery and raw materials, necessary tools and safety measures to be taken to prevent work accidents.</p>	<p>Detailed requirements on health and safety at workplaces are set by this bylaw and the employer is liable to create a safe working environment, provide workers all the required personal protective equipments, regularly check all devices/machinery/fire equipments and ensure that they are working appropriately, and take necessary measures to prevent occupational illnesses.</p>
<p>Occupational Health and Safety Regulation (Official Gazette: 09.12.2003 No:25311) The enforcement of this regulation is ceased but all the other HS regulations listed are based on this regulation. For this reason, it is included in this list.</p>	<p>This regulation determines the measures to improve the health and safety provisions in work places. For this purpose the following provisions are managed with this regulation: a) Prevention of occupational risk, protection of health and safety, removal of risk and accident factors, b) Training and informing of workers on health and safety, taking the workers' opinions and providing their balanced participation, c) Working conditions for the people who need to be protected specially due to their age, gender and special conditions.</p>	<p>Article 6. Employer's General Liabilities</p> <p>a) To protect the health and safety of workers, the employer must prevent occupational risks, provide training and information, take all sorts of measures, establish organization and provide equipments. The employers shall aim to improve the health and safety measures.</p> <p>b) The employer shall obey the following general principles for the protection of health and safety:</p> <ul style="list-style-type: none"> <li>Prevention of risks</li> <li>Evaluation of risks that can not be prevented</li> <li>Fighting with risks at their source</li> <li>Adaptation to the technical developments</li> <li>To change dangerous things with non-dangerous or less dangerous.</li> <li>Development of a prevention policy covering the factors related technology, work organization, working conditions, social relations and work environment.</li> <li>Giving a priority to collective protection measures with regard to personal protection.</li> <li>Giving appropriate instructions to workers.</li> </ul> <p>c) Considering the characteristics of the work;</p> <p>The employer evaluates all of the risks on working equipment to be used, selection of chemicals and equipments, working environment in a workplace. Based on the result of this evaluation, the preventative measures taken, method of working and production methodology shall improve the protection level of workers related to their health and safety.</p> <p>The employer considers the adequacy of the worker related to his health and safety before giving a</p>



		<p>duty to the worker.</p> <p>The employer takes measures for the places of serious danger where only workers who are well-informed and instructed can enter.</p> <p>Article 7. Protective and preventative measures: The employer assigns one person or more in a workplace to perform health and safety risk prevention and protective measures. If there aren't any qualified personnel to perform this duty, employer gets assistance from a competent expert or organization outside the workplace.</p> <p>Article 8. First Aid, Fire Fighting, Evacuation of people, Serious and Close Danger The employer must implement all the necessary preventive measures to reduce the risk of fire at workplace, to ensure appropriate first aid, and to fulfil the evacuation for all the employees in the facilities.</p> <p>Employers must provide necessary equipment and training on first aid, fire fighting and evacuation responsibilities to the employees.</p> <p>Article 9. The employer performs a risk assessment related to health and safety. The employer is responsible for providing all of the personal protective equipment and preventive measures based on the risk assessment conducted at site.</p> <p>Article 10. The employer is responsible for informing the workers on the performed activities, health and safety risks, protective and preventative measures.</p> <p>Article 11. The employer is responsible for taking workers' opinion on health and safety issues, giving a right to workers to give suggestions and providing their participation in this kind of meetings.</p> <p>Article 12. The employer is responsible for training the workers on all aspects of the risks involved in the process as well as health and safety training, PPE usage and emergency plan implementation.</p> <p>Article 14. The employer is responsible for the medical surveillance of the workers: At the beginning of employment, workers get a medical certificate showing that they are eligible for the relevant work. Depending on the characteristics of the work, medical examination is performed regularly.</p>
Arduous and Dangerous Works Regulation (Official Gazette Date/Number:16.6.2004/25494)	The purpose of this regulation is to decide which works will be considered as arduous and dangerous, and in which arduous and dangerous works women and young workers who completed 16 years of age but not at the age of 18 yet can be employable.	<p>Article 4. It is forbidden to employ young workers below the age of 16 for arduous and dangerous works.</p> <p>Article 5. Medical Certificate At the beginning of the employment, depending on the characteristics and conditions of the work, workers should be determined as eligible and enduring by physical examination and if necessary by a doctor report based on laboratory findings. This report should be renewed once a year. It is forbidden to employ any worker without taking a medical certificate.</p> <p>Article 7. Employer is liable to keep a copy of identity cards of workers that work on heavy and dangerous works and show them to the auditors upon their request.</p> <p>Article 9. Appendix 1 shows which works are considered as arduous and dangerous, and in which arduous and dangerous works women and young workers who completed 16 years of age but not at the age of 18 yet can be employable. In Appendix I: Any loading, unloading and storage works at the ports are regarded as heavy and dangerous works, and no women and young workers are employable.</p>
Regulation on the provisions of occupational health and safety training of employees	The regulation sets forth the principles for health and safety trainings to be	<p>Article 4. Liabilities of the employer Employers are responsible for (1) informing workers on their legal rights and responsibilities, (2)</p>

<p>(Official Gazette Date/Number: 07.04.2004/25426)</p>	<p>given at workplaces to employees by the employers.</p>	<p>preparing occupational health and safety training programs on the occupational risks they are faced and the necessary precautions that need to be taken, (3) organization of the trainings, (4) ensuring the participation of employees to these trainings. Employers are responsible for providing the necessary training to employees regardless of the type of employment contract. Article 9. Developing Training Programs A yearly training program is developed consisting information on the aim, subject, duration, and date of the training, the names and titles of the trainers, the number of the participants. Article 17. The trainings are recorded and kept in the workers' personal files.</p>
<p>Regulation on the Use of Personal Protective Equipment in Workplaces (Official Gazette Date/Number: 11.2.2004/25370)</p>	<p>The purpose of this regulation is to determine the principles regarding the properties, supply and use of personal protective equipments in cases when risks are not prevented or minimised sufficiently with collective protection based on technical measures or working methods.</p>	<p>Article 8. The employer shall supply the necessary personal protective equipment defined in Appendix II to the workers when it is not possible to prevent or restrict risks by collective protection methods in works and relevant workplaces defined in Appendix III. The employer shall take all the measures to ensure the proper use of personal protective equipment by the workers. Informing workers Article 9. The employer shall inform the workers and/or their representatives on the necessary measures to be taken with respect to health and safety in the use of personal protective equipment. Article 10. The employer shall take the opinions of workers and/or their representatives and ensure their participation about the issues stated in this regulation.</p>
<p>Regulation on Health and Safety Requirements in the Use of Work Equipments, 2004 (Official Gazette Date/Number:11.2.2004/25370)</p>	<p>The regulation sets forth the minimum requirements to be met in terms of health and safety in the use of work equipments.</p>	<p>Article 5. General Liabilities of the Employer The employer shall take all the necessary measures to ensure that work equipment is appropriate to the work to be done and this equipment does not endanger the health and safety of workers. While selecting the work equipment, by considering the specific working conditions and hazards regarding health and safety of workers the employer shall mind that the equipment will not pose an additional hazard. In cases where the work equipment is not free from danger, the employer shall take measures to reduce the risk to a minimum level. Article 6. The employer will ensure that the work equipments meet the minimum requirements defined in Annex 1 of the regulation and that they are at an appropriate safe level in accordance with the defined issues in Annex 2. Article 7. Control of the work equipment In cases where the safety of the work equipment depends on its installation conditions, the equipment will be checked after its installation, before used for the first time and when its position is changed. Accordingly, a document will be prepared showing that the equipment is correctly installed and working safely. Periodical control of the equipment that may pose a hazard will be done by specialists. The results of the controls will be recorded and kept. Article 10. Informing workers The employer is responsible for informing the workers on work equipment and their use by giving them written instructions. Written instructions will consist of at least the following information: (i) the provisions of the use of work equipment, (2) the predictable abnormal conditions in the work equipment, (3) the results of the previous use experiences. Workers, even if they do not use the equipment, shall be informed about the hazards of the work equipment and hazards that arise upon modification of the work equipment. All the information and the written instructions shall be understandable by the relevant workers.</p>

		<p>Article 11. Training workers The workers who use the work equipment shall be trained on the risks that may be caused by the use of the work equipment and ways to avoid these risks. Workers, who are responsible in the repair, control and maintenance of the work equipment, shall be given an adequate special training.</p>
<p>Regulation on Safety and Health Signs(Official Gazette Date/Number:23.12.2003/25325)</p>	<p>The regulation sets forth the rules for the implementation of health and safety signs in workplaces.</p>	<p>Article 5. The employer must supply and properly use the health and safety signs when risks can not be prevented or restricted by working methods, work organization and collective protective measures. Article 7. The employer shall inform workers and/or their representatives on health and safety signs and provide written instructions about the meaning of the signs and the required action of the sign.</p>
<p>Regulation on Workplace Health and Safety Units, and Common Health and Safety Units (Official Gazette Date/Number: 15.08.2009/27320)</p>	<p>The regulation determines the principles on the quality, number, recruitment, duties and responsibilities and training of workplace doctors and occupational safety specialists, as well as principles on the properties of the health units to be established, the required equipments and tools in these units, the personnel to be assigned and how these units provide service.</p>	<p>Workplaces with 50 employees or more, and workplaces with 50 workers or more where works regarded as industrial are carried out, are liable to establish a health and safety unit. The qualification, number and duties of the medical personnel and occupational safety specialists are set by this regulation.</p>
<p>Regulation on Occupational Health and Safety Boards (Official Gazette Date/Number: 07.04.2004/25426)</p>	<p>The regulations determines in which workplaces health and safety boards are established, and the working methods and responsibilities of these boards.</p>	<p>The employer is liable to establish an occupational health and safety committee at workplaces where (i) works regarded as industrial is carried out, (ii) with minimum 50 workers that work permanently, and (iii) with permanent jobs that last more than 6 months.</p>
<p>Noise Regulation (Official Gazette: 23.12.2003, No: 25325)</p>	<p>The purpose of this regulation is to determine the necessary measures to protect the workers from health and safety risks, especially from risks associated with hearing due to exposure to noise.</p>	<p>Article 5. Exposure limit values and exposure effective values for noise are set. Article 6. Risk determination and assessment: The employer shall assess and, if necessary, measure the levels of noise to which workers are exposed. Article 7. Prevention and reducing exposure: Risks associated with the exposure to noise shall be prevented at source or reduced to a minimum level. Article 8. Personal protection: If the risks associated with noise can not be prevented, ear-protectors that exactly fits the worker will be given and these protectors will be used by the workers. Article 10. The employer is responsible for informing workers about these risks associated with noise and measures for their prevention, and training them on the appropriate use of ear protectors. Article 12. Medical Surveillance: Workers will be subject to medical surveillance when it is confirmed by the risk assessment that there is health risk.</p>
<p>Vibration Regulation (Official Gazette: 23.12.2003, No: 25325)</p>	<p>The purpose of this regulation is to determine the necessary measures to protect the workers from health and safety risks due to exposure to mechanical vibration.</p>	<p>Article 5. Exposure limit values and exposure effective values for hand-arm and for whole body vibration are set. Article 6. Risk Determination and assessment: The employer shall assess and, if necessary, measure the levels of mechanical vibration to which workers are exposed. Article 7. Risks associated with the exposure to mechanical vibration shall be prevented at source</p>

		<p>or reduced to a minimum level.</p> <p>Article 8. The employer is responsible for informing workers about these risks and measures for their prevention.</p> <p>Article 10. Workers will be subject to medical surveillance when it is confirmed by the risk assessment that there is health risk. To prevent the health problems due to exposure to mechanical vibration and for the purpose of early diagnosis, necessary protective measures will be taken by taking into account the medical surveillance results.</p>
Regulation on Working Duration Related to Labour Law (Official Gazette Date/Number:06.04.2004/25425)	Regulates the principles for the implementation of working duration.	<p>Article 4. The maximum working duration is 45 hours a week. The daily working duration can not exceed 11 hours in any case.</p> <p>Article 9. The employer should document the working durations of workers by appropriate means.</p>
Regulation on Overworking and Working in Excess Durations Related to Labour Law (Official Gazette Date/Number: 06.04.2004/25425)	Regulates the principles for the implementation of overwork.	<p>Overworking is defined as works exceeding the duration of 45 hours/week as mentioned in the Labor Law.</p> <p>Article 4. Wages that will be paid for each excess hour are 50% higher than the hourly wage of the normal working duration.</p> <p>Article 5. Overworking duration should not exceed 270 hours/year.</p> <p>Article 6. If the worker prefers a to use a free time instead of getting a wage for excess work and if he applies to the employer in written, he can use a free time for 1.5 h for each excess hour he works.</p> <p>Article 8. Even if the workers agree for excess work in their work agreements or collective bargain agreements, if it is documented by the workplace medical doctor or by a medical doctor of the social security administration, these workers should not be worked overworked. Workers with temporary work agreements should also not be overworked.</p> <p>Article 9. Written approval of the workers should be received for overwork.</p> <p>Article 10. The employer should document the excess time for each worker who overworks and keep a copy of the document in their personal files.</p>
Regulation on Special Principles in Works Carried out by Employing Workers in Shifts (Official Gazette:07.04.2004/ 25426)	Principles on work durations, night work, week holidays and breaks in works with shifts are set forth in the regulation.	<p>Article 3. The employer is liable to announce the start and end time of each shift, the names and surnames of workers who are working in shifts, their breaks and week holidays in a way that is easily seen and readable by the workers.</p> <p>Article 4. Shifts are arranged in a manner that there are at least 3 shifts in a duration of 24 hour.</p> <p>Article 12. The employer is liable to submit the list of night-shift workers as well as a copy of their health reports issued before starting work and those that are periodical, to the relevant regional directorate of labour.</p>
Regulation on the Health and Safety Measures in working with Asbestos (Official Gazette:26.12.2003/25328)	Regulates the principles for the prevention of the exposure of the workers to asbestos fibre and to define limit values and measures.	<p>Regarding the demolishing works:</p> <p>Article 12. The employer should determine the asbestos containing materials before starting demolition. If there is a doubt that asbestos is present the provisions of this regulation will apply.</p> <p>Article 13. Despite the technical measures in demolition works, if there is a possibility that asbestos concentration will exceed the limit value of 0.1 fibre/cm<sup>3</sup> (8-hour time-weighted-average), the employer should take the following measures for the protection of workers: (i)</p>

	<p>determination of the appropriate respiratory system protective equipment and other personal protective equipments and which workers will use these equipments, (ii) Putting safety signs in places where there is a possibility of exceedance of the limit value, (iii) prevention of the release of asbestos or asbestos fibre out of the facility or the working area. Before starting the demolition works, opinions of the workers or their representatives should be received about the measures to be taken.</p> <p>Article 14. A work plan should be prepared before starting demolition works. Work plan should include the measures for the protection of health and safety of the workers. This work plan should be submitted to Ministry of Labor and Social Security.</p> <p>Article 15. The employer should provide training to all the workers who are exposed to or have a possibility to be exposed to asbestos fibre.</p> <p>Article 16. Demolition works should be carried out by competent person(s) or entities.</p>
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## 3.5 *SITE VISIT*

### 3.5.1 *Overview*

A site visit was undertaken over a three day period by three ERM staff (15 – 17<sup>th</sup> April 2010). The site visit included a walkover of the whole of the port (including the two parts of the site leased to TMO and ETI), interviews with a number of key staff and stakeholders, and review of available documentation.

### 3.5.2 *Interviews*

Interviews were conducted with the following staff and stakeholders:

#### *Çelebi*

At the date of ERM's assessment, Çelebi had a staff of five on site (General Manager, Operations Manager, Technical Manager and two Management trainees) who were preparing for the handover. Interviews were held with the staff who comprised the three permanent positions:

- Özgür Durmaçalı (General Manager);
- Umut Özkan (Operation Manager); and
- Tarık Kendir (Technical Manager).

#### *TCDD (Government owned Turkish Railways and current operator of the Port)*

- Orhan Kılıç (Vice General Manager);
- Adnan Deniz (Operation Manager);
- Can Emre (Communication and Documentation Responsible);
- Erdiñ Gülşener (Vice General Manager); and
- Mehmet Molu (Security Manager).

#### *Port Clients*

##### *TMO:*

- İlhan Girgin – Stock Technician

##### *ETI Mining:*

- Mustafa Cebi – Port Facility Manager

#### *External Stakeholders*

##### *Bandırma Fisher Association:*

- Harun Öner (President) and members

##### *Bandırma Trade Chamber:*

- Nihat Yazıcı (Vice President)
- Tayip Serpen (member)

Bandırma Municipality:

- Yalçın Cömert (Vice President)
- Dursun Mirza (Vice President)

### 3.6 *REVIEW OF EXISTING INFORMATION*

Baseline information was limited to the research through online sources including webpages of Ministry of Environment and Forestry and Balıkesir Municipality. Majority of the information was extracted from Balıkesir Province Environmental Status Report (2008), the Emergency Response Plan prepared for the Port in 2007 and The Evaluation Report on the Current Condition of the Bandırma Port.

### 3.7 *LIMITATIONS*

The following limitations were placed on the environmental and social audit which constrained the scope and level of detail of the audit report and associated action plan:

- The environmental and social audit was undertaken over a three week period from project kick off to completion of the draft audit report and action plan.
- The site visit was undertaken over a three day period with limited time available in advance of the site visit to both identify appropriate interviewees and make them available for interview.
- Baseline information on environmental and social issues of note was obtained wherever practicable, but time limitations prevented information being requested/ received from external sources such as universities and NGOs.

#### 4.0 SUMMARY OF COMPLIANCE

The following section presents the detailed findings of the environmental and social due diligence in the following tables”

Table 4.2: Summary of Compliance with Equator Principles

Table 4.3 Summary of Compliance with MIGA Performance Standards

Table 4.4 Detailed Assessment of Compliance with MIGA Performance Standards

In the compliance assessment the following definitions were used:

**Table 4.1** *Compliance Definitions*

<b>Rating</b>	<b>Definition</b>
Compliant	Information available indicates the site and operation fulfils the requirement and/or is aligned with intended outcome of the requirement.
Partially Compliant	Information available indicates the site and operations fulfil the requirement and/or are aligned with intended outcome of the requirement.
Non Compliant	Information available indicates the site and operation does not fulfil the requirement.
Insufficient Information	There is insufficient information to make an assessment of the level of compliance
Not Applicable	The requirements do not apply to the site and operations at the current time.



**Table 4.2 Summary of Compliance with the Equator Principles**

EP	Principle	Requirement	Comments	Recommended Actions/ Additional Information Needed
1	Review and Categorization	The project has been categorized under Category A, B or C.	According to Exhibit I of Equator Principles, the project is Category B.	<b>Compliant:</b> No further action required.
2	Social and Environmental Assessment	If category A or B, an assessment has been prepared by borrower, consultant or external expert, and includes mitigation and management measures.	This is an operational site, and the Project does not involve significant works outside upgrade and modernisation, therefore no ESHIA is required, instead a focused environmental and social due diligence assessment was undertaken described herein.	<b>Compliant:</b> Refer to <i>Table 4.4</i> for audit results and to <i>Table 5.1</i> for actions required.
3	Applicable Social and Environmental Standards	<u>Non-OECD countries and OECD not High-Income:</u> The project complies with, or establishes a justified deviation from, applicable Performance Standards and EHS Guidelines. Refer to <i>Table 4.3</i> below.	IFC and MiGA performance standards have been used to assess compliance. PS 5, 6, 7 and 8 have been scoped out of the audit. Refer to <i>Table 4.3</i> below.	<b>Partially Compliant:</b> Refer to <i>Table 4.4</i> for audit results and to <i>Table 5.1</i> for actions required.
4	Action Plan and Management System	The borrower has prepared an Action Plan (AP) to address findings, prioritize mitigation measures, and take corrective actions and monitoring measures. The borrower has established a Social and Environmental Management System.	An Action Plan has been developed. Refer to <i>Table 5.1</i> . No social / environmental management system is required at this stage although will be a requirement of the Action Plan, to be developed following transfer of operating rights.	<b>Compliant:</b> Refer to <i>Table 5.1</i> for Action Plan
5	Consultation and Disclosure	The borrower, government or third party expert has consulted with project-affected communities in a culturally appropriate way. The consultation process has ensured free, prior and informed consultation and participation to include community concerns.	Consultation and Disclosure has been undertaken by Client but not in a coordinated manner.	<b>Partially Compliant:</b> Refer to <i>Table 5.2: Stakeholder Engagement Plan</i>
6	Grievance Mechanism	To ensure that consultation, disclosure and community engagement occurs throughout construction and operation of the project, the borrower has established a grievance mechanism, scaled to the risks and adverse impacts of the project, as part of the management system. The grievance mechanism addresses concerns promptly and transparently, in a culturally appropriate manner and is accessible to the community.	There is currently no grievance mechanism in place. This is identified as an Action in <i>Table 5.1</i> below.	<b>Non-Compliant</b> Grievance mechanism to be developed. Refer to <i>Table 5.1</i> .

EP	Principle	Requirement	Comments	Recommended Actions/ Additional Information Needed
7	Independent Review	For Category A projects and as appropriate for Category B projects, the Assessment, AP and consultation process documentation have been reviewed by an independent expert to assist the EPFI's due diligence and to assess compliance with Equator Principles.	This report represents completion of this EP.	<b>Compliant:</b> None
8	Covenants	The borrower has covenant(s) linked to the following: <ul style="list-style-type: none"> <li>• Comply with social and environmental host country laws, regulations and permits;</li> <li>• Comply with the AP during construction and operation;</li> <li>• Provide periodic reports (at least annually);</li> <li>• Decommission facilities according to plan.</li> </ul>	The TOORA includes covenants relating to: <ul style="list-style-type: none"> <li>• Compliance with legislation and permits</li> </ul> The TOORA does not include covenants relating to: <ul style="list-style-type: none"> <li>• Compliance with the Action Plan.</li> <li>• Annual reporting of the Action Plan or compliance with environmental and social legislation.</li> </ul>	<b>Non-Compliant</b> The TOORA to be amended to include relevant covenants.
9	Independent Monitoring and Reporting	The project has appointed an independent or external environmental and/or social expert to ensure ongoing monitoring and reporting.	Independent monitoring and reporting over the life of the Project against the covenants is not considered necessary.	<b>Not Applicable</b>
10	EPFI Reporting	The EPFI reports publicly at least annually the EP processes and experience, considering confidentiality.	Not relevant	<b>Not Applicable</b>

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**Table 4.3 Summary of Compliance with MIGA/IFC Performance Standards**

Performance Standard	Significant Issues	Recommended Actions/ Additional Information Needed
PS 1 Social and Environmental Assessment and Management Systems	Significant issues: There is no Environment, Health and Safety Management System in place for Çelebi Operations (to include Action Plan, Management Programme, Organisational structure, Training, Community Engagement Monitoring and Reporting).	<b>Partially Compliant:</b> An Environmental, Health, Safety and Social Environmental Management System needs to be developed for the site and its operations (to include the activities of the sub contractors and of clients such as ETI/TMO).
PS 2 Labour and Working Conditions	Significant issues:	<b>Partially Compliant:: Refer to Table 4.4</b>
PS 3 Pollution Prevention and Abatement	Significant issues:	<b>Partially Compliant:: Refer to Table 4.4</b>
PS 4 Community Health, Safety and Security	Significant issues:	<b>Partially Compliant:: Refer to Table 4.4</b>
PS 5 Land Acquisition and Involuntary Resettlement	Significant issues:	<b>Not Applicable</b>
PS 6 Biodiversity Conservation and Sustainable Natural Resource Management	Significant issues:	<b>Not Applicable</b>
PS 7 Indigenous Peoples	Significant issues:	<b>Not Applicable</b>
PS 8 Cultural Heritage	Significant issues:	<b>Not Applicable</b>

**Table 4.4: Detailed Review against IFC Performance Standards**

The checklist below was informed by guidance outlined in:

- IFC Environmental, Health and Safety Guidelines for Ports, Harbours and Terminals, April 30, 2007
- IFC Guidance Notes: Performance Standards on Social and Environmental Sustainability, July 31 2007

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>Social and Environmental Management System</b>			
The client will establish and maintain a Social and Environmental Management System appropriate to the nature and scale of the project and commensurate with the level of social and environmental risks and impacts.	Interview with Celebi	<p>No environmental, social and health and safety management system (ESHMS) is yet in place for the port.</p> <p>There are plans to develop such a system for Bandirma Port and Celebi Holding have such systems in place for one of their airport operations which will be used as a basis of the ESHMS</p> <p>There is agreement in place from Celebi Holding that a Quality Management System will be developed and will be accredited to ISO 90001. There is not yet such agreement for accreditation to ISO14001 or ISO 18001.</p> <p>The scope of the ESHMS will cover all operations within Celebi’s land and inside of the breakwater (although vessels start to communicate to the port 0.5miles outside of the breakwater).</p> <p>All sub contractors will be covered by the EHSMS also.</p> <p>TMO work to a corporate EHS Management System.</p>	<p>An ESHMS to be developed.</p> <p>Celebi are currently recruiting for the HES Specialist Post who will develop and subsequently implement the Health and Safety (H&amp;S) Management System. The target is to develop this by end May 2010.</p> <p>Celebi intend to employ a consultant to develop the Environmental and Social Management System, to identify the requirements and what actions are needed for compliance. The consultant will be employed by end May 2010 and will develop the system by end July 2010.The</p> <p>Quality and Environment Specialist post will be responsible for implementation of this system.</p> <p>The subcontractors will need to work under Celebi’s EHSMS and arrangements for sub contractors will need to be included in the EHSMS.</p>

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>Their central health and safety team come to the Bandirma site each month to inspect compliance. A sub contractor is used for environmental checks and they have just commenced compliance checks.</p> <p>No information was available on whether ETI have an EHS Management System in place.</p>	The Celebi EHSMS needs to incorporate a framework for managing TMO and ETI activities. TMO and ETI should be required to have EHSMS in place if operating on Celebi's land. Celebi will be responsible for checking compliance of ETI and TMO against EHS legislation.
The Management System will incorporate the following elements	Interview with Celebi	Celebi confirmed that the EHSMS will cover all of these elements once developed.	EHSMS to be developed.
(i) Social and Environmental Assessment			
(ii) management programme			
(iii) organizational capacity			
(iv) training			
(v) community engagement			
(vi) monitoring			
(vi) reporting			
<b>Social and Environmental Assessment</b>			
The client will conduct a process of Social and Environmental Assessment that will consider in an integrated manner the potential social and environmental (including labour, health, and safety) risks and impacts of the project.	N/A	This is an operational facility so an Environmental and Social Impact Assessment (ESIA) is not required. An environmental and social audit is being undertaken as part of the due diligence process.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.
The assessment process will be based on current information, including an accurate project description, and appropriate social and environmental baseline data.	N/A	The audit was undertaken using information gathered from desk based sources plus interviews with Celebi, TCDD (the existing Port Administration) and external stakeholders.	None
The assessment will consider all relevant social and environmental risks and impacts of the project, including the issues identified in Performance Standards 2 through 8, and those who will be affected by such risks and impacts.	N/A	The environmental and social audit considered all the IFC/MIGA Performance Standards. Performance Standards 5, 6, 7 and 8 were scoped out of the audit. Refer to <i>Table 5.3</i> .	None

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
Applicable laws and regulations of the jurisdictions in which the project operates that pertain to social and environmental matters, including those laws implementing host country obligations under international law, will also be taken into account.	N/A	Celebi confirm the requirement to work to applicable laws and regulations and that the ESHMS will identify such legislation.  Reference <i>Section 4.5</i> for further information on relevant legislation. Compliance with specific legislation is covered in the relevant sections below.	N/A
Risks and impacts will be analyzed in the context of the project's area of influence. This area of influence encompasses, as appropriate: (i) the primary project site(s) and related facilities that the client (including its contractors) develops or controls , such as power transmission corridors, pipelines, canals, tunnels, relocation and access roads, borrow and disposal areas, construction camps;	N/A	The project's area of influence was defined within the audit and comprises the operational site, offsite storage areas and any impacts on the surrounding area for example increased transport on local roads/rail networks.	N/A
(ii) associated facilities that are not funded as part of the project (funding may be provided separately by the client or by third parties including the government), and whose viability and existence depend exclusively on the project and whose goods or services are essential for the successful operation of the project;	N/A	N/A	N/A
(iii) areas potentially impacted by cumulative impacts from further planned development		N/A	N/A
(iv) areas potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location. The area of influence does not include potential impacts that would occur without the project or independently of the project.	N/A	N/A	N/A

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
Risks and impacts will also be analyzed for the key stages of the project cycle, including preconstruction, construction, operations, and decommissioning or closure.	N/A	This is an operational site, preconstruction, construction and decommissioning is not relevant.	N/A
Where relevant, the Assessment will also consider the role and capacity of third parties (such as local and national governments, contractors and suppliers), to the extent that they pose a risk to the project, recognizing that the client should address these risks and impacts commensurate to the client's control and influence over the third party actions.	N/A	There is the risk of fines/prosecution and ultimately closure from the authorities if Celebi are responsible for any pollution incidents. There is risk of loss of contract with the government if the port operations stop.	These risks will be managed through the EHSMS.
The impacts associated with supply chains will be considered where the resource utilized by the project is ecologically sensitive, or in cases where low labour cost is a factor in the competitiveness of the item supplied.	N/A	N/A	N/A
The Assessment will also consider potential transboundary effects, such as pollution of air, or use or pollution of international waterways, as well as global impacts, such as the emission of greenhouse gasses.	N/A	N/A	N/A
The Assessment will be an adequate, accurate, and objective evaluation and presentation of the issues, prepared by qualified and experienced persons. In projects with significant adverse impacts or where technically complex issues are involved, clients may be required to retain external experts to assist in the Assessment process.	N/A	Environmental and Social Audit was undertaken by ERM, environmental and social consultants with 35 years experience.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
Depending on the type of project and the nature and magnitude of its risks and impacts, the Assessment may comprise a full-scale social and environmental impact assessment, a limited or focused environmental or social assessment, or straightforward application of environmental siting, pollution standards, design criteria, or construction standards. When the project involves existing business activities, social and/or environmental audits may need to be performed to determine any areas of concern. The types of issues, risks and impacts to be assessed, and the scope of the community engagement can also vary considerably, depending on the nature of the project, and its size, location, and stage of development.	N/A	This is an operational facility so an ESIA is not required.  Environmental and social audit is being undertaken as part of the due diligence process.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.
Projects with potential significant adverse impacts that are diverse, irreversible, or unprecedented will have comprehensive social and environmental impact assessments. This assessment will include an examination of technically and financially feasible alternatives to the source of such impacts, and documentation of the rationale for selecting the particular course of action proposed. In exceptional circumstances, a regional, sectoral or strategic assessment may be required.	N/A	This is an operational facility so an ESIA is not required. No alternatives need to be considered because this is an operational site.  Environmental and social audit is being undertaken as part of the due diligence process.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.
Narrower scopes of Assessments may be conducted for projects with limited impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	N/A	This is an operational facility so an ESIA is not required.  Environmental and social audit is being undertaken as part of the due diligence process.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.
Projects with minimal or no adverse impacts will not be subject to further assessment beyond their identification as such.	N/A	N/A	N/A



Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
As part of the assessment, the client will identify individuals and groups that may be differentially or disproportionately affected by the project and propose and implement differentiated measures for them.		There is considerable opposition to the privatization of the port from the Trades Unions. Reference Performance Standard 2 Labour and Working Conditions. There is concern from local residents about current operations, in relation to pollution (specifically dust).	Refer to PS 2, 3 and 4 below plus to <i>Table 6.1</i> . Environmental and Social Action Plan  The EHSMS will also identify affected groups/individuals.
<b>Management Program</b>			
Taking into account the relevant findings of the Social and Environmental Assessment and the results of consultation with affected communities, the client will establish and manage a program of mitigation and performance improvement measures and actions that address the identified social and environmental risks and impacts.	N/A	Actions have been identified as part of this Audit.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.  Programme for compliance with Action Plan to be developed and monitored as part of the EHSMS.
The measures and actions to address identified impacts and risks will favour the avoidance and prevention of impacts over minimisation, mitigation, or compensation, wherever technically and financially feasible.	N/A	Will be an integral part of the EHSMS.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.  Programme for compliance with Action Plan to be developed and monitored as part of the EHSMS.
The program will define desired outcomes as measurable events to the extent possible, with elements such as performance indicators, targets or acceptance criteria that can be tracked over defined time periods, and with estimates of the resources and responsibilities for implementation. These must be responsive to changes.	N/A	Will be an integral part of the EHSMS.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.  Programme for compliance with Action Plan to be developed and monitored as part of the EHSMS.
<b>Action Plan</b>			
The client will prepare an action plan for specific mitigation measures and actions	N/A	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		This will need to be developed and implemented to form part of the EHSMS.	Programme for compliance with Action Plan to be developed and monitored as part of the EHSMS.
These measures and actions will reflect the outcomes of consultation.	N/A	Some limited consultation has taken place between Celebi and stakeholders including the Trades Unions and Trade Chamber of Commerce. No consultation has been undertaken with the residents.	An indicative stakeholder engagement plan has been identified as part of this audit.  This will be further developed and implemented by Celebi following transfer of the site.
The action plan will			
(i) describe the actions necessary to implement the various sets of mitigation measures or corrective actions to be undertaken.	N/A	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.  This will need to be developed and implemented to form part of the EHSMS.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.  Programme for compliance with Action Plan to be developed and monitored as part of the EHSMS.
(ii) prioritise these actions	N/A	Not yet prioritized.	To be completed by Celebi following transfer of the site to them.
(iii) include the timeline for their implementation	N/A	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.  This will need to be developed and implemented to form part of the EHSMS.	Refer to actions required in <i>Table 6.1</i> Environmental and Social Action Plan.  Programme for compliance with Action Plan to be developed and monitored as part of the EHSMS.
(iv) be disclosed to the affected communities	N/A	No disclosure has been undertaken by Celebi to date.	An indicative stakeholder engagement plan has been identified as part of this audit.  This will be further developed and implemented by Celebi following transfer of the site to them.

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
(v) describe the schedule and mechanism for external reporting	N/A	Not yet identified.	To be completed by Celebi following transfer of the site and included within the EHSMS.
<b>Organisational Capacity</b>			
The client will establish, maintain and strengthen as necessary an organisational structure that defines roles, responsibilities and authority to implement the management programme, including the Action Plan.	Organization Chart and interview with Celebi.	An organization chart has been developed. The responsibilities for each role have yet to be fully defined.	EHS responsibilities for each staff to be identified within the EHSMS.
Specific personnel, including management representative(s) with clear lines of responsibility and authority should be designated.	Organization Chart and interview with Celebi.	An organization chart has been developed. The responsibilities for each role have yet to be fully defined.  Key roles include the Quality and Environment Specialist who will be responsible for quality and environment, the Health and Safety (HES) Specialist who will be responsible for development and implementation of the Health and Safety Management System.  All staff will have some EHS responsibilities.  10% of all staff will need to be qualified in fire prevention and first aid.	EHS responsibilities for each staff to be identified within the EHSMS.
Key social and environmental responsibilities should be well defined and communicated to the relevant personnel and to the rest of the organisation	Interview with Celebi	EHS responsibilities will all be documented in the EHSMS and will be communicated through training, booklets, posters, etc.	Communication plan to be developed as part of the EHSMS.
Sufficient management sponsorship and human and financial resources will be provided on an ongoing basis to achieve effective and continuous social and environmental performance.	Interview with Celebi	Celebi advise this will be provided. Needs to be incorporated into the EHSMS to ensure this occurs.	Commitments need to be set out within the EHSMS.

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>Training</b>			
The client will train employees and contractors with direct responsibility for activities relevant to the project's social and environmental performance	Interview with Celebi.	<p>All staff will be trained in technical, health and safety issues before any work commences (this is required to comply with legislation).</p> <p>The main contractor will be responsible for training any sub contractors.</p> <p>Certificates of training will be provided to Celebi. If not available, training will be provided.</p> <p>The International Labour Organistaion (ILO) has a programme for the training of labour which Celebi will utilize within the port operations.</p> <p>Training will be detailed and specific to the port operations. For example will include training on handling dangerous cargo and on emergency spills.</p> <p>Photos were provided of such training being undertaken at other Celebi operations.</p>	Training programme to be defined and implemented within the EHSMS.
<b>Community Engagement</b>			
The nature and frequency of community engagement will reflect the project's risks and adverse impacts on the affected communities.	Interview with Celebi	<p>There are not currently any plans to include requirements for community engagement in the EHSMS.</p> <p>Some ad hoc engagement has been undertaken with community groups such as the Bandirma Trade Chamber of Commerce and the Bandirma Municipality. These discussions have been as required and have identified a number of concerns from the community groups affected /in the vicinity of the Port.</p> <p>This engagement will continue. There are no plans for</p>	The community engagement programme needs to be formalised within the EHSMS. Stakeholders need to be properly mapped to ensure that all potentially affected groups/individuals have been identified. A structured programme of engagement needs to be identified, appropriate to the requirements of the stakeholders. This should include a mechanism for addressing concerns raised and a feedback mechanism.

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>a structured engagement programme, but will be as required.</p> <p>Issues raised by the engagement will be addressed within the EHSMS. For example, dust was identified as a concern and therefore this is being addressed through the purchase of new equipment and dust suppression measures.</p> <p>Feedback to the stakeholders will be undertaken. Again, there are no proposals for a formal structured feedback programme, but will be as required.</p>	
Community engagement will be free of external manipulation, interference, or coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information.	Interview with Celebi	Celebi commit to this.	Needs to be covered within a stakeholder engagement plan and form part of the EHSMS.
<u>Disclosure</u>			
The client will publicly disclose the assessment document.	N/A	MIGA are undertaking disclosure.	
If communities may be affected by risks or adverse impacts from the project, the client will provide such communities with access to information on the purpose, nature and scale of the project, the duration of proposed project activities, and any risks to and potential impacts on such communities. Disclosure should occur early in the Social and Environmental Assessment process and in any event before the project construction commences, and on an ongoing basis.	N/A	MIGA are undertaking disclosure.	
<u>Consultation</u>			

Performance Standard 1 Social and Environmental Assessment and Management Systems			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will undertake a process of consultation in a manner that provides the affected communities with opportunities to express their views on project risks, impacts, and mitigation measures, and allows the client to consider and respond to them.	Interview with Celebi	No formal consultation process is currently in place.	Stakeholder engagement plan to be developed and formalized as part of the EHSMS.
The consultation process will be undertaken in a manner that is inclusive and culturally appropriate.	Interview with Celebi	No formal consultation process is currently in place.	Stakeholder engagement plan to be developed and formalized as part of the EHSMS.
The client will tailor its consultation process to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups.	Interview with Celebi	No formal consultation process is currently in place.	Stakeholder engagement plan to be developed and formalized as part of the EHSMS.
Informed participation involves organised and iterative consultation, leading to the client's incorporating into their decision-making process the views of the accepted communities on matters that affect them directly.	Interview with Celebi	No formal consultation process is currently in place.	Stakeholder engagement plan to be developed and formalized as part of the EHSMS.
<b>Grievance Mechanism</b>			
The client will establish a grievance mechanism to receive and facilitate resolution of the affected communities' concerns and grievances about the client's environmental and social performance.	Interview with Celebi	No formal grievance mechanism is currently in place.	To be developed as part of the EHSMS.
<b>Monitoring</b>			
As an element of its Management System, the client will establish procedures to monitor and measure the effectiveness of the management program. This should also include dynamic mechanisms, such as inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes.	Interview with Celebi	There will be a monitoring plan for environmental issues.  Monitoring will include: <ul style="list-style-type: none"> <li>• noise (for workers health and safety);</li> <li>• light (for worker health and safety);</li> <li>• dust both inside port and outside port (annual dust measurements); and</li> <li>• water quality (visual check).</li> </ul>	A monitoring programme needs to be identified and formalized as part of the EHSMS.

**Performance Standard 1 Social and Environmental Assessment and Management Systems**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>Reporting</b>			
The client will disclose the Action Plan to the affected communities. In addition, the client will provide periodic reports that describe progress with the implementation of the Action Plan on issues that involve ongoing risk to or impacts on affected communities, and on issues that the consultation process or grievance mechanism has identified as of concern to those communities.	Interview with Celebi	<p>Celebi will develop an information exchange system between the key staff and management staff in order to report on EHS performance management.</p> <p>The Celebi General Manager will report annually (minimum) to the Celebi Holding Board of Directors. These reports include EHS updates. Reporting can be more often if required.</p> <p>There is no mechanism currently in place to report to external stakeholders on EHS performance.</p>	<p>Formalise internal reporting system in the EHSMS.</p> <p>Develop an external reporting system as part of the EHSMS.</p>

**Performance Standard 2 Labour and Working Conditions**

PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>Working Conditions and Management of Worker Relationships</b>			
<u>6. Human Resources Policy</u>			
The client will adopt a human resources policy that sets out its approach to managing employees consistent with the requirements of this Performance Standard.	Client Corporate HR policy	Client does not have a site-specific HR policy, but plans to apply its corporate policy. The policy was reviewed and is broadly consistent with the requirements of PS2	Compliance with corporate HR policy
Under this policy, the client will provide employees with information regarding their rights under national labour and employment law	Client Corporate HR policy	Not specified in the corporate HR policy	Include in site policy clause on provision of information regarding their rights under national labour and employment law
<u>7. Working Relationships</u>			

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will document and communicate to all employees and workers, directly contracted by the client, their working conditions and terms of employment, including their entitlement to wages and any benefits.	Client Corporate HR policy	Not specified in the corporate HR policy Initially the Client will have a head count of 316 comprising 40 employees and 276 subcontracted staff. The 316 staff will comprise 224 blue collar workers 60 white-collar workers and 32 seamen. The sub-contacts will cover: <ul style="list-style-type: none"> <li>- Loading and unloading services including warehouse operations, terminal and related labour (167 subcontracted employees)</li> <li>- health services (1 subcontracted employee)</li> <li>- towage services (32 subcontracted employees)</li> <li>- security services (53 subcontracted employees)</li> <li>- cleaning and catering (4 subcontracted employees)</li> </ul>	Not considered an issue as all the direct employees will be in managerial positions
<b>8. Working Conditions and Terms of Employment</b>			
Where the client is a party to a collective bargaining agreement with a workers' organization, such an agreement will be respected.		The Client is not party to a collective bargaining agreement with a workers' organization at present. It is expected that a collective agreement may be developed in the medium-term.	Not considered an issue as all the direct employees will be in managerial positions
<b>9/10. Worker's Organisations</b>			
The client will not discourage workers from forming or joining workers' organisations of their choosing or from bargaining collectively, and will not discriminate or retaliate against workers who participate, or seek to participate, in such organisations that bargain collectively. Clients will engage with such worker representatives. Worker organizations are expected to fairly represent the workers in the workforce.		There is no evidence that the Client will discourage workers from joining workers' organisations. Although unions are not present in many private ports in Turkey, the one port in which Client has a (40%) stake (Port Akdeniz, Antalya) workers are represented by Liman-İş (Port Workers Union). Another example, 4 years ago Mersin port was privatised and purchased by PSA/Akfen. Initially sub-contractors were used but now there are directly employed workers who are members of a workers organisation (Liman-İş)	Client will allow employees to form or join a workers' organisations of their choosing or from bargaining collectively, and will not discriminate or retaliate against workers who participate
<b>11. Non-Discrimination and Equal Opportunity</b>			



Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will not make employment decisions on the basis of personal characteristics unrelated to inherent job requirements. The client will base the employment relationship on the principle of equal opportunity and fair treatment, and will not discriminate with respect to aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, promotion, termination of employment or retirement, and discipline.		There is no evidence that the Client will practice discrimination.	The Article 5 of the Labour Law states that discrimination due to race, language, gender, politic opinion, religion and alike is forbidden, and should treat part time workers as full time workers and indefinite period workers to definite period workers unless justifiable reasons. If the article is violated the worker may claim compensation up to four times of his/her wage.
The client will comply with national law [on non-discrimination]		Article 5 of the Labour Law	Given the above compliance with Turkish Law is sufficient
<b>12. Retrenchment</b>			
The client will develop a plan to mitigate the adverse impacts of retrenchment on employees, if it anticipates the elimination of a significant number of jobs or a layoff of a significant number of employees.		Under the concession agreement, the port will be transferred to Client without its current workers, and Client has no obligations regarding their future employment. TCDD, the current Port owner, is retaining responsibility for the current employees and has offered three options following transfer of the port to Client: <ul style="list-style-type: none"> <li>• retirement</li> <li>• redundancy</li> <li>• redeployment to one of TCDD's operating ports Izmir, Derince or Haydarpaşa.</li> </ul> Izmir and Derince are themselves in the process of tender for privatization, however it is considered unlikely that privatization will be successful in this tender round, with varying estimations on when the government will initiate a second attempt (from 2-5 years). Haydarpaşa is expected to be closed in 2014 and therefore is not considered a viable option by the workers. Of the 265 blue-collar workers (comprising 40 operators, 60 shipmen, 55 technical workers, rest general workers) TCDD's site Personnel Director up to 40% will select retirement. Under Turkish law, workers are entitled to retirement after 25 years	None, as retrenchment is not the responsibility of the Client. Client should consider reiterating its offer to current workers to apply for positions.

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>working. All of the TCDD's workers are reportedly exempt from the new Turkish Law which specifies a retirement date of 65. The workers selecting retirement range in age from 40 to 55 with an average age of 50, maximum 55. They will be entitled to XXX% of their basic salary.</p> <p>The remaining 60% of blue-collar workers (which comprise age range 30-55) have requested redeployment – 60% requested İzmir or Derince (reportedly 80% to İzmir), the remainder requesting transfers to other TCDD operations (even though this was not on offer). The redeployments are at the same working conditions as Bandırma although the workers expect limited opportunities for overtime which reportedly comprises 20% (quote from union leader) to 50% (quote from TCDD management) of their income. The redeployed workers are entitled to relocation allowance based on government policy which is per km and includes additional fees for family members. Largest complaints from both TCDD management and union representatives were</p> <ul style="list-style-type: none"> <li>- lack of information and support from TCDD Ankara;</li> <li>- lack of choice for redeployment within TCDD infrastructure (only 2 choices although TCDD has many operations throughout Turkey)</li> <li>- fast time-frame (3 days to make decision on receipt of questionnaire from TCDD Ankara)</li> <li>- uncertainty as to fate of İzmir and Derince in privatization, resulting in the redeployed workers needed to move again in 2-5 years</li> <li>- uncertainty on timing of reemployment, and short-time frame (25 days from signature by Client of concession agreement. 10 days to conclude agreement for redeployment and 15 days to relocate)</li> </ul> <p>There are 74 white-collar workers, however not</p>	

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		<p>information is available for their plans, although it is expected that the majority will take retirement option, being eligible.</p> <p>Client regularly met with representatives of Liman-İş (Port Workers Union) over the past 8 months, and offered workers to apply for positions. 5-6 workers who are applying for retirement approached Client of which 2-3 will be employed. They are workers over 55 and will likely be employed for 3 of 5 years. However reportedly no-one approached who was not eligible for retirement. It is expected that this is due to the reduced wages on offer compared to the current salary structure. It is reported that currently 90% of revenues from port go to labour costs, and that salaries are double market rates.</p>	
<u>13. Grievance Mechanism</u>			
The client will provide a grievance mechanism for workers (and their organizations, where they exist) to raise reasonable workplace concerns.		<p>Client's Operations manager previously was operations manager at Arkas operations in Marport (Ambarlı Port) and plans to bring his experience on grievance mechanisms to Bandırma. This involved hosting "experience sharing meetings" with operators and workers but without chiefs to air grievances and discuss matters.</p> <p>The meetings covered best practice and EHS matters and provided direct link from operators and workers to the operations manager...</p>	Grievance Mechanism to be implemented and extended so confidential reporting can be undertaken
<b>Protecting the Work Force</b>			
<u>14. Child Labour</u>			
Where national laws have provisions for the employment of minors, the client will follow those laws applicable to the client.		There is no evidence of child labour, nor is any expected with the Client. Personnel department reported currently no workers below the age of 30 which reflects the age profile in the sector	Compliance with "Regulation on Codes and Principles of Employing Child and Adolescent Workers" (under Article 71 of Labor Law).
Children below the age of 18 years will not be employed in dangerous work.		There is no evidence of children under 18 years being employed, nor is any expected	None
<u>15. Forced Labour</u>			

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will not employ any form of forced labour.		There is no evidence of forced labour, nor is any expected.	According to the Article 18 of the 1982 Turkish Constitution, forced labour is prohibited. Therefore compliance with Turkish Law is sufficient
<b>16. Occupational Health and Safety</b>			
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.		<p>Currently H&amp;S is managed through conditions witching the Collective Labour Agreement between the union and TCDD. No apparent OHSMS management system with policy, plan and procedures, and risk assessment of workplaces is in place. Likewise enforcement of conditions in the labour agreement is minimal and poor H&amp;S practices were observed on site.</p> <p>H&amp;S Statistics were requested (as they are obliged to provide to the government) but were not provided. Management reported verbally one fatality in 25 years; most accidents are during unloading/loading operations and no serious occupational illnesses of workers at present.</p> <p>Monthly meetings of H&amp;S board are held (as required if facility has &gt;50 employees) Periodic H&amp;S inspections of workers are undertaken by government inspectorate.</p> <p>There site retains a medical doctor and when hiring new employees, they undertake medical.</p> <p>The working environment could be improved. primarily in the following areas:</p> <ul style="list-style-type: none"> <li>- demarcated areas for traffic flows</li> <li>- enforced wearing of PPE</li> <li>- induction for site visits</li> </ul>	<p>Inclusion of implementation of EH&amp;S provisions in their employment contract on responsibilities.</p> <p>According to "Regulation of Protection of Buildings from Fire" for staff more than 50, the minimum number of personnel in the emergency action team is defined as follows:</p> <ul style="list-style-type: none"> <li>• Extinguishing team: Min. 3</li> <li>• Rescue Team: Min. 3</li> <li>• Protection Team: Min.2</li> <li>• First aid Team: Min.2</li> </ul> <p>EHS Manager to raising awareness of H&amp;S matters through training, posters, etc</p>

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will take steps to prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, so far as reasonably practicable, the causes of hazards.		The responsibility of H&S in the organizational chart is unclear, with a H&S specialist reporting through the human resources manager, and a quality and environmental specialist reporting directly to the General Manager The chiefs of pilotage/towage, warehouse and operations will have responsibility for implementation and training and inspecting of H&S for their reports	Review of the organizational structure so that an EHS Manager reports directly to the General Manager, removal of the EHS responsibilities from Quality Manager (to allow focus on obtaining ISO9001 certification), and planning the H&S specialist under the EHS Manager. The H&S specialist would assist the EHS Manager with development of a OHSMS along the lines of 18001
The client will address areas, including: the identification of potential hazards to workers, particularly those that may be life-threatening; provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; training of workers; documentation and reporting of occupational accidents, diseases, and incidents; and emergency prevention, preparedness and response arrangements.		No workplace risk assessments have been undertaken as yet (as not strictly required under Turkish Law). A training programme is planned use mentoring programme to train operators to more complex position, and the use of theory workshops and training videos (as used in Operation Manager's previous company)	As best practice undertake risk assessment of work places within OHSMS
<b>17. Non-Employee Workers</b>			
When the client contracts non-employee workers directly, the client will use commercially reasonable efforts to apply the requirements of this Performance Standard (except for paragraphs 6, 12, and 18).		Tender documents are being prepared for subcontractors which will have certain conditions of workers employment: - salary band levels to ensure high quality operators - no overtime (shifts less than 11 hrs) - requirement to wear PPE and comply with Client's H&S Client undertook analysis of salary structure within 21 other ports that engage subcontractors and in Turkey For 5 ports they have salary ranges of 18 working posts (Mersin, Istanbul, Izmit, Bursa and section of Izmir operated by private sector). The salary ranges specified for sub-contractors were • Unskilled worker: 635 TL-700TL/mth • Mobile crane operator 1500-2200TL/mth • Operation Chief 2500TL-3000TL/mth	Opportunities to include provisions in the conditions of contract: - compliance with Client's H&S requirements - highlighting compliance with Article 5 on Labour Code (discrimination) - Right to form workers association - Communication of their rights under national legislation and their contract Include H&S considerations in the assessment of sub-contracted workers

Performance Standard 2 Labour and Working Conditions			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		Client will monitor compliance with salary bands by requesting Social Security Institution forms (SSKs) monthly. Each sub-contractor worker will be interviewed by Client operations Manager for competency, and (as is required by legislation) is certified for the job description.	
With respect to contractors or other intermediaries procuring non employee workers, the client will use commercially reasonable efforts to: (i) ascertain that these contractors or intermediaries are reputable and legitimate enterprises; and (ii) require that these contractors or intermediaries apply the requirements of this Performance Standard (except for paragraphs 6, 12, and 13).		It is considered that Client will engage reputable and legitimate sub-contractors envisage problem to find reputable sub-contractors. Will use finger print and card entry system to prevent overtime working, and one entrance. If worked overtime will warn sub-contractor.	None
<b>18. Supply Chain</b>			
The adverse impacts associated with supply chains will be considered where low labour cost is a factor in the competitiveness of the item supplied. The client will inquire about and address child labour and forced labour in its supply chain, consistent with paragraphs 14 and 15 above.		There are no significant supply chains in the Project (the most significant being provision of high-specification cranes). These are from Italian and German suppliers in which there low cost is not a factor, and child labour and forced labour is not considered an issue	None

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>General Requirements</b>			
During the design, construction, operation and decommissioning of the project (the project lifecycle) the client will consider ambient conditions and apply pollution prevention and control technologies and practices (techniques) that are best suited to avoid or, where avoidance is not feasible, minimize or reduce adverse impacts on human health and the environment while remaining technically and financially feasible and cost-effective.		Under Industrial Air Emission Control Regulation, as the Port is above threshold of 200t/day bulk handling, it must make retain an emission permit (which the site does not have). The Client has yet to engage with the local Directorate of Environment and Forests. Domestic waste water on site goes to two septic pits; however this application does not comply with Water Pollution Control Regulation requirements. Sites having a staff of more than 84 persons should either treat domestic wastewater or connect to the local municipal sewer with permission.	Client is recommended to engage with Directorate of Environment and Forests with necessary permits and engage a consultant to develop a plan for application for the required permits.  Client should build a domestic wastewater treatment plant or alternatively should take permit from the Municipality to connect with the municipal sewer system.
The project-specific pollution prevention and control techniques applied during the project life-cycle will be tailored to the hazards and risks associated with project emissions and consistent with good international industry practice, as reflected in various internationally recognised sources, including IFC's Environmental, Health and Safety Guidelines (the EHS Guidelines)		The current status of the roads is in disrepair. 30 year old cranes cause dust emissions due to loose grips. Moreover, operators of the cranes have a tendency to open up the jaws while load is still elevated on ground. Some trucks carry uncovered bulk material. Dominant wind direction is from NNE. The residents are highly concerned about dust issues.	Client is planning to replace existing 30-year old cranes with state-of-the-art unloading/loading systems with silicon grips to prevent loss of material.  Also will engage best practice in terms of unloading/loading including jaw opening at lower levels and avoid carrying uncovered bulk cargo with trucks, to limit dust emissions. In addition road maintenance is planned to be executed.
<b>Pollution Prevention, Resource Conservation and Energy Efficiency</b>			
The client will avoid the release of pollutants or, when avoidance is not feasible, minimize or control the intensity or load of their release. This applies to the release of pollutants due to routine, non-routine or accidental circumstances with the potential for local, regional, and trans-boundary impacts.		All surface runoff water is discharged directly to the sea. However, surface runoff water may get contaminated by bulk cargo residues and oil.	Surface runoff should be treated with oil separator and ideally with a settlement unit before discharge into the sea.
The client should examine and incorporate in its operations resource conservation and energy efficiency measures, consistent with the principles of cleaner production.		Overall equipment is old and not energy efficient. Cargo is currently carried by mostly road transport.	New modern loading/unloading equipment will be more energy efficient than the old. Client is planning to increase the share of railway transport and carry 1/3 of the cargo by rail.
<b>Wastes</b>			

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will avoid or minimize the generation of hazardous and non-hazardous waste materials as far as practicable.		The site does not have a waste management plan. Although has permit for reception of (Annex I waste: bilge, sludge, waste oil, contaminated water, Annex IV: domestic wastewater, Annex V: domestic solid waste) which is valid to Feb 2011. Previously oil was separated from bilge on site in the separation unit, and the oil was sold to a licensed disposer. However, the separation unit has not operated since 2006 and currently 222 m3 of bilge (with oil) and 74 m3 of sludge is stored on site in the separator and in train wagons. The site appears to be in compliance with MARPOL, however ships are more likely to discharge their bilge at sea (which is reported by fisheries)	There are plans to repair the Oil separator at waste reception facility to separate category II oil (defined under Waste Oil Control Regulation) from bilge water. Category II waste oil can be disposed at licensed facilities for energy recovery.  Site should transport and dispose accumulated 297 m3 hazardous waste in the short term, since the waste storage capacity of the waste reception facility is exceeded.  All hazardous waste (including waste oil, MARPOL Annex I waste from ships, waste batteries) should be disposed by licensed facilities and transported by licensed vehicles.
Where waste generation cannot be avoided but has been minimized, the client will recover and reuse waste		There are plans to repair the Oil separator at waste reception facility to separate category II oil (defined under Waste Oil Control Regulation) from bilge water. Category II waste oil can be disposed at licensed facilities for energy recovery.  Waste collection area can be designed for separating recyclables (glass, paper/cardboards, plastics, metals). Ships can also be encouraged to separate their recyclables under Regulation on Waste Reception Service to Ships.	A waste management plan is required covering all types of activities on site.
Where waste can not be recovered or reused, the client will treat, destroy, and dispose of it in an environmentally sound manner.		Site is only handling ship waste issues. Site has permit to accept domestic solid waste from ships. They store it temporarily before removal by municipality. Client has also permit to accept sanitary wastewater from ships (but management do not recall instances where this has happened).	A waste management plan is required covering all types of activities on site.
If the generated waste is considered hazardous, the client will explore commercially reasonable alternatives for its environmentally sound disposal considering the limitations applicable to its trans-boundary movement.		The fate of waste batteries from forklifts and other equipment is unknown.  Waste oils (from workshops and other machinery) are	Waste batteries should be collected with licensed transporters and disposed by licensed facilities under Waste Batteries Control Regulation.



Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		not disposed in compliance with Waste Oil Control Regulation. It is possible that waste oils are burnt in heaters.	Waste oils should be analysed and disposed according to the waste oil classification under Waste Oil Control Regulation.
When waste disposal is conducted by third parties, the client will use contractors that are reputable and legitimate enterprises licensed by the relevant regulatory agencies.		Waste disposers are licensed	All hazardous waste (including waste oil, MARPOL Annex I waste from ships, waste batteries) should be disposed by licensed facilities and transported by licensed vehicles.
<u>Hazardous Materials</u>			
The client will avoid or, when avoidance is not feasible, minimize or control the release of hazardous materials resulting from their production, transportation, handling, storage and use for project activities.		<p>There are 2 underground diesel storage tanks of 20 and 10 tonnes storage capacities, with no information on integrity tests. Likely they age from the establishment of the port and that they have leaked and impacted the surrounding soil and groundwater.</p> <p>A part of the site (approximately 5,000 m2) was formerly used by General Directorate of Highways for storing asphalt. Most part of this area is contaminated with asphalt residues.</p> <p>Sludge residues were observed on an area (approximately 3,500 m2) located between waste reception unit and former asphalt facility. Additionally, along the route of the decommissioned pipeline, which was formerly used to transfer asphalt from the berth to the asphalt facility, contamination was observed.</p>	<p>According to Soil Pollution control Regulation, it is forbidden to discharge any kind of waste directly or indirectly on soil. Potential polluters are liable to prevent pollution; whereas at contaminated areas potential polluters are liable to stop contamination, to determine the extent of contamination and to carry out necessary work and take measures to remediate the site. It is recommended that a Phase II intrusive investigation is undertaken to establish baseline conditions on transfer of the Port to the Client, such that when the Port is returned it can be demonstrated that the contamination was not caused by their operations. It is recommended to decommission the diesel storing USTs and replace with more modern ASTs.</p>
The client will avoid the manufacture, trade, and use of chemicals and hazardous materials subject to international bans or phase-outs and consider the use of less hazardous substitutes for such chemicals and materials.		<p>Site has five transformers which may potentially contain PCB.</p> <p>Asbestos survey was not performed before. Some insulations and roof material may contain asbestos.</p>	<p>Under Regulation on the Control of Polychlorinated Biphenyls and Polychlorinated Terphenyls, transformer oils should be analysed for PCB. If PCB is present, oil and equipment contaminated with PCB should be disposed according to Hazardous Waste Control Regulation or purified until 2025.</p> <p>During demolishing or maintenance works,</p>

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
			workers may be exposed to asbestos. ACMs should be disposed under Hazardous Waste Control Regulation, if any decommissioning is planned. An asbestos survey is recommendable to determine the baseline condition.
<u>Emergency Preparedness and Response</u>			
The client will be prepared to respond to process upset, accidental, and emergency situations in a manner appropriate to the operational risks and the need to prevent their potential negative consequences.		<p>Emergency Preparedness and Response is a well regulated issue. Under <i>Law pertaining to the Principles of Emergency Intervention and Indemnification of the Damages in Case of Sea Pollution by petroleum and other Harmful Substances (2005)</i>, the Site commissioned a certified consultant to develop an Emergency Action Plan. The Plan was reviewed, however this has yet to be approved (positive or negative) by the Ministry of Environment and Forests, which was not explained. The Plan includes a risk assessment and identifies potential environmental impacts.</p> <p>Under Implementation Regulation of the Law Pertaining to the Principles of Emergency Intervention And Indemnification of the Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances, ports should have insurance in case of any harm to the environment. Bandırma Port does not have any insurance.</p> <p>Fire Safety report 2008 was received approval from fire brigade to state they have enough fire fighting capacity for the buildings. However, to obtain a Port Operation License under Regulation a fire assessment by a registered engineer is required.</p>	<p>The Ministry of Environment and Forests should be engaged to retain an approval for the Emergency Action Plan. Plan should also be updated since the identified responsible entity will change.</p> <p>The equipment necessary for the emergency actions are identified in the Emergency Action Plan. A feasibility study is needed to identify the actual costs to purchase or rent these equipments and give necessary training to staff under Implementation Regulation of the Law Pertaining to the Principles of Emergency Intervention And Indemnification of the Damages in Case of Sea Pollution by Petroleum and Other Harmful Substances.</p> <p>In addition, authorized insurance companies should be engaged to obtain an insurance covering environmental damage.</p> <p>A fire safety report prepared by a registered engineer is required. Results of this survey will possibly identify further investments such as installing a fire hydrant system. A feasibility study is also needed to determine actual costs of installing sufficient equipment and systems in place.</p>

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
This preparation will include a plan that addresses the training, resources, responsibilities, communication, procedures, and other aspects required to effectively respond to emergencies associated with project hazards.		Covered above.	Covered above.
<u>Technical Guidance</u>			
The client will refer to the current version of the EHS Guidelines when evaluating and selecting pollution prevention and control techniques for the project. When host country regulations differ from the levels and measures presented in the EHS guidelines, clients will achieve whichever is the more stringent.		NA	NA
<b>Ambient considerations</b>			
To address adverse project impacts on existing ambient conditions, the client will			
(i) consider the finite assimilative capacity of the environment, existing and future land use, existing ambient conditions, the project's proximity to ecologically sensitive or protected areas, and the potential for cumulative impacts with uncertain and irreversible consequences	<p>The State of Environment Report (2007)</p> <p>Bandırma Port Emergency Action Plan (2005)</p> <p>Bandırma Fishers Association</p> <p>President (Harun Öner)</p>	<p>The Port is on an environmentally sensitive area. Marmara Sea is used for fishing especially in September, October, November and December. In addition some beaches at Kapıdağ Peninsula facing the Bandırma Port are valuable for tourism.</p> <p>The closest protected natural area is Manyas Bird Lake (Manyas Bird Heaven) which is located approximately 13 km to the south. There are no close historical, cultural and archeological assets to be adversely affected by the Port activities.</p>	Measures are covered under emergency action plan.

Performance Standard 3 Pollution Prevention and Abatement			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
(ii) Promote strategies that avoid or, where avoidance is not feasible, minimize or reduce the release of pollutants, including strategies that contribute to the improvement of ambient conditions when the project has the potential to constitute a significant source of emissions in an already degraded area.	Bandırma Fishers Association  President (Harun Öner)	According to the Bandırma Fishers Association, light pollution from anchored ships negatively effect fishing performance.	Ship traffic management is required for limiting the number of anchored ships.
These strategies include, but are not limited to, evaluation of project location alternatives and emissions offsets.			
<b>Greenhouse Gas Emissions</b>			
The client will promote the reduction of project-related greenhouse gas (GHG) emissions in a manner appropriate to the nature and scale of project operations and impacts.		The opportunities for GHG emissions are limited given the nature and the scale of the Project.	A traffic management plan (for ships and trucks) will result in more efficient transport and reduced emissions
The client will quantify direct emissions from the facilities owned or controlled within the physical project boundary and indirect emissions associated with the off-site production of power used by the project		Not applicable	None
Quantification and monitoring of GHG emissions will be conducted annually in accordance with internationally recognised methodologies		Not applicable	None
In addition, the client will evaluate technically and financially feasible and cost-effective options to reduce or offset project-related GHG emissions during the design and operation of the project.		Nothing considered	Consider switching boiler from coal to gas (minor reduction in emissions)
<b>Pesticide Use and Management</b>			
The client will formulate and implement an integrated pest management (IPM) and/or integrated vector management (IVM) approach for pest management activities.		Not applicable	

Performance Standard 4 Community Health, Safety and Security			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<b>Community Health and Safety Requirements</b>			
<u>General Requirements</u>			
<p>The client will evaluate the risks and impacts to the health and safety of the affected community during the design, construction, operation, and decommissioning of the project.</p>		<p>The Project is not expected to pose significant risks or impacts to the community during the life-time of the Project, and it is not considered necessary to develop a specific Environmental and Social Impact Assessment. However a preliminary assessment of risks and impacts to the community based on site visit and consultation as part of the this due diligence identified the following (non-exhaustive):</p> <ul style="list-style-type: none"> <li>- Queues of tankers (reported by Fishermen Association) outside port keep the lights on all night which hinders fishing. Currently up to 18 tankers can be waiting</li> <li>- queues of trucks in eastern area of town waiting for unloading/loading (reported by Municipality)</li> <li>- congestion at roundabout (reported by Municipality), and trucks passing through residential areas (observed on site visit – for further information see later).</li> <li>- dust in summer (reported by Municipality, fisheries) primarily from poor feedstock unloading practices. Also trucks after loading, are weighed at TMO site and then have to travel across the site (uncovered) to be covered, creating dust clouds. Dust from coal was previously an issue but only 5 ships a year, and this is not</li> </ul> <p>Although the Project is away from the main commercial area of Bandirma it is considered to be in a sensitive area being within the urban area of Bandirma and close to residential areas (50m), schools ( Trade Chamber Primary School: 1 km to the Port and 100 m to the Truck Road, 17 Eylül Primary School-900m to the port, Marmara Primary School-600 m to the Port), recreational areas (300 m-Bandırma Square), fisheries port (adjacent). The residential area is down wind of</p>	<p>Undertake a risk and impacts workshop with stakeholders to discuss</p>

Performance Standard 4 Community Health, Safety and Security			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		the Port.	
The client will establish preventive measures to address them in a manner commensurate with the identified risks and impacts. These measures will favour the prevention or avoidance of risks and impacts over minimization and reduction.		<p>Client is taking a pro-active approach to the above risks, engaging with stakeholders in the community and considering minimization measures as follows:</p> <ul style="list-style-type: none"> <li>- sea traffic management plan</li> <li>- inclusion of state-of-the art equipment and plans for manager the unloading/loading to minimise dust impacts</li> </ul> <p>This not yet in a coordinated manner, it being an early stage of the Project.</p>	<p>Undertake a risk and impacts workshop internally to develop plans for identified risk and impacts. Measures could include:</p> <ul style="list-style-type: none"> <li>• Extension of sea traffic management plan to include fishing vessels</li> <li>• Engagement with municipality to ensure access road is upgraded, and a truck park is created to prevent parking and traffic in residential areas. Enforce parking restrictions noting to Assess socio-economic impact of truckers in the area, and ensure any changes do not adversely impact this.</li> <li>• Consider covering area at the TMO site to prevent travel</li> <li>• Active management of unloading and loading</li> </ul>
Where the project poses risks to or adverse impacts on the health and safety of affected communities, the client will disclose the Action Plan and any other relevant project-related information to enable the affected communities and relevant government agencies to understand these risks and impacts, and will engage the affected communities and agencies on an ongoing basis.		It is not expected that the project will pose risks to or adverse impacts to the health and safety of the community that cannot be mitigated through a workshop. The Project is expected to reduce current impacts of the Port in terms of impacts to air quality and traffic	None required.
<u>Infrastructure and Equipment Safety</u>			
The client will design, construct, and operate and decommission the structural elements or components of the project in accordance with good international industry practice, and will give particular consideration to potential exposure to natural hazards, especially where the structural elements are accessible to members of the affected community or where their failure could result in injury to the community.		A number of buildings will be demolished which potentially contain asbestos-containing materials. Security measures are to be increased with 53 persons, to prevent access to the site by the public	Asbestos survey of buildings and asbestos management plan for maintenance of buildings and for demolition

Performance Standard 4 Community Health, Safety and Security			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
Structural elements will be designed and constructed by qualified and experienced professionals, and certified or approved by competent authorities or professionals.		No issues envisaged	Not applicable
When structural elements or components, such as dams, tailings dams, or ash ponds, are situated in high-risk locations, and their failure or malfunction may threaten the safety of communities, the client will engage one or more qualified experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, and commissioning.		Not applicable	Not applicable
For projects that operate moving equipment on public roads and other forms of infrastructure, the client will seek to prevent the occurrence of incidents and accidents associated with the operation of such equipment.		<p>Client commissioned a feasibility study which included a transport study to study connections of port to various markets via rail and road. Access to the port is via single track rail line which runs through residential areas of Bandirma or via road which avoids urbanized areas. From the main Cahakkale-Bursa highway, the port is accessed by a 1km dual lane highway with central reservation (Erdok Yolu C) and then a 1km single road (Liman Yolu C) to a roundabout which then has access road to the port. Both roads avoid residential areas, however, there is currently no connection between the two roads forcing trucks to pass through residential area, and the municipality indicated that the roundabout area is area of congestion. Another reported problem is trucks stationed in the residential area which is a public nuisance.</p> <p>The transport study indicated that the majority of the clients will continue to provide their goods via road, and that the existing road network around Bandirma is sufficient to handle the increase in truck traffic.</p>	<p>The existing road network is considered sufficient to handle the increase in road traffic, so long as the following are undertaken:</p> <ul style="list-style-type: none"> <li>- Request from highways agency a connection between the two roads</li> <li>- upgrade of the roundabout</li> <li>- construction of truck park</li> </ul>

Performance Standard 4 Community Health, Safety and Security			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
		The single rail will be at overcapacity to deal with 10,000 t./day, so Client plans to establish a stock layout area 40ha in area, 8km 13km or 26km south of Bandirma. No feasibility study has been undertaken on cost and location and will be planned in 2 years. (requires permitting) Assuming a doubling in capacity in 3 years time would require 20 trucks working continuously 24hrs, undertaking 20 trips a day.	
<u>Hazardous Materials Safety</u>			
The client will prevent or minimize the potential for community exposure to hazardous materials that may be released by the project.		Under the ISPS code it is defined what chemicals can be handled by the Port. Not permitted store any chemicals, and Chemicals (phosphoric acid, sulphuric acid) are directly loaded /uploaded between trucks and ships, under observation of Client Approval for ISPS Expired in January 2010, but expect to have extended new ISPS which will valid for another 5 years. valid for passenger, bulk carrier, chemical tankers and cargo ships (passenger high speed craft, cargo high speed craft, oil tanker, gas carriers, and also mobile offshore drilling units)	Obtain updated ISPS approval
Where there is a potential for the community (including workers and their families) to be exposed to hazards, particularly those that may be life-threatening, the client will exercise special care to avoid or minimize their exposure by modifying, substituting or eliminating the condition or substance causing the hazards.		See above	See above
Where hazardous materials are part of existing project infrastructure or components, the client will exercise special care when conducting decommissioning activities in order to prevent exposure to the community. In addition, the client will exercise commercially reasonable efforts to control the safety of deliveries of raw materials and of transportation and disposal of wastes.		See above	See above



Performance Standard 4 Community Health, Safety and Security			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
<u>Environmental and Natural Resources Issues</u>			
The client will avoid or minimize the exacerbation of impacts caused by natural hazards, such as landslides or floods that could arise from land use changes due to project activities.		A new truck park will result in land-use change from Greenfield to urban (The proposed construction of the out-of-town stockpile area is already urbanized)	Given the topography in the area, consider the impacts of the truck park on surface- run-off and take appropriate measures in drainage construction, with appropriate oil interceptors to prevent impacts from oils.
The client will also avoid or minimize adverse impacts due to project activities on soil, water, and other natural resources in use by the affected communities.		No significant issues identified	None
<u>Community Exposure to Disease</u>			
The client will prevent or minimize the potential for community exposure to water-borne, water-based, water-related, vector-borne disease, and other communicable diseases that could result from project activities.		Not applicable	None
Where specific diseases are endemic in communities in the project area of influence, the client is encouraged to explore opportunities during the project life cycle to improve environmental conditions that could help reduce their incidence.		Not applicable	None
The client will prevent or minimize transmission of communicable diseases that may be associated with the influx of temporary or permanent project labour.		Not considered significant	None
<u>Emergency Preparedness and Response</u>			
The client will assess the potential risks and impacts from project activities and inform affected communities of significant potential hazards in a culturally appropriate manner.		Emergency Preparedness and Response is a well regulated issue. Under <i>Law pertaining to the Principles of Emergency Intervention and Indemnification of the Damages in Case of Sea Pollution by petroleum and other Harmful Substances (2005)</i> , the Site commissioned a certified consultant to develop an Emergency Action Plan. (see PS3)	Need to include consultation with community and municipality on Emergency Plan

Performance Standard 4 Community Health, Safety and Security			
PS Requirements	Reference	Sponsor/Client Status	Follow Up actions/Evidence Required
The client will also assist and collaborate with the community and the local government agencies in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to respond to such emergency situations.			More collaboration with the community and government agency on the Emergency plan (within the Stakeholder Engagement Plan)
If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project.		n/a	n/a
The client will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information in the Action Plan or other relevant document to affected communities and relevant government agencies.			See Action Plan
<b>Security Personnel Requirements</b>			
When the client directly retains employees or contractors to provide security to safeguard its personnel and property, it will assess risks to those within and outside the project site posed by its security arrangements. In making such arrangements, the client will be guided by the principles of proportionality, good international practices in terms of hiring, rules of conduct, training, equipping and monitoring of such personnel, and applicable law.		Client plans to engage a sub-consultant with 53 security personnel to run the security land-side under the Manager of the Administrative Affairs and Security Manager. The number of required security personnel is defined by the police. Under Turkish Law private security must also receive training from the Government's Directorate of security.  Under ISPS, seamen can come onshore controlled by sea police, customs, port security. No significant issues expected	None
The client will make reasonable inquiries to satisfy itself that those providing security are not implicated in past abuses, will train them adequately in the use of force (and where applicable, firearms) and appropriate conduct toward workers and the local community, and require them to act within the applicable law. The client will not sanction any use of force except when used for preventive and defensive purposes in proportion to the nature and extent of the threat.		Present site management - No incidences of security breaches. Expect this as there is bulk cargo, but containers will provide more opportunities for theft	Switching to container from bulk will increase the risk of theft and security breaches – prepare in security plan

<b>Performance Standard 4 Community Health, Safety and Security</b>			
<b>PS Requirements</b>	<b>Reference</b>	<b>Sponsor/Client Status</b>	<b>Follow Up actions/Evidence Required</b>
If government security personnel are deployed to provide security services for the client, the client will assess risks arising from such use, communicate its intent that the security personnel act in a manner consistent with paragraph 13 above, and encourage the relevant public authorities to disclose the security arrangements for the client's facilities to the public, subject to overriding security concerns.		Government security personnel are not planned to be deployed to provide security services.  Sea police and coastal defence patrol the general area are not responsible for security of sea-side. If there is an unregistered vessel this is handled by the sea police, and sea police and customs monitor the number of people on ships entering and leaving.  No complaints from vessel operators to behaviour of the police and /or customs.	
A grievance mechanism should allow the affected community to express concerns about the security arrangements and acts of security personnel.		The present security manager reports that there have been no complaints on security re is no formal grievance mechanism under current management	See PS1
The client will investigate any credible allegations of unlawful or abusive acts of security personnel, take action (or urge appropriate parties to take action) to prevent recurrence, and report unlawful and abusive acts to public authorities when appropriate.		Not applicable at this stage	None

**Performance Standard 5 Land Acquisition and Involuntary Resettlement – Not Applicable.**

**Performance Standard 6 Biodiversity Conservation and Sustainable Natural Resource Management – Not Applicable**

**Performance Standard 7 Indigenous Peoples – Not Applicable**

**Performance Standard 8 Cultural Heritage – Not Applicable**

## 5 ENVIRONMENTAL AND SOCIAL ACTION PLAN (WORKING DRAFT)

### 5.1 Draft Environmental and Social Action Plan

**Table 5.1 Environmental and Social Action Plan (working draft)**

Ref	Non Compliance	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs
PS1	No ESH&S Management System is in place	Develop and implement ES and H&S management systems (including workplace risk assessments).	End May 2010 for HSMS End July 2010 for EMS	Çelebi – HES Specialist and Q&E Specialist to develop. General Manager to take over responsibility.	Management time for H&S MS which will be developed by HES specialists 25 000 € for EMS which will be developed by sub contractors.
PS1	No Action Plan in place.	Develop Action Plan and incorporate to ESMS and HSMS to ensure delivery.	End May 2010 first version. Update at end July 2010 (once environment management system is completed).	Çelebi – HES Specialist and Q&E Specialist to develop. General Manager to take over responsibility.	Management time as will be developed by internal staff (will include costs for specific action items).
PS1	No Stakeholder Engagement Plan or Grievance Mechanism in place.	Map stakeholders and develop and implement stakeholder engagement plan, including grievance mechanism.	End May 2010	Çelebi – Q&E Specialist. General Manager to take over responsibility.	Management time as will be implemented by internal staff.
PS2	HR policy not fully developed	Include in site policy clauses on provision of information regarding their rights under national labour and employment law, ability to form workers association, and non-discrimination.	End May 2010	Çelebi	Management time as will be developed by internal staff.
PS2	Grievance mechanism for workers not fully developed	Grievance Mechanism to be implemented and extended so confidential reporting can be undertaken	End Oct 2010	Çelebi	Management time as will be developed by internal staff.

Ref	Non Compliance	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs
PS2	The responsibility of H&S in the organizational chart is not fully developed	Review organizational structure so that EHS Manager reports directly to the General Manager, removal of the EHS responsibilities from Quality Manager (to allow focus on obtaining ISO9001 certification), and planning the H&S specialist under the EHS Manager. The H&S specialist would assist the EHS Manager with development of a OHSMS along the lines of 18001	End May 2010	Çelebi	Management time as will be developed by internal staff.
PS2	Contracts with sub-contractors not fully developed with conditions	Opportunities to include provisions in sub-contractors conditions of contract: - compliance with Client's H&S requirements - highlighting compliance with Article 5 on Labour Code (discrimination) - Right to form workers association - Communication of their rights under national legislation and their contract	End May 2010	Çelebi	Management time as will be developed by internal staff
PS3	Storing and handling bulk material in non-compliance with Industry Air Pollution Control Regulation	Obtain an Air Emission permit for bulk storage according to Industry Air Pollution Control Regulation, including implementation of regular ambient air Emission monitoring		Çelebi	5 000 € (permit), 20 000 € (monitoring)
PS3	Discharging domestic wastewater in non-compliance with Water Pollution Control Regulation	Construct a domestic wastewater treatment plant or connect with the municipal sewer system		Çelebi	40 000 €
PS3	Lack of required permits	Engage with Directorate of Environment and Forests with necessary permits to develop a plan for application for the required permits or alternatively employ environmental responsible under Environmental Audit Regulation.		Çelebi	5 000 €/month operational cost

Ref	Non Compliance	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs
PS3	Uncontrolled dust from loading/unloading operations	<p>Replace existing 30-year old cranes with state-of-the-art unloading/loading systems with silicon grips to prevent loss of material (planned).</p> <p>Engage best practice in terms of unloading/loading including jaw opening at lower levels (planned).</p> <p>Consider covering area near TMO facility to prevent dust from trucks travelling across site</p> <p>Improve road conditions (planned)</p>		Çelebi	<p>Within budgets</p> <p>Ask Celebi</p>
PS3	Discharging possibly contaminated surface run off in non-compliance with best practices.	Install oil separators and a settlement units at the discharge points		Çelebi	25 000 €
PS3	Operation of licensed waste reception unit in non-compliance with best practice.	<p>Transport and dispose of accumulated 297 m<sup>3</sup> hazardous waste</p> <p>Repaired of the oil separator at waste reception facility (planned)</p>		<p>TCDD</p> <p>Çelebi</p>	<p>300 000 €</p> <p>35 000 € (budgeted)</p>
PS3	Uncontrolled waste practices	<p>Design of solid waste storage area for separating recyclables (glass, paper /cardboards, plastics, metals).</p> <p>Prepare a waste management plan covering all types of wastes generated on site (e.g. waste oils, waste batteries, vegetable waste oil and packaging waste.)</p>		Çelebi	Management time

Ref	Non Compliance	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs
PS3	Potential and actual Soil contaminated areas identified at: <ul style="list-style-type: none"> <li>• Directorate of Highways Facility</li> <li>• Dump area near waste reception</li> <li>• Diesel storing UST's</li> </ul>	Undertake a soil/groundwater site investigation to establish baseline conditions on transfer of the Port to the Client, such that when the Port is returned it can be demonstrated that the contamination was not caused by their operations.		Çelebi	70 000 €
		Remediation of highly contaminated area if necessary		TCDD/Directorate of Highways	Can be estimated after SI.
PS3	Five transformers possibly containing PCB	Analysis of transformers for PCB. If present disposal and purification of PCB oil until 2025.		Çelebi	5 000 €
PS3	Potential asbestos containing materials in existing buildings.	Undertake an asbestos survey to determine if any ACM is present in the existing buildings.		Çelebi	20 000 €
PS3	Lack of Emergency Action Plan approval	Engaging with Ministry of Environment and Forests for the Approval of an Emergency Action Plan.  Updating the Plan regarding changes expected due to handover.		Çelebi	Management time
PS3	Lack of the emergency response equipment defined under the Emergency Action Plan	Obtain emergency response equipment (planned)		Çelebi	Can be defined after a feasibility study (budgeted)
PS3	Lack of a financial liability insurance to cover environmental damages	Obtain insurance covering environmental damage		Çelebi	Can be defined by engaging an insurance company.
PS3	Lights of the anchored ships outside the Port disturbs the fishing activity	Prepare traffic management to limit the number of anchored ships.		Çelebi	Management time

Ref	Non Compliance	Proposed Mitigation	Timetable	Responsibilities	Indicative Costs
PS3	Lacking of a fire safety system	Prepare a fire safety report from a registered engineer from Chamber of Mechanical Engineers  Install necessary equipments such as a hydrant system which currently does not exist.		Çelebi	20 000€  Can be defined after fire safety assessment Management time
PS4	Communities not included in the process	Undertake a risk and impacts workshop (within stakeholder engagement plan) to develop mitigation measures	End 2010	Çelebi	
PS4	Increase in Port capacity will have adverse impacts on local road traffic	- Request from highways agency a connection between the two roads and upgrade of the roundabout - construction of truck park and truck management plan	End 2010	Highways Agency  Çelebi	n/a  Can be defined after a feasibility study



## 5.2 *DRAFT STAKEHOLDER ENGAGEMENT PLAN*

### 5.2.1 *Introduction*

The environmental and social action plan identifies the need for a stakeholder engagement plan to be developed and implemented. The following sets out a suggested draft of this plan which will be developed by Celebi once the handover is complete.

### 5.2.2 *Objectives:*

1. To provide maximum practical opportunity for stakeholders to:
  - express overall positive or negative views about the existing and historical operations of the port so that this can be registered in judging the level of community support or concern at present and to inform the environmental and social baseline; and
  - express concerns or support for specific aspects of the port operation and its impacts so that these can be reflected in developing the social and environmental action plan and informing appropriate mitigation.
2. To build constructive working relationships with community representatives, affected people, NGOs and government departments which can be continued throughout port operations, so that their views and concerns can be addressed in the operation of the port and in the identification of specific mitigation measures.
3. To ensure vulnerable and marginalised groups have access to the process

### 5.2.3 *Stakeholders*

The first stage of the stakeholder engagement plan will be to map the relevant stakeholders to be included. These are currently considered to include:

- Bandırma Municipality;
- Bandırma District Governorship;
- The Ministry of Environment and Forestry;
- Balıkesir Provincial Directorate of Environment and Forestry;
- Ministry of Transportation, Undersecretariat of Maritime Affairs;
- Çanakkale Regional Directorate of Undersecretariat of Maritime Affairs (there is no regional directorate in Balıkesir. Bandırma Port Authority is under the jurisdiction of Çanakkale Regional Directorate);
- Bandırma Port Authority;
- Ministry of Labor and Social Security;

- Bursa Regional Directorate of Labor and Social Security (There is no regional directorate in Balıkesir. Bursa Reg. Dir. Is also responsible from Balıkesir Province);
- Bandırma Fishermen Association;
- Bandırma Trade Chamber;
- Local Trade Union representatives;
- Local community;
- ETI Mining; and
- Turkish Grain Board (TMO).

#### 5.2.4 *Engagement Approach*

Once mapping of stakeholders is complete, the appropriate engagement mechanism for each stakeholder or group of stakeholders will be identified. These are likely to include the following:

- issue information letter to national, metropolitan and district governments responsible for environmental protection, community groups and NGOs;
- set up regular dialogue with national, metropolitan and district governments responsible for environmental protection, community groups and NGOs through regular face to face meetings (frequency to be determined following initial dialogue);
- public announcement following handover of port to Celebi;
- direct contact with Elected Community Leaders (Muhtars) in Bandırma to advise them of the project and ask for community views;
- press releases, media stories and formal advertising in the press about the handover and the on-going operations;
- placing of information on public noticeboards and distribution of short leaflet in Muhtar offices and community centres within Bandırma;
- organisation of exhibitions/open rooms to be held at specified locations within the vicinity of the port; and
- public meetings.

Engagement will include the following:

- update on existing and planned future operations of the port;
- environmental and social action plan and proposed mitigation measures and timescales thereof;

- feedback from government and NGOs regarding any concerns over environmental and social impacts;
- feedback from community groups regarding any concerns over environmental and social impacts;
- identification of grievance mechanism and feedback process; and
- identification and agreement of on-going engagement.

#### 5.2.5

##### *Timescales*

The stakeholder engagement plan should be developed immediately following handover (by end May 2010) and should commence as soon as reasonably practicable thereafter (June 2010). Following an initial round of consultation, an on-going programme of dialogue will be identified and agreed which will continue throughout the operations of port.

Annex A

## Photolog

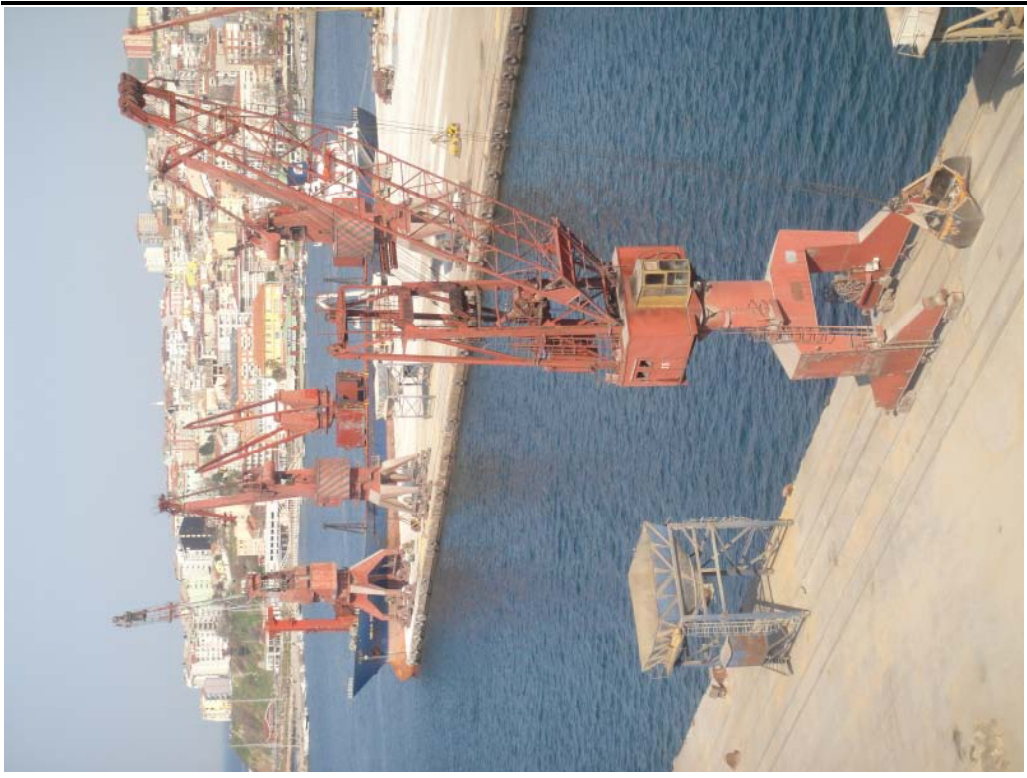
**Box1.1**

**Bandirma Port**



**Box 1.2**

**Bandirma Port**



*Box 1.3*

*Bandirma Port*



*Box 14*

*Proximity of Local Residents*





**Box 1.5** *Unmade Roads within the Port*



**Box 1.6** *Fuel Tank*



**Box 1.7**

***Waste and Contamination at Waste Storage and Separator Facilities***



**Box 1.8**

***Waste and Contamination at Waste Storage and Separator Facilities***





**Box 1.9**

***Contamination from Removal of Acid Tanks***



**Box 1.10**

***Contamination from Removal of Acid Tanks***





**Box 1.11**      *Contamination from the Removal of Acid Tanks*



**Box 1.12**      *ETI Operations*



*Box 1.13 ETI Operations*



*Box 1.14 Dust from ETI Operations*





**Box 1.15** *ETI - Dust Suppression*



**Box 1.16** *ETI Health and Safety Management*



*Box 1.17 TMO Grain Siloh*



*Box 1.18 Dust from TMO Operations*



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