

EBRD INVESTMENT IN
TÜPRAŞ İZMİR REFINERY
NON-TECHNICAL ENVIRONMENT AND
SOCIAL SUMMARY

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SOCIAL SUMMARY

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WSP | Parsons Brinckerhoff

The Victoria
150-182 The Quays
Salford
M50 3SP

Tel: +44 (0) 161 886 2400

Fax: +44 (0) 161 886 2401

www.wsp-pb.com

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1 THE PROJECT

Türkiye Petrol Rafinerileri A.Ş. (Tüpraş) is Turkey's largest listed energy company and a subsidiary of Koç Holding A.Ş. They are proposing to upgrade an existing Oil Refinery in İzmir to improve resource efficiency. This Non-Technical Summary (NTS) provides a description of the planned upgrade and describes the potential benefits and impacts associated with their construction and operation. It also describes how these will be mitigated and managed through all phases of the project and provides a summary of the public consultation activities and the approach to future stakeholder engagement.

Contact details at Tüpraş for this project are:

Contact: Corporate Communication Manager - Seval Kızılcan

Address: Türkiye Petrol Rafinerileri A.Ş. Headquarters, 41790 Körfez Kocaeli, Turkey

Telephone: 0 262 316 30 00

Email: info@tupras.com.tr; kurumsal.iletisim@tupras.com.tr; seval.kizilcan@tupras.com.tr

Website: <http://www.tupras.com.tr/>

1.1 WHAT ARE THE OPERATIONS AT THE TUPRAS OIL REFINERY IN IZMIR?

Operating four oil refineries, with a total of 28.1 million tons annual crude oil processing capacity, Tüpraş is Turkey's largest industrial enterprise with roots dating back to İPRAŞ (İstanbul Petrol Rafinerisi A.Ş.) founded by the U.S. Caltex Company. In 1983, İPRAŞ and three other publicly owned refineries were brought under the Tüpraş umbrella by arrangements made for a more effective operation of State Economic Enterprises.

The İzmir Refinery started production in 1972 to meet Turkey's growing petroleum product demand with a 3 million ton/year crude oil processing capacity. It has since undergone important capacity augmentation and unit modernization to achieve a crude oil processing capacity of 11 million tons/year. The İzmir Refinery produces petroleum products; consisting of LPG, naphtha, gasoline, jet fuel, diesel, base oil, heating oil, fuel oil, bitumen, wax, extracts and other products. It has a 400 thousand ton/year capacity base oil production unit, the only one of its kind in Turkey. In 2015, İzmir Refinery achieved a sales volume of 10.4 million tons, 6.8 million tons of which were sold domestically.

The plant upgrades are all confined to the boundaries of the refinery and impacts will be addressed through appropriate mitigation measures. They are part of an overall programme of resource efficiency which should result in reduced emissions and an overall environmental improvement.

2

WHAT ARE THE KEY SURROUNDING SITE CONDITIONS OF THE IZMIR REFINERY?

2.1 LOCATION OF THE FACILITY AND SITE OVERVIEW



Figure 1 Site Location

The site is located near Aliğa on the Aegean coast, 60 km north of İzmir. It is bordered by Aliğa Port to the East and Aygaz Cd. Road to the West, which is also the main approach road to the secure refinery entrance. To the North of the site there is a wide expanse of unused land (circa 600m) before reaching the ports along the coast line.

The Refinery has a guest hotel within its grounds with a number of guest lodges. Beyond this, the nearest town is Aliğa, which borders the grounds associated with the guest lodges but is over 1km from the main Refinery operations.

Petkim, a large petrochemical plant is located on the other side of Aygaz Cd. and is by far the largest adjacent industrial feature and other light industrial and commercial properties are located along Aygaz Cd.

The “project” will not require any land acquisition as all proposed works are located within the refineries existing site boundary. Figure 2 below shows a plan of the site and location of the new developments and upgrades.



Figure 3 Water Treatment Plant (under construction)

FLUID CATALYTIC CRACKING (FCC) UNIT

Fluid catalytic cracking (FCC) is one of the most important conversion processes used in petroleum refineries. It is used to convert the high-boiling, high-molecular weight hydrocarbon fractions of petroleum crude oils to more valuable gasoline and LPG. At the Izmir Refinery, the existing FCC unit is being upgraded. The aim of FCC refurbishment project is to replace the existing reactor with a new design for yield increase, add particle filtration and Shell & Tube Exchanger to the regenerator flue gas for heat recovery and emissions control and obtain heat recovery in the main column and gas concentration sections for steam production and product quality improvement.

As part of the upgrade, air emissions will be controlled through the use of new 'back flow flue gas' filter units with reverse jet cleaning systems. The use of these filters is considered best practice and in line with EU standards.

CRUDE DISTILLATION UNIT (CDU) AND ENERGY RECOVERY PROJECT

The aim of the project is to optimize the heat integration of the existing unit in order to reduce as much as possible fuel requirements and increase furnaces efficiencies to levels of over 90%. This will lead to carbon dioxide savings of about 69,000 tons/year, an improvement of the Energy Intensity Index by 4.47 and additional improvements in emissions (Nitrogen dioxide, sulphur dioxide etc.). The project is in the final stages of commissioning and should be fully on stream by the second quarter of 2017.

3 WHAT ARE THE ENVIRONMENTAL, HEALTH, SAFETY AND SOCIAL ASPECTS OF THE PROJECT?

3.1 OVERVIEW OF EHSS REVIEW

In May 2016 an Environmental and Social Due Diligence audit was undertaken at the Izmir Refinery with particular focus on the company's resource efficiency upgrade plans. An evaluation of both the impacts and benefits of the upgrades has been undertaken. Where the audit has identified the need for further mitigation measures to address impacts or improvements in corporate EHSS performance, an action has been proposed and incorporated into an Environmental and Social Action Plan (ESAP). This ESAP ensures full compliance with relevant corporate, national, EU standards and EBRD Performance Requirements.

3.2 WHAT IS THE PERMITTING STATUS OF THE PROJECT

The Ministry was requested for an opinion on whether a full formal Environmental Impact Assessment (EIA) was required (a 'screening opinion'). For the water treatment plant, the Ministry concluded that "the development is out of scope of the Environmental Impact Assessment (EIA) regulations, as the development will not result in any negative impact". Further, it was concluded by the Regulator that no change to the permit will be required.

The plant has received the 'construction permit' which grants planning permission for the construction of the facility.

A screening opinion from the Ministry of Environment has been received for the crude distillation unit project, concluding that "the development is out of scope of the Environmental Impact Assessment (EIA) regulations".

A request for a screening opinion has been submitted to the Ministry of Environment to determine whether an EIA will be required for the proposed FCC upgrade. Due to the overall effect of the process change being a positive one Ministry of Environment gave the letter that "the development is out of scope of the Environmental Impact Assessment (EIA) regulations". Application for a construction permit has not yet commenced.

The following table summarises the main potential positive and negative impacts related to the project, as well as a summary of the key mitigation measures to ensure that no significant impacts will be realised:

POTENTIAL IMPACT	KEY MITIGATION MEASURES
Fire from crude oil / chemical storage	All staff are trained at a dedicated fire training school and protection, control (i.e. strict control on ignition sources), detection and mitigation measures (i.e. firefighting equipment) are employed to reduce the risk of fire.
Chemical spillage and pollution of seawater during offloading / loading activities	Appropriate spill response arrangements are in place in accordance with the International Convention for the Prevention of Pollution from Ships.
Dust emissions from the operation of the FCC	In line with international standards, the catalyst used (a substance that increases the rate of a chemical reaction) is able to resist abrasion and fragmentation and therefore reduce dust emissions. In addition, a

	back flow flue gas filter will be used for effective dust abatement.
Emissions to air from the operation of the FCC	In line with international standards, a sulphur reducing agent is used which will minimise the amount of sulphur dioxide being emitted (a common air pollutant associated with industrial processes). The upgraded process will also move from partial to full oxidation achieving lower levels of carbon monoxide, while nitrogen oxide levels will be aligned to international best practice. The upgrade to the FCC plant will improve productivity through better material conversion rates as well improving energy efficiency and reducing air emission when compared to current FCC unit levels.
Occupational health and Safety of workforce (contractors) during construction process	Only approved contractors through Tüpraş Vendor Assurance Programme will be used. Method statements and risk assessments for the work to be undertaken are requested of the contractors and fully reviewed and agreed prior to selection.
Nuisance impact to surrounding community	The upgrades to the water treatment, FCC or CDU plants will not lead to any additional noise or air emissions. However, the site has a Stakeholder Engagement Plan which identifies relevant stakeholders and defines communication channels so that the surrounding community can be kept fully informed in the case of works that may affect them.

3.3 WHAT ARE THE KEY BENEFITS OF THE PROJECT?

The proposed plant upgrades are part of a resource efficiency programme across two of Tüpraş's oil refinery sites. At Izmir the following benefits will result:

The new water treatment plant will allow a substantial improvement in the water efficiency on site, the waste water recovery ratio will be 50-60%.

The CDU project aims to optimise the heat integration of the existing unit in order to reduce fuel requirements and increase furnaces efficiencies to levels of over 90%. This will lead to carbon dioxide savings of about 69,000 tons/year and additional improvements in air emissions (nitrogen dioxide, sulphur dioxide etc.).

The upgrade to the FCC plant will improve productivity through better material conversion rates as well improving energy efficiency and reducing air emission when compared to current FCC unit levels.

3.4 ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)

Following the audit, the ESAP was prepared to align operations at the Izmir Refinery with European equivalent standards, EBRD performance requirements and environmental and social policy. The proposed action areas will result in improved EHSS performance and risk management. A summary of the key themes that are incorporated into the ESAP from the findings of the audit are provided below.

Review Areas	Action Areas
Institutional EHS Capacity	<ul style="list-style-type: none"> The facility is certified to internationally recognised environmental and health and safety management systems and these will be extended to cover the operations

and Management Environmental Performance	<p>of the new projects and developed further to meet the requirements of new legislation around process safety (Seveso II).</p> <ul style="list-style-type: none"> ■ The following specific areas will be reviewed in line with a commitment for continual improvement in Environmental and Health and Safety matters: <ul style="list-style-type: none"> ● The upgraded FCC unit will already achieve much better levels of air emissions when compared to the current plant. However, a review of the project will be undertaken against the standards for an ‘existing plant with full combustion’ as provided in Reference Guidelines for Best Available Techniques (BREF) for Refineries, to assess where further improvements could be made. ● The new water treatment plant will improve water efficiency. However, a further review of the plant against Reference Guidelines for Best Available Techniques (BREF) for Refineries will be undertaken to assess where residual pollutant levels could be further improved, in terms of technical and environmental feasibility approach. ● A longer term review of the energy plant will also be undertaken to ensure continual improvement in environmental performance.
Health and Safety Performance	<ul style="list-style-type: none"> ■ Considerable importance is given to Health and safety management, performance and monitoring of accident statistics and near misses to prevent future incidents.
Social and Employment	<ul style="list-style-type: none"> ■ Develop and maintain a Stakeholder Engagement Plan (SEP) and make it available to the community. ■ Review key social policies to ensure they meet international standards.
Seveso III	<ul style="list-style-type: none"> ■ Continue a commitment to safeguarding the workforce and wider community from potential accidents on site. Process safety is already a key priority and this will be further enhanced by improvements to meet “Legislation on Prevention Of Major Industrial Accidents And Reduction Of Their Effects” (or BEKRA) which implements the Seveso II Directive. ■ Improvements include a strategy around communication and engagement with the wider community and information exchange with other nearby industrial sites

4 HOW WILL STAKEHOLDERS BE ENGAGED IN THE PROJECT?

4.1 OVERVIEW OF THE SEP

A Stakeholder Engagement Plan has been developed for Tüpraş's oil refinery in Izmir with the objective of identifying key stakeholders and ensuring that, where relevant, they are informed in a timely manner of the potential impacts of projects. The plan will also identify a formal grievance mechanism to be used by stakeholders for dealing with complaints, concerns queries etc. It will be reviewed and updated on a regular basis. If activities change or new activities relating to stakeholder engagement commence, the SEP will be brought up to date. The SEP will also be reviewed periodically during project implementation and updated as necessary.

The SEP includes the following:

- Project description, location of the site and key environmental and social issues;
- Public consultations and information disclosure requirements;
- Identification of stakeholders and other affected parties;
- Overview of previous Tüpraş stakeholder engagement activities;
- Stakeholder engagement programme and methods of engagement and resources; and a
- Grievance mechanism.

Stakeholders could be individuals and organisations that may be directly or indirectly affected by the project either in a positive or negative way, who wish to express their views. The definition applied to identify key stakeholders is:

'any stakeholders with significant influence on or significantly impacted by, the work and where these interests and influence must be recognised if the work is to be successful'.

Key stakeholders have been identified from the following categories: international; governmental (Republic of Turkey, relevant Ministries, Municipalities and other relevant local authorities); advisory non-government; services / suppliers; clients; institutions (universities, think tanks, etc.); the industrial sector (trade bodies, other refineries), internal stakeholders (employees); general communities (locally affected people); public groups (nearby hospital, local schools); and the media.

The SEP outlines the methods that Tüpraş will adopt to ensure effective stakeholder engagement is undertaken, providing details of the programme of future public consultation and information disclosure that will be recorded for major projects. Tüpraş will record the following information on an ongoing basis:

- Type of information disclosed, in what forms (e.g. oral, brochure, reports, posters, radio, etc.), and how it was released or distributed.
- The locations and dates of any meetings undertaken to date.
- Individuals, groups, and / or organisations that have been consulted.
- Key issues discussed and key concerns raised.
- Company response to issues raised, including any commitments or follow-up actions.
- Process undertaken for documenting these activities and reporting back to stakeholders.

If there are questions, queries, complaints or grievances regarding future projects, a grievance mechanism has been developed to address these issues and a grievance form will be used to record this information. The grievance form and the outline on how to use the grievance form is provide below.

4.2 WHAT WILL BE THE PROCEDURE FOR GRIEVANCES?

A grievance mechanism will be adopted in which the grievance form presented below will be used as required to handle grievances from non-employees. The mechanism will be as follows:

- Grievance received
- Grievance recorded in a register
- For an immediate action to satisfy the complaint, the complainant will be informed of receiving the grievance
- Implement corrective action, record the date and close case
- For a long corrective action, the complainant will be informed of proposed action
- Implement corrective action, record the date and close case
- The complainant will be informed of corrective action

A grievance should be recorded by the complainant using the grievance form below, ensuring that contact details are provided with the preferred method and language of communication. A clear description should be provided of the incident or grievance. Tüpraş will respond to grievances within one month of receiving the form.

Public Grievance Form

Reference No:	
Full Name	
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide mailing address: _____ _____ _____ <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail _____
Preferred Language for communication	<input type="checkbox"/> Turkish <input type="checkbox"/> English <input type="checkbox"/> Arabic <input type="checkbox"/> Other - specify
Description of Incident or Grievance:	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of Incident/Grievance	
	<input type="checkbox"/> One time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	

Signature: _____
Date: _____

Please return this form to:

Contact: Corporate Communication Manager - Seval Kızılcan
 Address: Türkiye Petrol Rafinerileri A.Ş. Headquarters, 41790 Körfez Kocaeli, Turkey
 Telephone: 0 262 316 30 00
 Email: info@tupras.com.tr

5

GLOSSARY

BAT	Best Available Technique
CAPEX	Capital Expenditure
ESAP	Environmental and Social Action Plan
EBRD	European Bank for Reconstruction and Development
ESDD	Environmental and Social Due Diligence
EHSS	Environmental, Health and Safety and Social
EU	European Union
EIA	Environmental Impact Assessment
EHS	Environmental Health and Safety
GHG	Greenhouse Gas
Ha	Hectares
NTS	Non-Technical Summary
PPE	Personal Protective Equipment
T	Tonnes
t CO ₂ -e/yr	Tonnes of carbon dioxide equivalent per year

EBRD INVESTMENT IN THE TÜPRAŞ KIRIKKALE REFINERY

NON-TECHNICAL ENVIRONMENT AND
SOCIAL SUMMARY

EBRD INVESTMENT IN THE TÜPRAŞ KIRIKKALE REFINERY

KIRIKKALE NTS NON-TECHNICAL SUMMARY

[EBRD]

Date: August 2016

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WSP | Parsons Brinckerhoff
The Victoria
150-182 The Quays
Salford
M50 3SP

Tel: +44 (0) 161 886 2400
Fax: +44 (0) 161 886 2401
www.wsp-pb.com

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1

THE PROJECT

Türkiye Petrol Rafinerileri A.Ş. (Tüpraş) is Turkey's largest listed energy company and a subsidiary of Koç Holding A.Ş. They are proposing to upgrade an existing Oil Refinery in Kırıkkale to install and improve performance of the power plant at the site along with upgrading the hydrocracker process to increase the throughput. This Non-Technical Summary (NTS) provides a description of the planned upgrade and describes the potential benefits and impacts associated with their construction and operation. It also describes how these will be mitigated and managed through all phases of the project and provides a summary of the public consultation activities and the approach to future stakeholder engagement.

Contact details at Tüpraş for this project are:

Contact: Corporate Communication Manager - Seval Kızılcın

Address: Türkiye Petrol Rafinerileri A.Ş. Headquarters, 41790 Körfez Kocaeli, Turkey

Telephone: 0 262 316 30 00

Email: info@tupras.com.tr

Website: <http://www.tupras.com.tr/>

1.1

WHAT ARE THE OPERATIONS AT THE TÜPRAŞ OIL REFINERY IN KIRIKKALE?

Operating four oil refineries, with a total of 28.1 million tons annual crude oil processing capacity, Tüpraş is Turkey's largest industrial enterprise with roots dating back to İPRAŞ (İstanbul Petrol Rafinerisi A.Ş.) founded by the U.S. Caltex Company. In 1983, İPRAŞ and three other publicly owned refineries were brought under the Tüpraş umbrella by arrangements made for a more effective operation of State Economic Enterprises.

The Kırıkkale Refinery is the newest refinery and the third largest in Turkey. Operations began in 1986 with an annual crude oil processing capacity of approximately 5.0 million/t. The Refinery is a medium-sized refinery by Mediterranean standards.

The Refinery principally serves the regional markets of Central and Eastern Anatolia. In 2015, the Refinery processed approximately 5.0 Mt of crude oil, producing approximately 3.05 Mt of products, primarily LPG, propane, butane, gasoline, jet fuel, gas oil, fuel oil and asphalt.

The plant upgrades are all confined to within the boundaries of the refinery and impacts will be addressed through appropriate mitigation measures. They are part of an overall programme to improve the power plant efficiency and performance which should have the benefits of greater resource efficiency

2

WHAT ARE THE KEY SURROUNDING SITE CONDITIONS OF THE KIRIKKALE REFINERY?

2.1 LOCATION OF THE FACILITY AND SITE OVERVIEW

The Site is located inland in Kırıkkale province, approximately 80 km south-east of Ankara and approximately 15 km to the south of the city of Kırıkkale. The total area of the property is about 8,137,025 m² (approximately 815 hectares). The Refinery occupies 2,134,000 m² of land and the rest is designated as green areas. The Refinery is located on a flat land and the site gently slopes down to the Kızılırmak River from west to east.

The areas surrounding the Refinery are still used for agriculture. However, the area was designated as an industrial zone by the local municipality after the construction of the Refinery. To the east and northeast are several private storage and distribution companies and the Refinery has dedicated pipelines to two of these distribution companies. A railway spur was also constructed in the Refinery, for the transportation of products. Most recently, a thermal power plant was built approximately 1 km to the north of the site. The Refinery provides fuel oil to this power plant via a dedicated fuel oil pipeline.

The “project” will not require any land acquisition as all proposed works are located within the refineries existing site boundary. Figure 1 below shows the site and location of the new developments and upgrades.

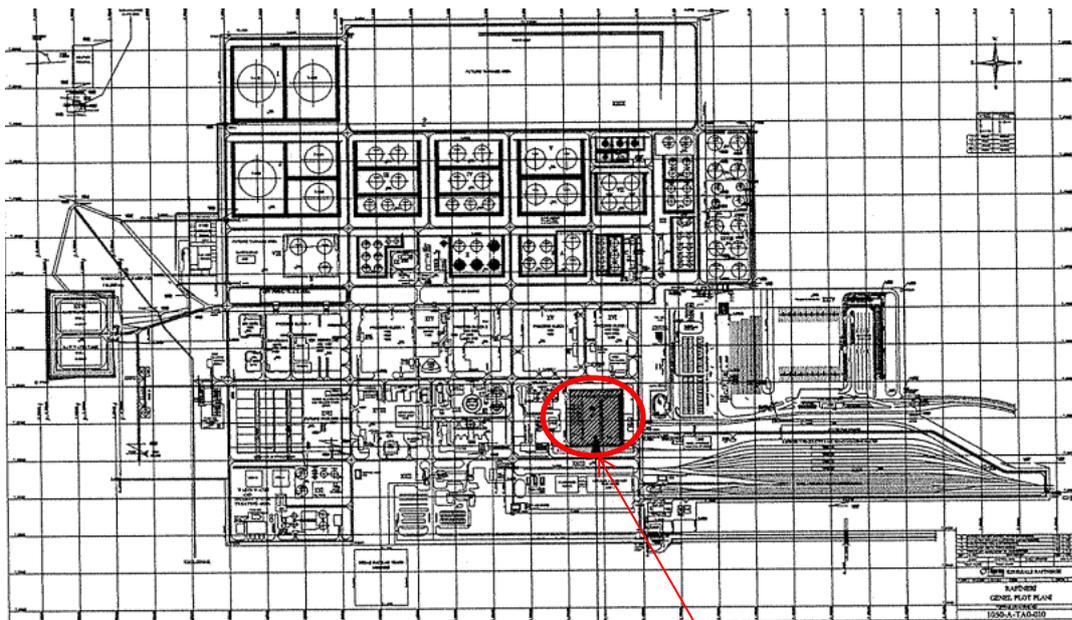


Figure 1 Site and Location of Projects

Thermal Power Plant

2.2 WHAT WILL THE PROPOSED INVESTMENT COVER?

The European Bank for Reconstruction and Development (the “EBRD”) is considering providing finance to Türkiye Petrol Rafinerileri A.Ş. (“Tüpraş”) to support a resources efficiency programme at two of its refineries, including the Kırıkkale Refinery. The programme in Kırıkkale is to be implemented during the period 2016-2019 and includes:

- Upgrade to the Hydrocracking process which is a chemical process used in refineries to convert crude oil into petroleum components like diesel and naphtha products; and
- Changes to the current configuration, as well as general changes to improve the energy efficiency of the site’s thermal power plant.

HYDROCRACKING PROCESS

The upgrade to the hydrocracking process will be to increase the capacity from 2,500m³/day to 3,000m³/day. This will require an additional, compressor, air coolers, additional makeup water, drums heat exchangers and pumps. UOP, the licensor of the unit is undertaking the basic engineering design currently. Work on the upgrade will take place from November 2017 until end of 2019

NEWTHERMAL POWER PLANT

The aim of the project is to construct a new thermal power plant composed of one Gas Turbine, one HRSG, one Conventional Boiler, one backpressure Steam Turbine and one condensing type steam turbine (cold spare) and with necessary auxiliary systems such as boiler feed water preparation and pumping stations.

With the help of the new thermal power plant, the inefficiencies and reliability problems associated with the current system will be eliminated. The overall efficiency will be improved considerably with the elimination of condensing turbines and conventional boilers.

3

WHAT ARE THE ENVIRONMENTAL, HEALTH, SAFETY AND SOCIAL ASPECTS OF THE PROJECT?

3.1 OVERVIEW OF EHSS REVIEW OF THE PROJECT

In May 2016 an Environmental and Social Due Diligence audit was undertaken at the Kirikkale Refinery with particular focus on the company's upgrade plans. An evaluation of both the impacts and benefits of the upgrades has been undertaken. Where the audit has identified the need for further mitigation measures to address impacts or improvements in corporate EHSS performance, an action has been proposed and incorporated into an Environmental and Social Action Plan (ESAP). This ESAP ensures full compliance with relevant corporate, national, EU standards and EBRD Performance Requirements.

3.2 WHAT IS THE PERMITTING STATUS OF THE PROJECT

The Kirikkale refinery developed a project presentation file for the new thermal power plant project and submitted it to the Ministry of Environment. The Ministry was requested for an opinion on whether a full formal Environmental Impact Assessment (EIA) was required (a 'screening opinion'). The response in relation to the new thermal power plant project confirmed that no full formal EIA was required as this was a development within the current boundary of operations of the plant.

The proposed hydrocracking upgrade process is in the initial stages of design and so a request for this 'screening opinion' has not been submitted as yet. A request will be made to Ministry of Environment and disclosure of further studies will be undertaken if required by the Ministry.

The following table summarises the main potential positive and negative impacts related to the project, as well as a summary of the key mitigation measures to ensure that no significant impacts will be realised:

POTENTIAL IMPACT	KEY MITIGATION MEASURES
Fire from crude oil / chemical storage	All staff are trained at a dedicated fire training school and protection, control (i.e. strict control on ignition sources), detection and mitigation measures (i.e. firefighting equipment) are employed to reduce the risk of fire.
Air impact from the new thermal power plant	The new boilers will be fitted with special burners ('low NOx burners') that are designed to ensure that substantially reduced levels of nitrogen dioxide (a common air pollutant associated with industrial processes and transport etc.) are achieved. The facility will also employ a technique which recirculates its flue gas (Flue Gas Recirculation) which results in further treatment of the gas stream and reduces the overall amount of nitrogen dioxide emitted. The improvements in the power plant configuration will also improve energy efficiency, which in turn will reduce carbon

	<p>dioxide emissions from this specific source on site.</p> <p>As the new emission regulations require the use of low sulphur content fuel oil, there will be a significant reduction in sulphur emissions to atmosphere. Fuel oil, having 2% sulphur and high nitrogen content, will no longer be in the fuel pool, unconverted oil (negligible sulphur content) will be used as the secondary fuel.</p>
Occupational Health and Safety of workforce (contractors) during construction process	<p>Only approved contractors through Tüpraş's Vendor Assurance Programme will be used. Method statements and risk assessments for the work to be undertaken are requested of the contractors and fully reviewed and agreed prior to selection.</p>
Potential for any Nuisance impacts to surrounding community	<p>The site is located 1.1km from the nearest town of Hacilar and plant mitigation measures will protect against noise and air emission impacts from the site. However, the site has a Stakeholder Engagement Plan which identifies relevant stakeholders and defines communication channels so that the surrounding community can be kept fully informed in the case of works that may affect them.</p>

3.3 WHAT ARE THE KEY BENEFITS OF THE PROJECT?

The proposed plant upgrades are part of a resource efficiency programme across two of Tüpraş's oil refinery sites.

At Kırıkkale refinery the new thermal power plant will provide the same quantity of electricity as well as high pressure, intermediate pressure and low pressure steam for a significantly smaller power plant configuration. This will have the benefit of reducing emissions to air in the locality which would improve ambient air quality as well as reducing the carbon footprint of the facility and saving natural gas from the reduced size of the power plant.

The hydrocracking process will provide a capacity increase which will ensure higher production of finished products.

3.4 ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)

Following the audit, an ESAP was prepared to ensure that the project implements best proactive standards and ensures that the general operations across the Kırıkkale Refinery are in line with European Union equivalent standards, EBRD Environment and Social 'Performance Requirements' and their environmental and social policy. The proposed action areas will result in improved EHSS performance and risk management. A summary of the key themes that are incorporated into the ESAP from the findings of the audit are provided below.

Review Areas	Action Areas
Institutional EHS Capacity and Management	<ul style="list-style-type: none"> The facility is certified to internationally recognised environmental and health and safety management systems and these will be extended to cover the operations of the new projects and developed further to meet the requirements of new legislation around process safety (Seveso II).

Environmental Performance	<ul style="list-style-type: none"> ■ All relevant environmental permits and licences are in place ■ The use of water from the Kızılırmak River will be reviewed in line with a commitment for continual improvement in Environmental and Health and Safety matters.
Health and Safety Performance	<ul style="list-style-type: none"> ■ Considerable importance is given to Health and safety management, performance and monitoring of accident statistics and near misses to prevent future incidents.
Social and Employment	<ul style="list-style-type: none"> ■ Develop and maintain a Stakeholder Engagement Plan (SEP) and make it available to the community. ■ Review key social policies to ensure they meet international standards.
Seveso II	<ul style="list-style-type: none"> ■ Continue a commitment to safeguarding the workforce and wider community from potential accidents on site. Process safety is already a key priority and this will be further enhanced by improvements to meet “Legislation on Prevention Of Major Industrial Accidents And Reduction Of Their Effects” or BEKRA which implements the Seveso II Directive. ■ Improvements include a strategy around communication and engagement with the wider community and information exchange other nearby industrial sites
Process Safety	<ul style="list-style-type: none"> ■ Designate a dedicated project manager to the Hydrocracker upgrade project to provide oversight of all environmental, social and health and safety matters.

4

HOW WILL STAKEHOLDERS BE ENGAGED IN THE PROJECT?

4.1 OVERVIEW OF THE SEP

A Stakeholder Engagement Plan has been developed for Tüpraş's oil refinery in Kırıkkale with the objective of identifying key stakeholders and ensuring that, where relevant, they are informed in a timely manner of the potential impacts of projects. The plan will also identify a formal grievance mechanism to be used by stakeholders for dealing with complaints, concerns queries etc. It will be reviewed and updated on a regular basis. If activities change or new activities relating to stakeholder engagement commence, the SEP will be brought up to date. The SEP will also be reviewed periodically during project implementation and updated as necessary.

The SEP includes the following:

- Project description, location of the site and key environmental and social issues;
- Public consultations and information disclosure requirements;
- Identification of stakeholders and other affected parties;
- Overview of previous Tüpraş stakeholder engagement activities;
- Stakeholder engagement programme and methods of engagement and resources; and a
- Grievance mechanism.

Stakeholders could be individuals and organisations that may be directly or indirectly affected by the project either in a positive or negative way, who wish to express their views. The definition applied to identify key stakeholders is:

'any stakeholders with significant influence on or significantly impacted by, the work and where these interests and influence must be recognised if the work is to be successful'.

Key stakeholders have been identified from the following categories: international; governmental (Republic of Turkey, relevant Ministries, Municipalities and other relevant local authorities); advisory non-government; services / suppliers; clients; institutions (universities, think tanks, etc.); the industrial sector (trade bodies, other refineries), internal stakeholders (employees); general communities (locally affected people); public groups (nearby hospital, local schools); and the media.

The SEP outlines the methods that Tüpraş will adopt to ensure effective stakeholder engagement is undertaken, providing details of the programme of future public consultation and information disclosure that will be recorded for major projects. Tüpraş will record the following information on an ongoing basis:

Type of information disclosed, in what forms (e.g. oral, brochure, reports, posters, radio, etc.), and how it was released or distributed.

- The locations and dates of any meetings undertaken to date.
- Individuals, groups, and / or organisations that have been consulted.
- Key issues discussed and key concerns raised.
- Company response to issues raised, including any commitments or follow-up actions.
- Process undertaken for documenting these activities and reporting back to stakeholders.

If there are questions, queries, complaints or grievances regarding future projects, a grievance mechanism has been developed to address these issues and a grievance form will be used to record this information. The grievance form and the outline on how to use the grievance form is provide below.

4.2 WHAT WILL BE THE PROCEDURE FOR GRIEVANCES?

A grievance mechanism will be adopted in which the grievance form presented below will be used as required to handle grievances from non-employees. The mechanism will be as follows:

- Grievance received
- Grievance recorded in a register
- For an immediate action to satisfy the complaint, the complainant will be informed of corrective action
- Implement corrective action, record the date and close case
- For a long corrective action, the complainant will be informed of proposed action
- Implement corrective action, record the date and close case

A grievance should be recorded by the complainant using the grievance form below, ensuring that contact details are provided with the preferred method and language of communication. A clear description should be provided of the incident or grievance. Tüpraş will respond to grievances within one month of receiving the form.

Public Grievance Form

Reference No:	
Full Name	
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide mailing address: _____ _____ _____ <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail _____
Preferred Language for communication	<input type="checkbox"/> English <input type="checkbox"/> Turkish <input type="checkbox"/> Arabic <input type="checkbox"/> Other - specify
Description of Incident or Grievance: What happened? Where did it happen? Who did it happen to? What is the result of the problem?	
Date of Incident/Grievance	
	<input type="checkbox"/> One time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	

Signature: _____
Date: _____

Please return this form to:

Contact: Corporate Communication Manager - Seval Kızılcan
Adress: Türkiye Petrol Rafinerileri A.Ş. Headquarters, 41790 Körfez Kocaeli, Turkey
Telephone: 0 262 316 30 00
Email: info@tupras.com.tr

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GLOSSARY

BAT	Best Available Technique
CAPEX	Capital Expenditure
ESAP	Environmental and Social Action Plan
EBRD	European Bank for Reconstruction and Development
ESDD	Environmental and Social Due Diligence
EHSS	Environmental, Health and Safety and Social
EU	European Union
EIA	Environmental Impact Assessment
EHS	Environmental Health and Safety
GHG	Greenhouse Gas
Ha	Hectares
NTS	Non-Technical Summary
PPE	Personal Protective Equipment
T	Tonnes
t CO ₂ -e/yr	Tonnes of carbon dioxide equivalent per year