



Meltem Enerji Elektrik Üretim A.Ş.

MELTEM ENERGY ELECTRICITY PRODUCTION INC.

**EGE Wind Power Plant 6 MWe Capacity Increase
Project**

**Internal and External Grievance Mechanism
Procedure**

(EGE-PRC-SOC-GMP-001)

February 2024



**PROJE MÜŞAVİRLİK MÜHENDİSLİK
TİCARET LTD. ŞTİ.**

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List of Abbreviations

DCC	Document Control Center
EIA	Environmental Impact Assessment
ESAP	Environmental and Social Action Plan
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standard
ETL	Energy Transmission Line
GDZ EDAŞ	GDZ EDAŞ Gediz Elektrik Dağıtım A.Ş. / Gediz Electricity Distribution Inc.
GMP	Grievance Mechanism Procedure
GN	Guidance Note
HS	Health and Safety
IFC	International Finance Corporation
ISO	International Standards Organization
KPI	Key Performance Indicators
MGS	MGS Project Consultancy Engineering Trade Limited Co. / MGS Proje Müşavirlik Mühendislik Ticaret Ltd. Şti.
MV	Medium Voltage
MWe	Megawatt Electrical
MWm	Megawatt Mechanical
NGO	Non-Governmental Organization
OHS	Occupational Health and Safety
Project Company	Meltem Energy Electricity Production Inc.
PAP	Project Affected People
PS	Performance Standard
SEP	Stakeholder Engagement Plan
SRS	Social Responsibility Staff
TEDAŞ	Türkiye Elektrik Dağıtım Anonim Şirketi / Turkish Electricity Distribution Corporation
TKYB	Türkiye Kalkınma ve Yatırım Bankası A.Ş./ Development and Investment Bank of Türkiye
The Project	EGE Wind Power Plant 6 MWe Capacity Increase Project
WPP	Wind Power Plant

1 INTRODUCTION

This Grievance Mechanism Procedure (“GMP”) (Internal and External) is prepared within the scope of “EGE Wind Power Plant 6 MWe Capacity Increase Project” to fulfill the required studies to evaluate the Environmental and Social Impacts of the Project according to the National Environmental Legislation, TKYB Environmental and Social Policy, International Finance Corporation (“IFC”) Performance Standards (PSs).

1.1 Background

Meltem Energy Electricity Production Inc. was established as an Incorporated Company on 24/09/2007. It operates with Istanbul Chamber of Commerce. The company is included in the Electric Energy Generation "Nace Code" Sector in the Energy Profession Group Main Category. Meltem Energy Electricity Production Inc. is the owner of Ege Wind Power Plant (“WPP”) located in Kemalpaşa District in İzmir Province and Şehzadeler District in Manisa Province, which has a Production License dated 20/12/2011 and numbered EÜ/3553-12/2178. The location of the plant area given below in Figure 1.1

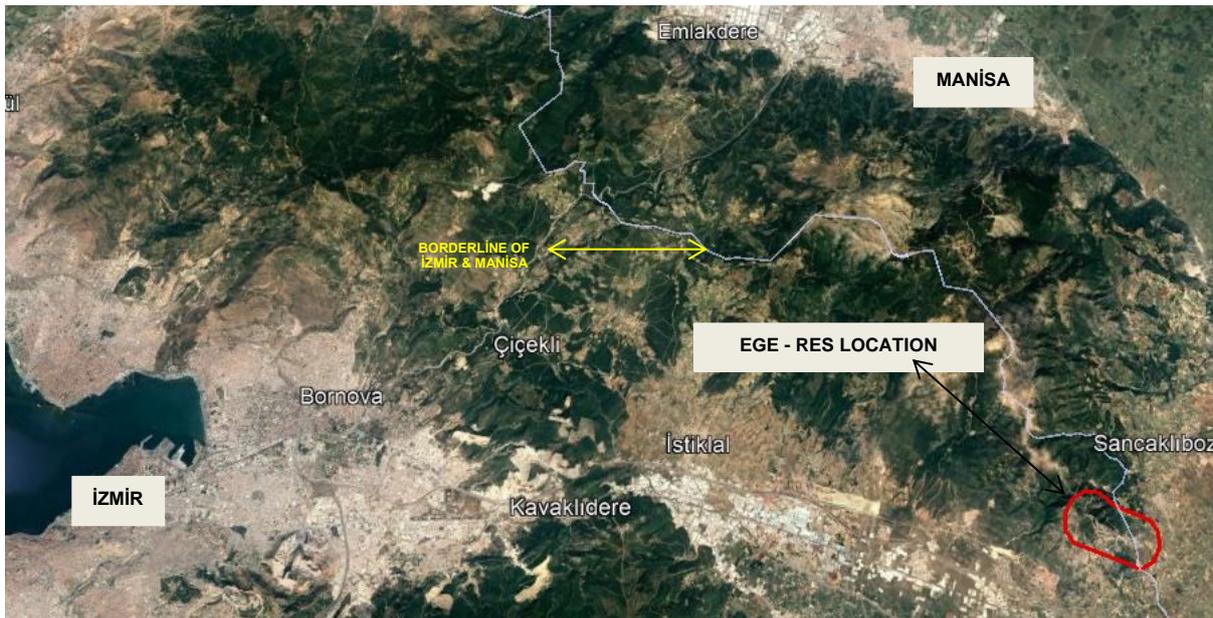


Figure 1.1 Location of the Project

EGE WPP is the first investment of Meltem Energy in the sector which is started 2015 with the use of 4 Enercon brand (T1, T2, T3, and T4) E70 model turbines with a power of 8 MWm / 7 MWe. Ege WPP project increased its installed capacity to 9.2 MWm / 7 MWe with a mechanical upgrade in 2021. In 2023, 2 additional Enercon Brand E-82 model turbines (T5 & T6) were additionally installed to reach 15.2 MWm/ 13 MWe installed capacity within scope of the

project. Construction of 2 turbines has been completed and acceptance of the Ministry of Energy and Natural Resources was made 06/01/2024.

EGE Wind Power Plant 6 MWe Capacity Increase Project is planned to be installed in existing Kemalpaşa District in İzmir Province and Şehzadeler District in Manisa Province on a total area of 55,834,02 square meters. "Occupancy Permit" application will be applied for the project and then "Business License" will be received.

Within the scope of the EGE WPP project licensed for production numbered EÜ/3553-12/2178 and included (4 units which are T1, T2, T3, and T4) turbine, switchyard, energy transmission line ("ETL") and access road (Sum of turbines, switchyard & access road is 83,107.00 m²), access road (55,834.02 m²) in the area which regarded as forest, the Ministry of Agriculture and Forestry has provided certain permission until 20.12.2060 with the approval of the office dated 14.04.2014 and numbered 68.

Moreover, within the scope of the permit report dated 02.06.2023 issued to Izmir Forestry Regional Directorate for the scope of the project, 14,987.85 square meters (which are T5, T6) of turbines, 1,762.06 square meters of switchyard, 8,205.72 square meters of power transmission line and 30,878.39 square meters of access road, in a total area of 55,834.02 square meters of forest has provided additional certain permission for having the value of paid was granted in to Meltem Energy Electricity Production Inc. until 20.12.2060.

The locations of the Turbines in operation are given below in Figure 1.2.

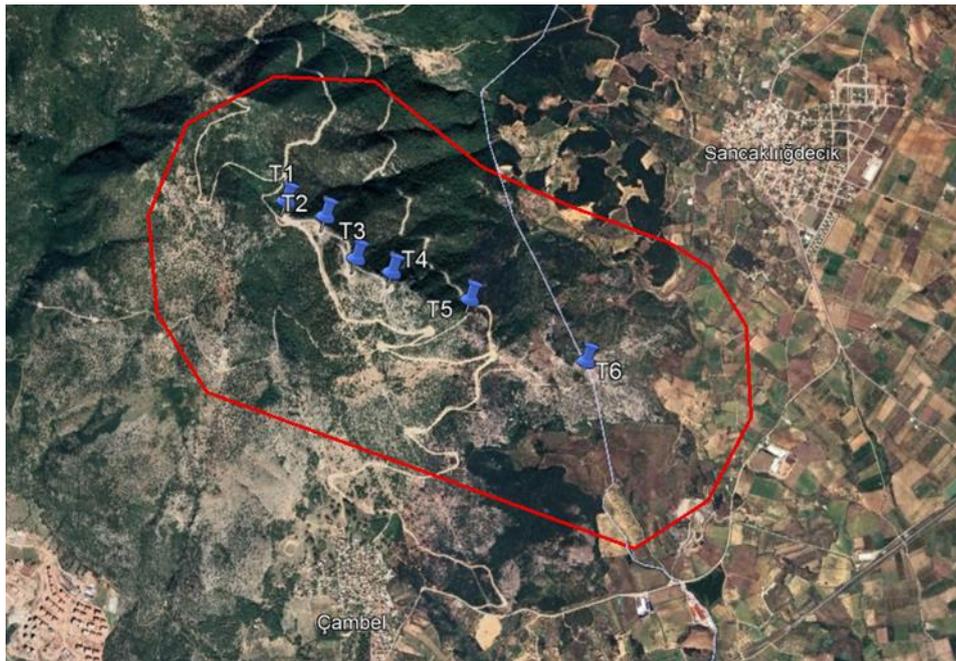
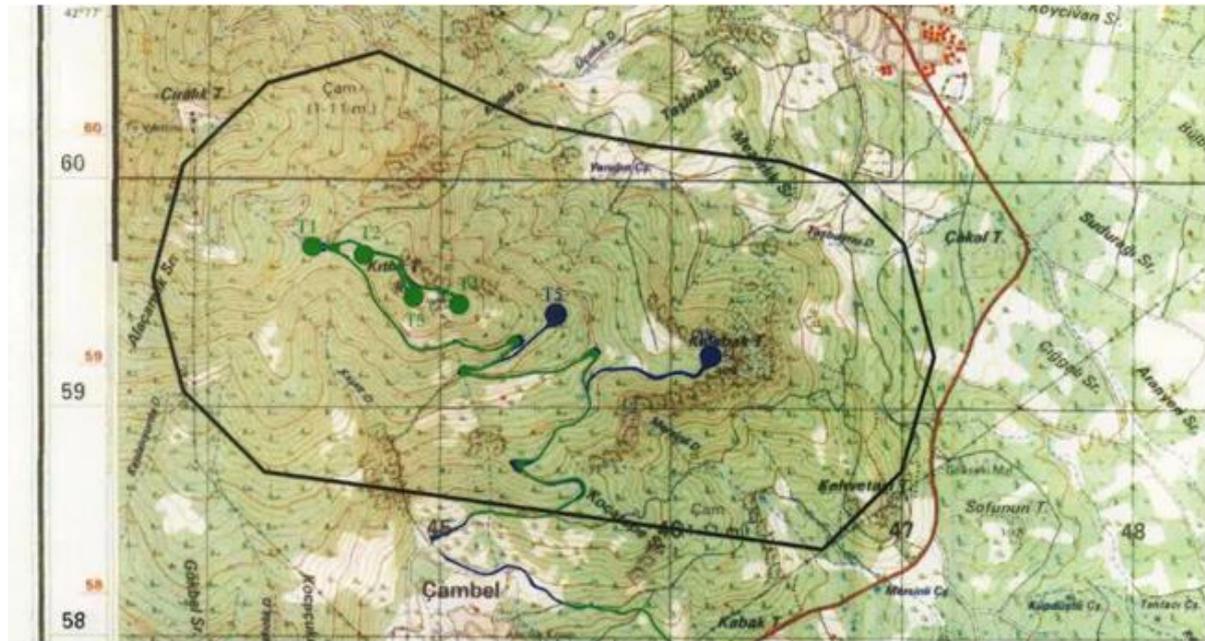


Figure 1.2 Locations of the Turbines

For the mentioned 6 turbines, the connection point to the system is Kemalpaşa Substation and the voltage levels are determined as Medium Voltage (MV).

The completion period of the plan for the 6 MW power for T5 and T6 turbines has been determined as 22 months starting from 10.04.2023. Based on this, the estimated average annual production amount will be 48,000,000,000 kWh/year.

The pathways of the turbine points and their permit status are shown in the Figure 1.3 Site Plan.



GÖSTERİM:



(Available) Forest Final Permits



(Ongoing Phase) 2 Turbines and Road Forest Final Permits



Plant Site

NELTEM ENERJİ ELEKTRİK ÜRETİM A.Ş.
Gürsel Mah. 20. Yıl Sanayi Bölgesi ÇAMBUK
E-Box No: 20. Yıl Sanayi Bölgesi 1345
Ticaret Sicil No: 1539820

(Available) Turbine Points

Point No	Y	X
T1	544447.00	4259707.00
T2	544668.00	4259672.00
T3	544003.00	4259487.00
T4	545000.00	4259457.00

(Ongoing Phase) Turbine Locations

Point No	Y	X
T5	545501.00	4259416.00
T6	546173.00	4259235.00

Figure 1.3 Site Plan

Gediz Electricity Distribution Inc. ("GDZ EDAŞ") operates the Distribution Level Connected Lines with the temporary acceptance made on October 14, 2015. Expropriation studies were carried out for the 1st Stage of EGE WPP which was performed by GDZ EDAŞ / TEDAŞ. There has been no expropriation of the Energy Transmission Line within the scope of the capacity increase (for T5 and T6), which is the 2nd Stage of Ege WPP.

Distribution license number ED/874-33/693 has been granted to GDZ Electricity Distribution Inc. in accordance with the Electricity Market Law No. 4628 and related legislation to carry out electricity distribution activities in İzmir and Manisa Provinces for 30 years starting from 01/09/2006 with the decision of the Energy Market Regulatory Authority dated 24/08/2006 and numbered 874-33.

With the decision of the Energy Market Regulatory Regulation Board dated 10/03/2016 and numbered 619-12, it was decided to apply Article 30 of the Expropriation Law No. 2942 to GDZ Electricity Distribution Inc. to regarding the immovables owned by the General Directorate for State Hydraulic Works, General Directorate for Roadways and Kemalpaşa Municipality legal entities, which are necessary for the "Ege WPP - Kemalpaşa - Armutlu Distribution Center Energy Transmission Line" established in İzmir Province.

Moreover, it has been decided that there is public benefit in the expropriation of the immovable properties specified in accordance with Article 19 of the Electricity Market Law No. 6446 With the decision of the Energy Market Regulatory Regulation Board dated 24/08/2006 and numbered 874-33 for the "Ege WPP - Kemalpaşa - Armutlu Distribution Center Energy Transmission Line" established in İzmir Province.

Establishment of right of easement was approved for immovables under the ownership of the Ministry of Treasury and Finance and immovable properties under the rule and savings of the State by the decision of the Energy Market Board dated 10/03/2016 and numbered 6149-11 within the scope of Ege WPP - Kemalpaşa - Armutlu Distribution Center Energy Transmission Line establishment by GDZ Electricity Distribution Inc. in Kemalpaşa District of İzmir Province.

One of the future plans for the EGE Wind Power Plant is the addition of 11 units of turbines (from T7 to T17) into operation. The point location of these turbines determined, but it is still in the EIA process. In addition, 24 MWm/ 26.2 MWe storage capacity increase will be planned after 2025 and a License Modification application has been made. As a result, 20 MW, 20 MWh was received.

The planned future field of the EGE WPP project is given in the figure below.

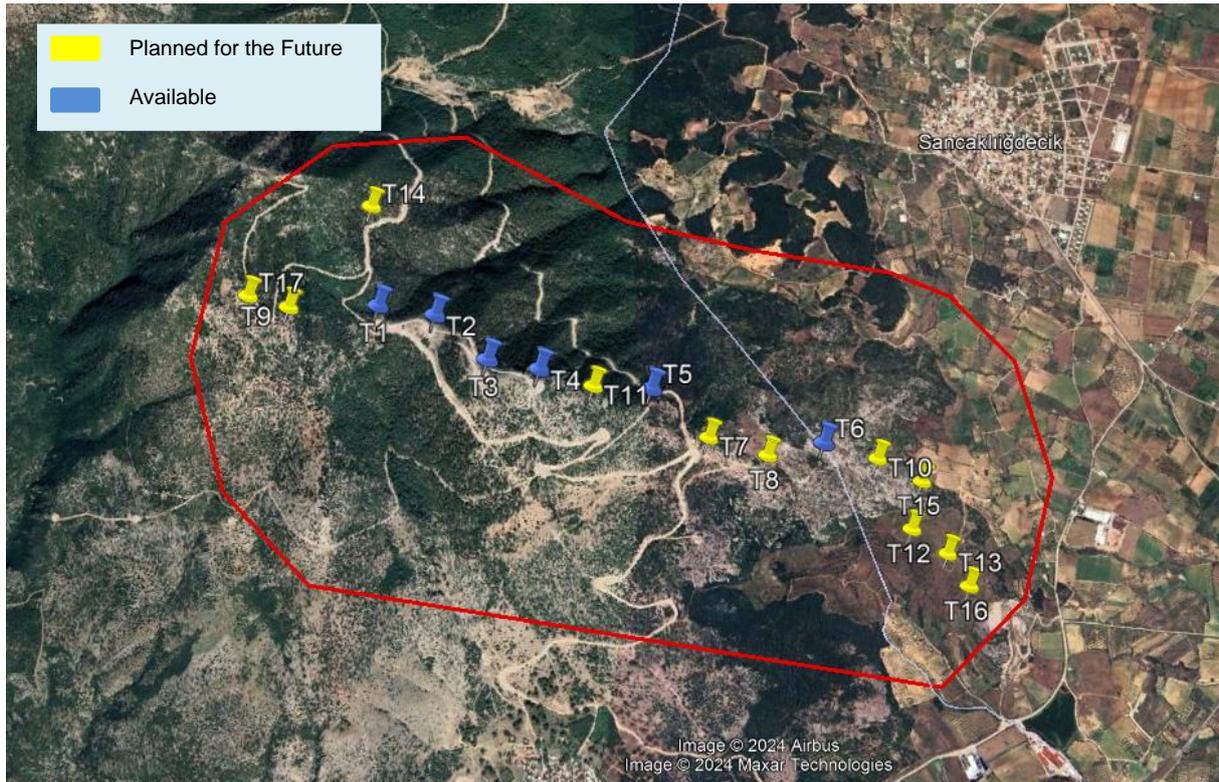


Figure 1.4 Layout Planned for the Future

Historical order of EGE Wind Power Plant project details:

➤ EGE-1: 9.2 MWm / 7MWe

- In 2015, 4x 2 MWm / 1.75 MW = 8 MWm / 7 MWe was commissioned with 4 E70s.
- In 2021, with a capacity increase of 1.2 MWm, the current operating power became 9.2 MWm / 7 MWe.

➤ EGE-2: 6 MWm / 6MWe

- Total Capacity: 15.2 MWm / 13 MWe.
- In 2023, it is planned to reach 15.2 MWm / 13 MWe installed capacity with 2 E82 3 MW turbines.
- Turbine Brand Model: Enercon E-70 and Enercon E-82
- Number of Units: 4 units 2.3 MWm / 1.75 MWe
2 units 3 MWm / 3MWe
- Facility Completion Date: 10.02.2025

➤ Capacity Expansion with Storage: 20 MWm/ 20MWe, 20 MWh

- After 2025, License Amendment has been applied for 24 MWm / 26.2 MWe capacity increase with storage. 20 MW, 20 MWh has been purchased.

1.2 Scope

This document outlines the grievance mechanism procedure which is applied to all internal direct and indirect workers and external stakeholders. The commitment and approach of the Project are based on proper handling of complaints and suggestions that may arise as a direct or indirect result of the environmental and social performance of the Project. GMP is not a replacement for stakeholder engagement activities. This procedure covers all the grievances raised by internal and external stakeholders, including the activities of contractors. GMP is a part of the management plans developed for the Project. This procedure has overlaps and cross-linkages to the Stakeholder Engagement Plan (“SEP”) (EGE-PLN-SOC-SEP-001) and Environmental and Social Management Plan (“ESMP”) (EGE-PLN-HSSE-ESMP-001) particularly concerning the contractor’s activities.

1.3 Purpose

The purpose of this document is to outline the principles of internal and external grievance mechanisms and how to integrate grievance management into business to minimize social risks. The grievance mechanism aims to ensure that all comments and complaints concerning the plant and its activities will be considered transparently and the related measures will be taken. The processes and responsibilities of this procedure will be defined for both external stakeholders and internal direct and indirect employees.

This procedure is owned by the Social Responsibility Staff (“SRS”) of the Project.

This document aims to identify:

- the scope of grievance mechanism procedure and the applicable management interfaces,
- the definition of roles and responsibilities,
- the applicable project standards, project commitments, operational procedures, and implementation guidance for the procedure,
- monitoring and reporting methods, including definition of Key Performance Indicators (“KPI”s),
- training requirements and references for supporting materials and information,
- the procedure for stakeholders and employees to voice their grievances in a timely and transparent manner,
- how to minimize community conflict by systematically addressing grievances.

Key issues identified in the Environmental and Social Action Plan (“ESAP”) of TKYB and addressed by this procedure are:

- To provide a channel for workers and all external stakeholders to voice their concerns efficiently and transparently,
- To provide a channel for external stakeholder and workers in particular women and illiterate persons to log complaints through engagement activities by SRS,
- To establish a transparent and mutually respectful relationship with the employees in general,
- To allow for confidential complaints to be raised and addressed by workers,
- To create a culturally acceptable and accessible process to allow employees to raise their issues, concerns, problems, and claims.

During steady-state operations, this procedure will be reviewed on an annual basis to determine if there are any changes or updates required for the procedure content unless a more frequent update is required to reflect changing operations or procedures. Any requests for changes to this procedure must be addressed to the SRS of this procedure and will be subject to appropriate review and approval processes.

1.4 Definitions

Grievance: An issue, complaint and/or dispute that has escalated to the point where it requires third party intervention or adjudication to help resolve it. Typically, grievances are thought of as involving the community as a whole and have been unresolved for some time in a formal manner.

Complaint: A notification provided by a community member, group, or institution to the Project that they have suffered some form of offense, detriment, impairment or loss as a result of business activity and/or contractor behavior.

Grievance Mechanism: A formal way that provides a clear and transparent framework for addressing, assessing, and resolving community complaints concerning the performance or behavior of the company, its contractors, or workers.

Internal Stakeholders: Groups or individuals within a business who work directly within the business, such as employees and contractors.

External Stakeholders: Groups or individuals outside a business who are not directly employed or contracted by the business but are affected in some way from the decisions of the business, such as customers, suppliers, community, NGOs, and the government.

Project Affected People (“PAP”): Any person who, as a result of the implementation of a project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, or pasture), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.

Vulnerable People: People who by gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

2 ROLES AND RESPONSIBILITIES

2.1 Key Principles

The Internal (Worker) and External Grievance Mechanisms will be implemented by relying on the following key principles for all the Project-related comments, issues, and complaints internally and externally.

- **Transparency:** All the grievances are considered in the scope of the grievance procedure clearly and understandably.
- **Impartiality:** A fair and equal grievance procedure will be applied for every complaint or concern submitted by individuals or as a community.
- **Confidentiality:** Anonymous complaints can be submitted and resolved. Raising a complaint will not require personal information or physical presence.
- **Accessibility:** All employees and stakeholders can raise a comment or submit a grievance easily.
- **Culturally Appropriate:** A complaint or an issue raised by local communities is considered in the manner of regional concerns and a convenient resolution process will be taken.

2.2 Roles and Responsibilities

This section includes an overview of the roles and responsibilities of this grievance mechanism procedure.

Figure 2.1 Key Roles and Responsibilities

Roles	Responsibilities
<p>Top Management / Director of Project</p>	<ul style="list-style-type: none"> ➤ Approval of this plan, ➤ Ensuring this procedure will be implemented during the lifetime of the Project,

Roles	Responsibilities
	<ul style="list-style-type: none"> ➤ Determines policies and targets, ➤ Appointing the Factory Manager / Project Manager, ➤ Ensuring that Factory Manager / Project Manager is aware of his/her responsibilities in the scope of this procedure, ➤ Evaluating the reports provided by Factory Manager / Project Manager and ensuring necessary actions were taken.
<p style="text-align: center;">Factory Manager / Project Manager</p>	<ul style="list-style-type: none"> ➤ Providing necessary resources for proper implementation, ➤ Coordinating with parties for proper implementation of this procedure, ➤ Reporting to the Top Management / Director of Project about system performance, ➤ Determining the project information and social budget of the project, ➤ Making the final decision concerning internal / external, grievances (if needed) in the light of the assessments of Social Responsibility Staff, HS Representative and Environment Representative.
<p style="text-align: center;">Social Responsibility Staff (SRS) / Administrative Affairs Officer</p>	<ul style="list-style-type: none"> ➤ Records all formal and informal engagement activities with local communities in stakeholder management system, ➤ Keeps records of the types of leaflets, brochures, newsletters prepared and distributed, by location and this detail will be inserted to stakeholder engagement quarterly reports, ➤ Monitors and records the social responsibility activities carried out in the scope of Project and these records will be inserted to stakeholder engagement quarterly reports, ➤ Forms relationships with the Project stakeholders, ➤ Organizes stakeholder meetings to collect the responses to grievances actively as required, ➤ Provides regular reporting back to the community on the management related to community grievances, ➤ Determines and provides the necessary training materials for employees, ➤ Keeps the records of the complaints / suggestions in the Grievance Database with details (by who, date, status etc.), ➤ Shows best efforts to resolve all complaints in one month, ➤ Searches the causes of the grievance and the social incidents that cause, injuries, delays or stoppage in the work and disputes among the Project and communities, ➤ Monitors all complaints and ensures that all complaints are resolved and closed, ➤ Follows the results of complaint and report on a monthly, and annual basis, ➤ Records and reports general and local employment rates and complaints, which are received or observed verbally, ➤ Filling out the “Complaint Register Form & Consultation Form” (see ➤ ➤

Roles	Responsibilities
	<ul style="list-style-type: none"> ➤ Annex A: Complaint Register Form and Annex B: Consultation Form), ➤ Gives the feedback to the stakeholders about the results of their grievances through Complaint Register Form within 30 calendar days (complainants who have provided their names and contact info will be notified within 5 days that the grievance solution process has started and after the grievance closed), ➤ Implements the Stakeholder Engagement Plan (“SEP”) and GMP.
<p>Environment Representative</p>	<ul style="list-style-type: none"> ➤ Determining the national and international legislations that are applicable to the Project activities and informs the Factory Manager / Project Manager, ➤ Determining the environmental impacts and OHS hazards in accordance with the actions, potential mitigation measures and measures to eliminate any potential social grievances, ➤ Ensuring that all provisions in the Contractor engagements regarding environment, social and HS requirements as per the project standards during the construction stage and to audit the performance of the Contractors, ➤ Making periodic inspections of the performance of Contractors of its operations during the construction phase. Determining and provides the necessary training materials for employees, ➤ Providing answers to the OHS, environment and social grievances raised by employees, the local community and local institutions, ➤ Helps SRS for keeping the record of the complaints / suggestions in the Grievance Database with details, ➤ Supporting SRS on the first evaluation of the relevance of grievances collected, ➤ Supporting SRS for recording all formal and informal engagement activities, ➤ Conducting internal audits / site audits and determining corrective measures, if necessary, ➤ Identifying the need for OHS and Environmental trainings, ➤ Checking the Environmental records and performance reviews of Contractors, ➤ Providing control of Risk management and Crisis management process, ➤ Ensuring drills conducting and provide feedback training programs for corrections of defectiveness within drills, ➤ Monitoring the permits and notices regarding OHS and Environment and ensures that the necessary permits are obtained, ➤ Ensuring proper implementation of the Plan.
<p>Contractors / Subcontractors</p>	<ul style="list-style-type: none"> ➤ Complying with the requirements and standards of this plan, ➤ Contractors / Subcontractors are responsible not to make any commitment in their interaction with the stakeholders beyond their competence

Roles	Responsibilities
	<ul style="list-style-type: none"> ➤ Following the rules listed in this Management Plan and other relevant Management System documentation of the Project

3 PROJECT STANDARDS

This plan developed for EGE Wind Power Plant 6 MWe Capacity Increase Project will comply with the related national and international requirements and standards. The Project Standards involves:

- applicable Turkish Standards and National Legislation
- Turkish EIA requirements,
- other commitments to and requirements of Turkish Government authorities,
- applicable international standards and guidelines.
- Environmental and Environmental Protection in TKYB Lending Process Social Risk Management Procedure,
- IFC Performance Standards,

3.1 Applicable Turkish Standards

The Constitution of The Republic of Türkiye

The main document of the national requirements and standards is “The Constitution of The Republic of Türkiye” which comprises articles related to human and labor rights, peace of the community and stakeholder engagement of the Project. These articles are as follows:

X. Legal Egalitarianism

ARTICLE 10. Everyone is equal before the law regardless of distinction as to language, race, color, sex, political opinion, philosophical belief, religion or any similar reasons. Men and women have equal rights which are the obligation to be ensured exist in practice by the government. Measures taken for this purpose shall not be interpreted as contrary to the principle of equality.

II. Prohibition of Forced Labor

ARTICLE 18. Nobody can be forced to work. Drudgery is prohibited. Employers are not allowed to take deposits of money from workers and retain ID Cards.

VII. Freedom of Thought and Opinion

ARTICLE 25. Everyone has the right to freedom of thought and opinion. For whatever reason and purpose, nobody can be forced to explain their thoughts and opinions; cannot be condemned and accused of their opinions.

VIII. Freedom of Expression and Dissemination of Thought

ARTICLE 26. Everyone has the right to express and disseminate his thoughts and opinion by speech, in writing or pictures or through other media, individually or collectively. This right includes the freedom to receive and give information and ideas without interference from official authorities.

VII. Right of Petition

ARTICLE 74. Turkish citizens and foreign residents have the right to raise requests and complaints concerning themselves or the public in writing to the competent authorities and the Turkish Grand National Assembly.

Law on The Right to Information

Everyone has the right to give information on the activities of public institutions and professional organizations, which qualify as public institutions. The procedure and the basis of the right to information according to the principles of transparency, equality and impartiality are regulated in the *Law on Right to Information* numbered 4982 and issued on 24.10.2003 with the official gazette number of 25269.

Law on The Use of Right to Petition

ARTICLE 3. Everyone has the right to apply in writing to the Turkish Grand National Assembly and the component authorities concerning the requests and complaints concerning themselves or the public according to this article of the *Law on the Use of Right to Petition* No. 4982 which was issued on 01.11.1984 with the official gazette number of 3071.

Labour Law

The Principle of Equal Treatment

ARTICLE 5. Discrimination in employment is prohibited. No discrimination based on language, race, sex, political opinion, philosophical belief, religion and sex or similar reasons is permissible in the employment relationship. Except for biological reasons or reasons related to the nature of the job, the employer must not make any discrimination, either directly or indirectly, against an employee in the conclusion, conditions, execution and termination of

his/her employment contract due to the sex or maternity of employee. The differential remuneration for similar jobs or work of equal value is not permissible.

The Worker's Right of the Immediate Termination for the Valid Reason

ARTICLE 24. Whether or not the duration is fixed, the worker can terminate before the end of the contract or without waiting for the notice period. The employment contract is not subject to any special form unless the contrary is stipulated by the Law.

Overtime Work

ARTICLE 41. Overtime work can be done for reasons such as the general benefits of the country and increased production. Overtime work requires the employee's consent.

ARTICLE 42. Compulsory overtime work is only allowed for all or some of the employees in case of a breakdown, whether actual or threatened or in the case of urgent work to be performed on machinery, tools or equipment or in case of force majeure. Compulsory overtime work shall not exceed the time necessary to enable the normal operating of the establishment.

Working Age and Prohibition of Child Employment

ARTICLE 71. The employment of children under the age of fifteen is prohibited. However, children who have reached the age of fourteen and have completed their primary education may be employed in light labor that will not hinder their physical, mental, or moral development

Unions and Collective Agreements Law

Workers are covered by the legislation numbered of 6356 (dated on 07.11.2012, Official Gazette No. 28460). There are four types of collective agreements regulated which are workplace collective bargaining agreement, enterprise collective agreements, group collective agreements, and framework agreements.

3.2 Turkish EIA Requirements

According to the document dated 21.01.2008 and decision no. 573 from the Provincial Directorate of Environment and Forestry of Izmir Governorship, the "Wind Power Plant" project, which is included in the Annex-II List of the Environmental Impact Assessment Regulation published in the Official Gazette dated July 17, 2008 and numbered 26939, has been examined and evaluated and the measures foreseen to be taken against environmental impacts in the "Project Introduction File" have been deemed sufficient. Moreover, it has been determined that there is no need to prepare an EIA Report, and the project in question has been given the

"Decision that Environmental Impact Assessment is not Necessary" by the Governorate in accordance with Article 17 of the EIA Regulation.

3.3 Environmental and Social Policy of TKYB

Within this scope, the TKYB closely follows and implements national legislation, laws and regulations to manage its environmental and social impact while fulfilling its legal obligations. It consistently follows national and international developments within the industry and best practices in environmental and social issues. The Bank supports and joins all kinds of environmentally friendly activities and volunteering efforts particularly concerning education and the environment, along with all public and civil society organizations as well as other shareholders who enhance social prosperity and development.

While reducing its negative impact stemming from operational activities, the Bank supports positive environmental movements with its efforts to increase energy and resource efficiency. To this end, the Bank regularly monitors energy, water and paper use, air emissions, waste generation and greenhouse gas emissions and aims to improve its reduction performance.

The Environmental Management System targets the principles below:

- Reduce the use/waste of resources and the generation of waste while we carry out our activities and services without any loss in our quality of service,
- Create a positive environmental impact and awareness through the Bank's activities and services,
- Minimize our damaging impact on human health and the environment,
- Ensure sustainability and continuous improvement of the established system,
- Support all environmentally friendly activities and all kinds of volunteering activities,
- Establish a management system that is world-class and compliant with the TS-EN-ISO 14001 Environmental Management System Standards.

In addition, TKYB has an "Environmental and Social Risk Assessment Procedure in the Lending Process", which aims to evaluate the environmental and social risks of the loans requested from TKYB and to ensure that the issue is managed effectively in line with TKYB's strategy.

Credit requests are evaluated according to the List of Unfunded Activities within the framework of TKYB's Environmental and Social Policy, and the projects included in this list cannot be credited by TKYB. The Environmental and Social Risk Assessment Model described in the Environmental and Social Risk Assessment Procedure is applied to all loans not included in

the above-mentioned list. The following steps are included in the environmental and social risk assessment and monitoring process:

1. Unfunded Activity List check
2. Supply of project documents
3. Environmental and social risk assessment and pre-classification
4. Checking the environmental and social risk assessment of the loan and making the final classification
5. Preparation of Environmental and Social Action Plan
6. Checking the project evaluation report
7. Informing the customer about the Action Plan
8. Including the Loan Approval and Action Plan in the Loan Agreement
9. Environmental and Social Monitoring
10. Recording the results of the Environmental and Social Evaluation Annual Implementation.

3.4 Other Commitments and Requirements

There are no other applicable commitments and requirements of Turkish Government authorities related to this plan.

3.5 Applicable International Standards and Guidelines

3.5.1 IFC Performance Standards

The international standards and guidelines which the Project will follow are set by International Finance Corporation (IFC). IFC Performance Standards and Guidance Notes which are relevant internal and external grievance mechanisms are:

- *Performance Standard 1 (PS1): Assessment and Management of Environmental and Social Risks and Impacts*
- *Guidance Note 1 (GN1) on Assessment and Management of Environmental and Social Risks and Impacts*
- *Performance Standard 2 (PS2): Labor and Working Conditions*
- *Guidance Note 2 (GN2) on Labor and Working Conditions*

Key objectives of *PS1* related to external grievance management are:

- To identify people/communities who have comments/grievances about the Project, as well as other interested parties and evaluate these environmental and social risks,
- To adopt mitigation measures to prevent and minimize social risks and impacts, and where residual impacts remain, compensate for risks, and impacts to workers, Affected Communities, and the environment.
- To ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately.
- To promote and provide sufficient engagement with Affected Communities during the Project about issues which may affect them,
- To maintain a healthy relationship with stakeholders through adequate engagement during project implementation.

Key requirements of *PS1* involve:

- To develop a grievance mechanism to receive and facilitate the resolution of Affected Communities' concerns and grievances related to environmental and social performance of the Project,
- To identify the risks and impacts of the Affected Communities and other stakeholders,
- To maintain an understandable, culturally appropriate, accessible and transparent consultation to stakeholders through early and ongoing engagement,
- To inform the Affected Communities about the mechanism in the course of the stakeholder engagement process.
- To follow the developed grievance mechanism to receive and respond to stakeholder concerns related to the Project promptly.
- To establish a monitoring and review procedures of the concerns and grievances raised by Affected Communities and stakeholders.

Key objectives of *PS2* related to worker grievance management are:

- To create equal, fair, and nondiscriminatory working opportunities for every worker,
- To develop, maintain, and improve the worker-management relationship,
- To promote compliance with national employment and obey the labor laws,
- To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain by developing a reliable grievance mechanism,

- To identify, evaluate and respond to workers concerns and grievances in a timely manner,
- To promote safe and healthy working conditions to direct and indirect workers,
- To avoid the use of forced and child labor.

Key requirements implemented by the Project according to PS2 are as following:

Human Resources Policy, Terms of Employment and Working Conditions & Relationship

- The Project will adopt and implement human resources policies and procedures which are provided to workers with documented information clearly, regarding their rights under national labor and employment law, including their rights related to hours of work, wages, overtime, compensation, and benefits.
- The Project will make all policies understandable to all workers.
- The Project will respect the terms of a collective bargaining agreement, if there exists, and provide reasonable working conditions and terms of employment.

Workers' Organizations

- The Project will comply with the national labor law which contains rights of workers to form and to join workers' organizations.
- If national law restricts the right to organize and workers' organizations, the Project will enable the means for workers to bargain collectively and to organize and establish an alternative way for workers to file grievances.
- The Project will not discriminate against workers who choose to organize and create equal conditions for all the workers.
- Worker representatives should be given access to management.

Non-Discrimination and Equal Opportunity

- The Project will hire, promote, and compensate workers solely based on their ability to do the job and all workers are provided equal access to training, tools and opportunities for advancement.
- The Project will ensure that all workers will be free from harassment by management or other workers.

Retrenchment

- The Project will establish and implement a procedure to mitigate the adverse impact of retrenchment and carry out an analysis of alternatives to retrenchment.
- The procedure will incorporate non-discrimination principles and include the input of workers, their organizations, where appropriate, the government.

Child Labor

- The Project will not employ workers under the minimum age for employment as defined by national law.
- Workers between the minimum age and 18 will not be employed in dangerous work or work that interferes with their education or development.

Forced Labor

- The Project will not employ forced labor which consists of any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty and
- The Project will respect and protect rights of workers to retain their personal documents and money.
- The Project will respect the rights of workers to leave the workplace after work.

Grievance Mechanism

- The Project will provide a grievance mechanism for workers and develop it as a transparent process for workers to express concerns and file grievances, including anonymous complaints.
- The Project will ensure that there will be no discrimination against those that express grievances, and all the grievances are considered seriously and take prompt, appropriate action.
- Any grievance mechanism will not replace other channels as defined by law or collective bargaining agreements.

Occupational Health and Safety

- Workers are not unreasonably endangered at work or in dormitories and all the necessary precautions to mitigate work-related risks and develop an emergency prevention and response system.

- Workers will be provided personal protective equipment and will be trained in its use.
- The Project will document and report accidents, diseases, and incidents during the Project.

Workers Engaged by Third Parties

- The Project will extend the labor standards performance policies and procedures to contractors hired directly or through employment agencies.
- The Project will not use contracting as a means of circumventing labor rights and laws and will ensure all the workers have access to a grievance mechanism.
- The Project will monitor contractors, employment and recruitment agencies to verify their adherence to labor rights and laws.

Supply Chain

- The Project will extend the implementation of these key requirements of PS2 as feasible to the suppliers.
- The Project will identify the risks of child labor or forced labor in the supply chain and notify the suppliers of the PS2 requirements to prevent its presence.
- The Project will monitor the performance of suppliers according to PS2 requirements concerning child labor and forced labor and significant safety issues.

4 INTERNAL AND EXTERNAL GRIEVANCE MANAGEMENT

The process to be followed to resolve any grievances is described in Figure 4.1 below.

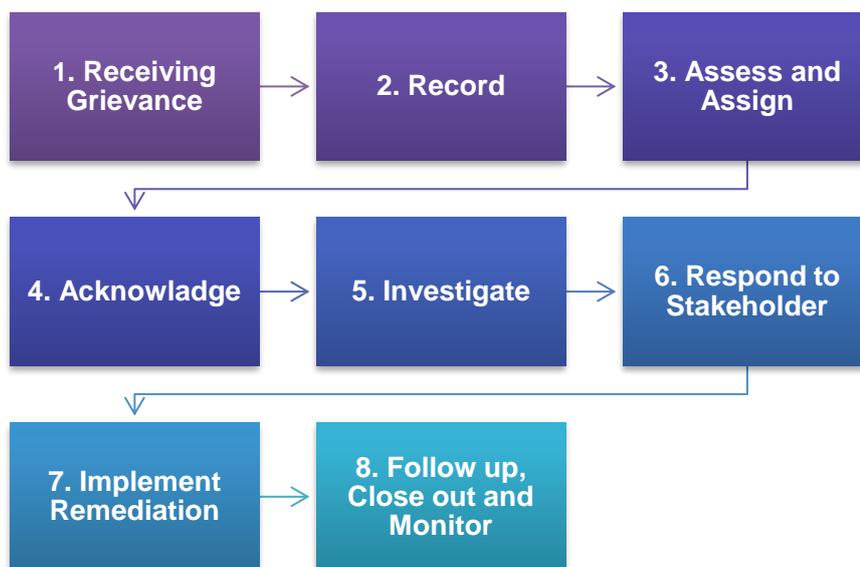


Figure 4.1 Processes of Internal and External Grievance Management

4.1 Internal (Worker) Grievance Management Process Processes of Internal and External Grievance Management

Employees, who may be direct workers or third party/subcontractor's workers, are encouraged to submit written complaints, comments, and concerns by using complaint register form (see *Annex A: Complaint Register Form*). Since the privacy of the complainant must be protected, complaints are collected in complaint boxes located in boxes at the office entrance. Through these forms, workers will also be able to make anonymous complaints. Information on how to express complaints, opinions and suggestions to workers will be provided during the orientation training process. Written submissions will not be used in any way to intimidate those submitting the complaints.

Currently, there is no complaint box in the project office. Employees verbally share their problems and complaints with their managers as they can easily reach a solution.

Management will treat the grievances seriously and take prompt, appropriate actions. SRS will have the main responsibility to collect the complaints. The complaints will be discussed with management to gather accurate information about a given complaint. SRS will process the complaint/concern and provide a resolution. Resolutions of complaints will be developed in accordance with relevant Turkish laws, regulations, as well as international requirements. Feedback will be provided to complainants where possible.

It is possible to extend the process for the complex grievances and workers will be informed about the schedule of the process. All parties should get a reasonable agreement on the corrective actions during solution process. SRS aims to respond in cooperation with the related department and target to solve each complaint within 30 days. The grievance mechanism does not replace other channels as defined by law and during the grievance process, all the requirements of this procedure should be fulfilled.

4.1.1 Implementation and Updates of the Procedure

This procedure will be reviewed on an annual basis during steady-state operations. During steady-state operations, this procedure will be reviewed on an annual basis and any necessary revisions made to reflect the changing circumstances or operational needs. The revision of this procedure will be the responsibility of the SRS who is the custodian of the procedure.

If material changes to operating procedures are required, the procedure may be updated on an "as required" basis. If there is any revision on this procedure, it will be uploaded to the

Document Control Center (“DCC”) of the Project to ensure that all staff has access to the latest version of this procedure.

4.2 External Grievance Management Process

Besides internal grievance mechanism procedure, external grievance management process will be implemented for grievances raised by all stakeholders such as local communities, governmental or non-governmental organizations, universities, media etc.

The steps of the grievance management process consist of receiving the grievance, assessing, sending acknowledgment, investigating, feedback to stakeholder, implementing the remediation activities and closeout.

4.2.1 Receiving Grievances

Grievances are received through all available channels such as phone, mail, grievance forms, websites, contractors etc. Stakeholders can raise grievances by filling out the grievance form. Once the form is completed, SRS will process the form according to the grievance procedure.

Table 4-1. Details of Contacts

Contact Person on the Project Site
<p>Name: Bilal Kocahüseyinoğlu</p> <p>Title: Administrative Permits Specialist</p> <p>Phone: +90 542 546 71 61</p> <p>E-Mail: bilal.kocahuseyinoglu@polatenerji.com</p>

The Complaint Register Form (see *Annex A: Complaint Register Form*) will be used to collect the information about grievances, concerns, and the complainant. All grievances will be recorded and collected in the Grievance Database (see *Annex C: Grievance Database*). “Open door policy” will not be encouraged as the one and only way of communication, therefore, written complaints anonymously (or not) should be encouraged.

4.2.2 Assessment and Investigation of Grievances

Each evaluation and investigation steps will be followed when a grievance/concern is received and registered into Grievance Database (see *Annex C: Grievance Database*). The SRS investigates the grievance and makes the first evaluation with the help of other related

departments. The Project investigates the grievance and involves appropriate departments in its investigation and formulation of a resolution.

The complainant may be contacted (if not anonymous) to gather more information, using the Consultation Form (see *Annex B: Consultation Form*) which is also used for regular meetings minutes. Any correspondence with the complainant will be recorded in the Grievance Database (see *Annex C: Grievance Database*). When final decision is made on grievance, feedback will be given to stakeholder.

4.2.3 Feedback to Stakeholder

Complainants will receive a formal response acknowledging that the Project has received the grievance, within 5 days of submitting the grievance. Complaints received anonymously will be investigated in the same manner as non-anonymous complaints, but no formal response will be issued.

4.2.4 Propose Resolution/Corrective Action

Within 30 days of receipt of the grievance, responsible person from the Project will formally communicate a proposed resolution or corrective action to the complainant (if not anonymous) and discuss it with the complainant. The complainant will be informed about the methodology followed. All communication will be recorded in the Grievance Database (see *Annex C: Grievance Database*).

4.2.5 Close-Out of Grievances

The grievance procedure of the Project aims to formally close out every grievance within 30 working days after receiving it unless an alternative agreement is made with the complainant. Note that this alternative agreement must be reached within these 30 days. Close-out requires the signature of the complainant (if not anonymous) on the Close Out Form, which details the agreed resolution and part of complaint register form. The signed Close Out Form will be recorded in the Grievance Database (see *Annex C: Grievance Database*).

4.2.6 Non-Resolution Case

If a grievance cannot be resolved although efforts will be made to solve the concern within the set timeframe, the Project will involve other external experts, neutral parties, or local and regional authorities, as necessary and appropriate.

5 MONITORING

5.1 Overview of Monitoring Requirements

In compliance with the PROJECT STANDARDS of this procedure, monitoring measures will be implemented to prevent the reoccurrence of grievances and monitoring management. Therefore, this grievance mechanism will be subject to periodic reviews to decrease the systemic problems and maintain the resolution process efficiently.

If monitoring activities detects non-conformance with the Project Standards, these will be investigated, and appropriate corrective actions identified. The overall grievance management performance will be monitored and evaluated according to the key performance indicators.

5.2 Key Monitoring Activities

The key monitoring activities are used to assess grievance management. The Project will also monitor the efficiency and application of the third-party grievance mechanism. The procedures and the grievance management tool will be adjusted as required. Key monitoring measures are set out in Table 5.1 below.

Table 5.1. Key Monitoring Measures

Topic	Indicator	Method	Period	Location
Grievances/ Concerns	<p>The Project will review Grievance Log/Database, including complaints <i>closed</i> and <i>unresolved</i> per period at a minimum monthly to include:</p> <ul style="list-style-type: none"> ➤ number of outstanding complaints and grievances opened in the month, ➤ number of complaints and grievances opened in the month and evolution since Project start (graphic presentation), ➤ number of complaints grievances closed in the month; and ➤ type of grievance. 	Grievance Records	Monthly	Site office
Community Engagement Activities	The SRS will record formal and informal engagement with local communities.	Community Engagement Records	Monthly	Site office

Topic	Indicator	Method	Period	Location
Disclosure Materials/ Feedback to Communities	SRS will keep records of the types of leaflets, brochures, newsletters prepared and distributed. SRS will monitor feedback to local communities.	Community Info System on the Website	Quarterly	Site office

5.3 Key Performance Indicators (KPIs)

The Table 5.2 below summarizes the key performance indicators and related key monitoring actions. These can be used to assess the progress and effectiveness of the proposed mitigation strategies.

Table 5.2. Key Performance Indicators (KPIs)

KPIs	Target	Monitoring Method
Total number of external complaints or grievances	Total number reduced year on year	Grievance database
% of complaints that are responded within 5 days	Respond stakeholders within 5 days at last / delivery of regular reports to stakeholders on the outcomes of the Grievance Mechanism	Monthly reports
% of internal complaints that are closed within 30 days.	Target of 100%	Grievance database
% of customer complaints that are resolved within 30 days.	Target of 100%	Grievance database
% of external complaints that are resolved within 30 days.	Target of 100%	Grievance database
Auditing Grievance Procedure to ensure that it is being implemented and grievances are being adequately addressed.	Annual audit complete target of 100% of grievances close out to satisfaction of complainant within 30 days.	Audit report

6 TRAINING

All necessary training regarding the grievance mechanism will be provided as induction training or toolbox to provide general awareness for all employees of the Project and its contractors. Job-specific training for responsible personnel will be also provided as necessary. The implementation of this grievance mechanism will be followed by the Social Responsibility Staff, and supervisors of the Project.

6.1 Induction Training

The induction training will provide information about the internal (worker) grievance mechanism to all direct and indirect workers, including contractors' employees. The trainings will be given in the first "Induction Training" session. All employees of the Project and contractors are required to participate in social training. This training will provide the information on how to understand and respect different opinions and to be an effective team member by behaving appropriately with locals and colleagues; how to raise a grievance/ suggestion or comments.

6.2 Job Specific and Other Training Requirements

Job-specific training and additional specialist training (if there any) for key personnel involved in the community, then it will be provided to those and employees for grievance management. Specific training on the implementation of the grievance mechanism is also provided to the SRS, personnel defined in the Roles and Responsibilities section and supervisors of the Project and contractors.

7 AUDIT AND REPORTING

In this section, internal and external auditing is involved. For the Project activities, record keeping, and reporting basics are explained.

7.1 Internal and External Auditing

Internal and External Audits will be carried out in order to ensure the assessment of the grievance mechanism efficiency by Social Responsibility Staff. Conformance and aspects of this procedure, which are subject to regulatory audits, will be monitored in accordance with the existing management systems and separately by Project Lenders. Monthly conformance will be monitored. Contractors will be subject to inspection and audit by the Project prior to a contractor's initial appointment.

7.2 Record Keeping and Reporting

Record keeping will be done during the following cases:

- Consultation meetings and community engagement activities,
- Grievances actions and closeout of grievances,
- Concerns/opinions/suggestions by the local community during consultation meetings and stakeholder engagement activities,
- News on press and interviews,

- Audits, investigations, and incidents which will be managed according to the Project procedures.

On a monthly basis, an overview of the grievances recorded in terms of number and type will be investigated. The situation of the grievances as open/closed out will be developed periodically. The SRS will evaluate and conclude this overview with project management in the monthly progress meetings.

ANNEXES

Annex A: Complaint Register Form

Annex B: Consultation Form

Annex C: Grievance Database

Annex D: Grievance Closure Form

Annex A: Complaint Register Form

Grievance Form		
Reference No:		
Full Name <i>Note: You can remain anonymous if you prefer or request not to disclose your identity to third parties without your consent.</i>	Name & Surname: _____ <input type="checkbox"/> wish to raise my grievance anonymously <input type="checkbox"/> request not to disclose my identity without my consent	
Contact Information How the complainant wants to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Mailing address: <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail _____ <input type="checkbox"/> I don't want to be contacted	
Details Related to Grievance:		
Description of Incident or Grievance:		What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Case summary:		
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 (Provide details)	
What would you like to see happen to resolve the problem?		
Only for internal usage: Status of complaint		
	Date:	Signature:
The complaint is closed by:		
Actions taken (Provide details):		

Annex B: Consultation Form

TOPLANTI KAYIT FORMU / CONSULTATION FORM			
Formu Dolduran Kişi / Person filling out the form		Tarih / Date:	
Toplantı Gündemi / Agenda of the Meeting		Görüşme Kayıt No/ Consultation Register Number	
1. Toplantı Bilgileri / Meeting Information			
Name of Authorized Person:		İletişim Şekli / Form of Communication :	
İstişare Edilen Kurum / Institution Consulted		<input type="checkbox"/> Telefon-Ücretsiz Hat / Phone-Free Phone Line	
Telefon / Telephone:		<input type="checkbox"/> İstişare Toplantısı / Consultation Meeting	
Adres / Address:		<input type="checkbox"/> Website / E-mail Web Sitesi / E-posta	
Köy - İlçe - İl Village -District -Province:		<input type="checkbox"/> Diğer (Açıklayın) / Other (Specify)	
Paydaş Tipi / Consultee/Stakeholder Type			
2. İstişare Detayları / Details of Consultation			
Projeyle İlişkin Sorular / Questions regarding the project :			
Kaygılar & Geri bildirimler / Concerns & Feedbacks :			
Özel Notlar (Formu dolduran kişinin düşünceleri)			

Annex D: Grievance Closure Form

Grievance Closure Form			
Reference No:			
Determination of Corrective Action(s)			
1			
2			
3			
4			
5			
Responsible Departments			
Close Out the Grievance			
<i>This section will be filled and signed by the complainant in case the complaint stated in the "Grievance Registration Form" is resolved.</i>			
Date: /...../.....	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; padding: 5px;">Name Surname / Signature of the Person Complainant Closing the Complaint</td> <td style="width: 50%; padding: 5px;">Name, Surname / Signature of</td> </tr> </table>	Name Surname / Signature of the Person Complainant Closing the Complaint	Name, Surname / Signature of
Name Surname / Signature of the Person Complainant Closing the Complaint	Name, Surname / Signature of		



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