



Mersinli Wind Power Plant Project

Contractor Management Framework Plan

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Quality information

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1. Purpose and Scope

Alcazar Energy (“AE”) through the Project Company, as defined below, is planning to construct and operate the Mersinli Wind Power Plant Project (“Mersinli WPP Project”, the “Project”), in İzmir province, within the administrative borders of Kemalpaşa, Torbalı and Bayındır districts, Çardaklı Tepe, Kartal Tepe, Mersinli, Karlık Tepe and Akçam Tepe localities. At the national tender stage conducted for the wind power projects in 2007, the previous Project owner established a project company, namely Yander Elektrik Muh. Mus. Ins. Tur. ve Tic. A.S. (“Yander Elektrik” or the “Project Company”), for the development of the Project. In May 2017, AE, through a wholly owned subsidiary, acquired 100% of the shares of Yander Elektrik and is now the sole owner of the Project.

This Contractor Management Framework Plan (CMFP) has been prepared to set out the environmental and occupational health and safety management requirements applicable for all contractors during the Mersinli WPP Project life time. This is achieved through the provision of a systematic approach with respect to the selection, evaluation and management of the contractors. It should be noted that these requirements will be the subject of the legally binding contracts to be signed between the Project Company and the Contractors. This Plan is developed mainly to provide the framework for contractor and supply chain management. In further detail, the CMFP serves the following purposes:

- Identifying roles and responsibilities with regards to contractor management.
- Providing a summary of applicable Project Standards.
- Providing processes and criteria for contractor, supply chain firm and consultant selection and further performance evaluation.
- Detailing processes, procedures and systems that will be utilised for contractor and supply chain engagement and management.
- Setting how cooperation with contractors and firms in the supply chain will be achieved with regards to E&S management in compliance with Project Standards (i.e. cooperation with contractors for development of additional actions in case of non-compliances or to enhance overall E&S performance of the Project)
- Setting monitoring, reporting and review requirements for implementation of this plan, including monitoring and reporting requirements for the Contractors.
- Setting training requirements for both the Project Company and the Contractors for effective implementation of this plan and adherence to Project Standards.

The Plan is in compliance with national legislation, requirements of international financing institutions (e.g. IFC Performance Standards, EBRD Performance Requirements) and other applicable Good International Industry Practices (GIIPs). The plan will be applied systematically during the Project life, in conjunction with the following related management plans and programs:

- Environmental and Social Management and Monitoring Plan (ESMMP);
- Biodiversity Action Plan (BAP);
- Emergency Preparedness and Response Plan;
- Erosion Control, Soil and Spoil Management Plan;
- Noise Management Plan;
- Occupational Health and Safety Plan;
- Air Quality and Dust Management Plan;
- Stakeholder Engagement Plan (incl. the grievance mechanism);
- Traffic and Transport Management Plan;
- Waste Management Plan; and
- Chance Finds Procedure.

This Plan is a living document and the responsibilities, procedures and compliance actions should be updated as appropriate.

2. Legislative Requirements and Standards

The Contractors are responsible of full compliance with Project standards, which are based on legislative requirements, international standards and GIMP. Project standards for a multitude of related subjects are described in detail in the Project ESIA and are listed below :

- National legislative requirements and all permits, licenses and approvals;
- EBRD Environmental and Social Policy and Performance Requirements (PRs);
- IFC Sustainability Framework and Performance Standards (PSs);
- European Union legislative requirements;
- Other good international industry practices (GIMP);
- International Conventions and Protocols Turkey is a party to; and
- The Project Company's Environment, Health and Safety and Social Policies and related Quality, Health, Safety and Environment practices and procedures.

3. Roles and Responsibilities

Roles and responsibilities for E&S management for the Project are described in detail in the Project ESMS. Within this scope, roles and responsibilities regarding Contractor management are provided in Table 3-1. It should be noted that, for management of their Contractors and the firms in their supply chain, all Project Contractors will also be responsible of implementation of the CMFP.

Table 3-1. Roles and Responsibilities

Roles	Responsibilities
Project Execution Manager	<ul style="list-style-type: none"> • Participate in evaluation and selection of contractors and supply chain firms (suppliers), based on related Project Company procedures to be developed. • Ensure adequate resources are provided for implementation of this Plan. • Ensure the Plan is distributed to all Contractors.
Project Company/ QHSE Manager and Team	<ul style="list-style-type: none"> • Participate in evaluation and selection of contractors and supply chain firms (suppliers), based on related Project Company procedures to be developed.
Environmental Specialist	<ul style="list-style-type: none"> • Main responsibility for the implementation of the Plan, including reporting of non-compliances and implementation performance of the Plan to the upper management.
HR Manager and Team	<ul style="list-style-type: none"> • Oversee contractors' HSE and labour compliance through contractor monitoring and reports. • As required, cooperate in review and update of the Plan. • Ensure technical support is provided to Contractors for implementation of the Plan. • Review and approve any HSE and labour management plan to be

Roles	Responsibilities
	<p>developed by the contractors.</p> <ul style="list-style-type: none"> • Ensure related trainings are provided by the Contractors, through review of training records and related training documents. • Collect data from the Contractors on HSE and labour management practices, developed and implemented actions and performance of actions. Develop additional actions in cooperation with the contractors in case the actions developed by the contractors are assessed to be insufficient. • Ensure the grievance mechanism is implemented by all Contractors and all employees have access to the mechanism. Collect data on grievances received and as required, cooperate with the contractors to resolve any open/ persisting grievances. • Conduct periodic audits.
<p>Project Company/ Contract Manager Technical and Legal Team</p>	<ul style="list-style-type: none"> • Through contractual agreements, ensure the Contractor and supply chain firm HSE and labour practices are in full compliance with Project Standards. • Support the upper management in development of contracts to be signed with contractors and supply chain firms, in terms of compliance with Project Standards. • Overall supervision on proper implementation of the requirements under the contracts by the contractors.
<p>Contractor Project Managers and QHSE Managers</p>	<ul style="list-style-type: none"> • Ensure compliance with Project standards and contractual agreements. • Ensure related non-compliances are recorded and responded to immediately. • Conduct internal audits and record identified incompliances. • Ensure implementation of the Project's QHSE requirements • As required (e.g. identification of an incompliance, a change in applicable legislation, grievance etc.), participate in development of corrective and/or enhancement actions. • Provide related trainings. • Ensure all HSE and labour issues are included in the monthly HSE review and incident reports to be prepared by the contractors for the Project Company.

4. Contractor and Supply Chain Management

As stated, all Contractors will be responsible of full compliance with the Project Standards identified in detail in the Project ESIA. Within this scope, the Project Company will have in place a Contractor and supplier evaluation mechanism, with criteria targeting the assessment of sufficiency and compliance of existing HSE and labour practices of the contractor/supplier that is being considered. Following selection of the contractors and suppliers, the Scope of Work to be agreed on will ensure compliance of the contractor/ supplier with Project Standards through contractual terms.

Once the work is initiated, monthly HSE reports will be prepared by Contractors to inform the Project Company of the HSE performance of and labour issues related to the Project and mitigative/ corrective actions will be proposed for any potential non-compliance. The Project Company will review these reports and as required, further develop the proposed actions in cooperation with each related contractor. The upcoming HSE reports will include performance of any implemented actions. Where an non-compliance requires immediate action, contractors will be responsible of implementation of timely and appropriate measures and to report the results to the Project Company.

A chart showing the general contractor management process is presented in Figure 4-1, whereas key measures for contractor management are listed below :

- A process for selection of contractors and suppliers will be implemented.
 - The process will identify potential risks and assess the compliance of the contractor's/ supplier's existing HSE and labour management practices with the Project Standards, including ability to provide all required work and materials/ services in compliance with the specified standards. Only the contractors that can ensure the selection criteria will be selected.
 - To ensure all subcontractors and firms in the supply chain also comply with the Project Standards, the selection process will ensure the selected contractor/ supplier also has in place its own appropriate process for selection of subcontractors and suppliers.
 - The selection process, including the risk assessment, will be documented and records will be kept.
 - The selection process will also cover a procedure for re-evaluation of contractors/ suppliers. Re-evaluation will be implemented in case of major changes to Project Standards or the scope of work.
- Scope of Work for contractors and suppliers will ensure compliance with Project standards through contractual terms.
 - A clause clearly emphasising that the contractor/ supplier in question is fully responsible of compliance with Project Standards will be included in the Scope of Work.
 - Contractors'/ suppliers' responsibilities and authority reach will be clearly specified in the Scope of Work.
 - All HSE and labour management related constraints to be complied by the Contractors/ suppliers will be clearly specified in the Scope of Work (environmental, social, HS, grievance redress and stakeholder engagement, cultural heritage, scheduling, budget, etc. constraints).
 - All suppliers will have the responsibility to ensure the Project Company's quality standards are achieved. This may include quality inspections by the Project Company, if deemed necessary.
 - All HSE risks identified to be specific to the work of contractor in question will be clearly specified in the Scope of Work. The scope of any risk assessment that may be required to be conducted by the contractors will be identified during drafting of the Scope of Work.
- The Project Company will provide all necessary technical assistance to the Contractors to ensure Project Standards are met in all works.
 - The Contractors will be responsible of providing assistance to ensure their subcontractors also meet the requirements set by Project Standards. Any non-compliance experienced due to HSE and labour management by the subcontractors will be reported by the Contractors to the Project Company. Contractors will ensure adequate corrective/ mitigative actions are taken by their subcontractors.

- The Contractors will be responsible of providing monthly HSE review reports to the Project Company.
 - Monthly HSE reports will include assessments on environmental, social and labour related performance of the Project, as well as any developed/ implemented corrective/ mitigative action.
 - The Project Company will be responsible of review of the monthly HSE reports and to provide assistance in development and implementation of corrective/ mitigative actions, as well as ensuring the overall HSE performance of the Project is kept to a satisfactory level that ensures full compliance with Project Standards.
- All contractor personnel and personnel of their subcontractors will have access to the internal grievance mechanism of the Project.
 - The grievance records will be checked by the related Project Company personnel (HR Manager and team) to ensure the grievances are addressed adequately and to the satisfaction of the Project Company.
 - Any contracted and nonemployee workers of contractors will also have access to the grievance mechanism.
- The Contractors will be responsible of providing the Project Company with all documentation required for the Project Company's annual performance reports. The documentation will include but not be limited to;
 - Hazardous materials register and inventory including the MSDS sheets,
 - Hazardous and non-hazardous waste statistics, records of transfer of wastes to corresponding licenced firms/ municipalities,
 - Records of revegetation and reforestation works,
 - External and internal grievance records, results of any conducted risk assessments,
 - Accident/ incident records,
 - Labour statistics including breakdown of gender data, local employment data, etc.,
 - Training records, and
 - Spill/ leakage records, etc.

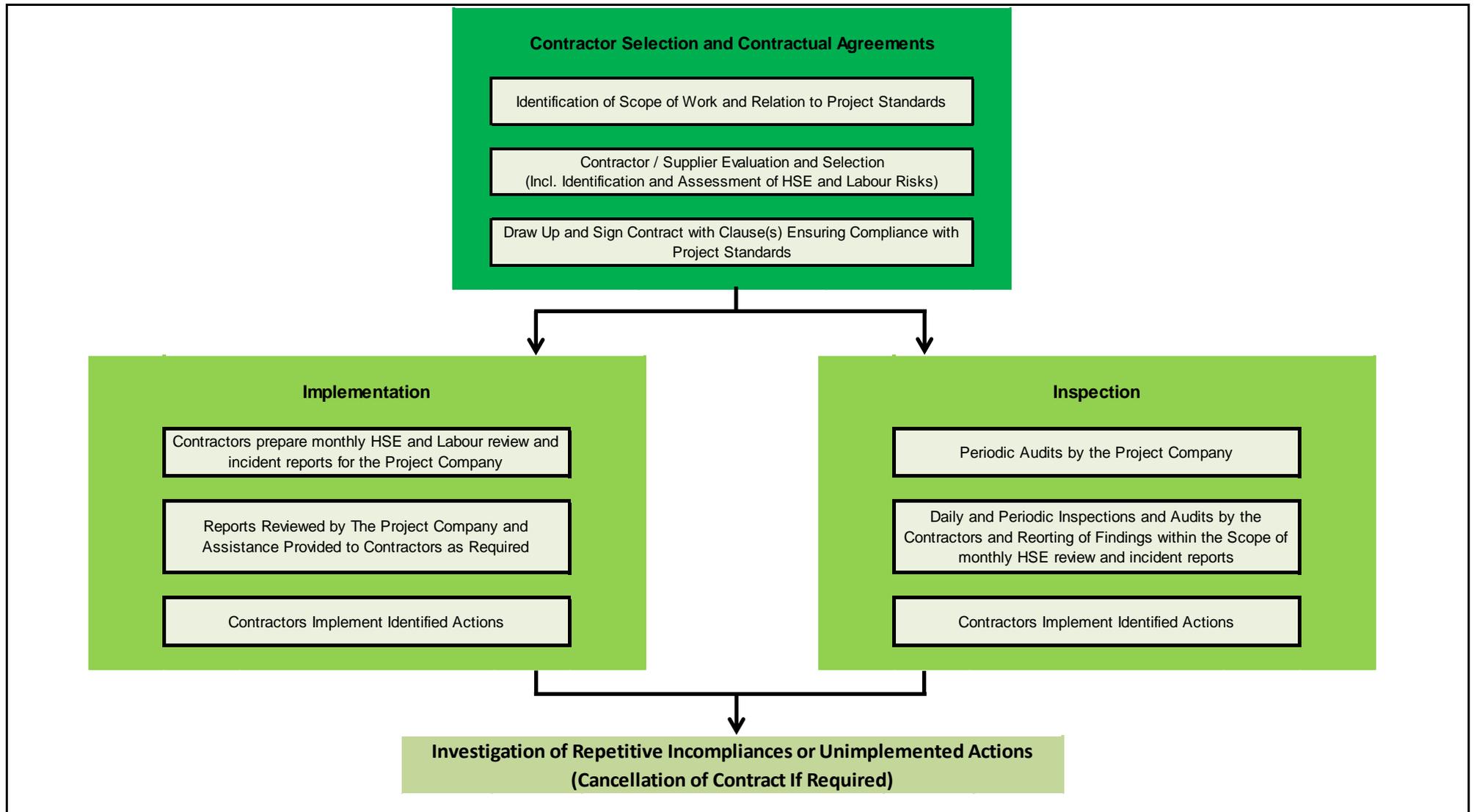


Figure 4-1. Contractor Management Process

5. Monitoring and Reporting

The main monitoring will be conducted via the monthly HSE reports to be prepared by the Contractors, details of which are described in Section 4. Reporting by contractors will be based on their own records (e.g. grievance records, waste statistics, accident/ incident statistics, amounts of waste generated and delivered for transport, etc.) and daily site inspections. A template for labour audits, including actions to be taken and labour profile to be reported is presented in Appendix A.

In addition, the Project Company will be responsible of monitoring of all contractor activities through periodic audits (quarterly during construction phase and annually during operation phase). The monitoring will aim to identify level of compliance with the Project Standards and potential non-compliances, as well as any problematic areas with regards to contractor management. Results of these audits will be provided to the upper management, as well as to the Project Lenders within the scope of annual reporting.

Based on monitoring and audit results, corrective and/or enhancing actions will be designed and implemented. Performance of these actions will also be monitored and reported.

6. Training

The Project Company will provide sufficient training to all Project personnel and ensure that the Contractors' are also providing the same level of training to their own personnel. The Contractor's QHSE Management will ensure that all personnel working on the Project are adequately trained. Periodically and as required, refresher trainings will also be provided. The training subjects will cover relevant aspects of this Plan, compliance with legislative requirements and international standards, identification of potentially problematic areas and general awareness raising subjects. Training for employees of the Contractors shall be performed in accordance with the following:

- The term and features of the contract;
- Hazards concerning the work to be performed; and
- The work environment that contractor may be exposed to.

7. Review and Update

This Plan is a living document and the responsibilities, procedures and compliance actions shall be updated as required (e.g. after a change in related legislation). It is the responsibility of the Project Company's QHSE Manager, HR Manager, Environmental Specialist and the Contractor's QHSE personnel to be fully aware of its contents, to provide relevant training to staff and to ensure that procedures are being implemented to achieve compliance with this Plan. Contractors' HSE Managers will also be responsible of day to day implementation of the Plan for their own contractors and suppliers, as well as ensuring compliance with Project Standards.

Appendix A Labour Audit Template

LABOUR AUDIT (TASKS - ACTIONS - COMPLIANCE CATEGORY - REMEDIAL ACTIONS)

LABOUR AUDIT (TASKS - ACTIONS - COMPLIANCE CATEGORY - REMEDIAL ACTIONS)								
Task No.	Task	Actions	Compliance Category (please tick relevant part)				Corrective / Remediation	
			C = Compliant	PC = Partially Compliant	NC = Not Compliant	N/A = Not Applicable	Remedial Actions to be taken	Deadline
1	Implementation of Worker Code of Conduct to manage workers' behaviour on site, in camp and in communities	<ul style="list-style-type: none"> - Review of personnel code of conduct - Interview with workers to measure the level of knowledge about their code of conduct - Review the complaint records - Interview with the nearby community 					<i>Example</i>	<i>Example</i>
2	Ensuring all workers are aware of content of workers agreements	<ul style="list-style-type: none"> - Interview with the staff - Review of the contracts - Interview with the subcontractor companies 					<i>Example</i>	<i>Example</i>

LABOUR AUDIT (TASKS - ACTIONS - COMPLIANCE CATEGORY - REMEDIAL ACTIONS)								
Task No.	Task	Actions	Compliance Category (please tick relevant part)				Corrective / Remediation	
			C = Compliant	PC = Partially Compliant	NC = Not Compliant	N/A = Not Applicable	Remedial Actions to be taken	Deadline
3	<p>Ensuring migrant and/or immigrant construction workers; human right to be respected. Worker Protection (i) Comply with national Labour Law (ii) Ensuring individual and Labour contract in line with PS2/PR2 (iii) Ensure migrant and/or immigrant construction workers' human right to be fully respected. If temporary accommodation is to be provided, it needs to comply with IFC Guidelines for Temporary Accommodation</p>	<p>- Audit of implementation of the Labour force management plan - Audit of workers' health and safety Audit of workers' camp</p>					<i>Example</i>	<i>Example</i>
4	<p>Payroll checks by EPC contractor against issues such as subcontractor wage rates, payment of benefits and timely payments</p>	<p>- Review of salary records - Interview with field engineers and administrative personnel</p>					<i>Example</i>	<i>Example</i>
5	<p>Forming a database which will include ages, social security numbers, ID cards, gender, nationality and birth place.</p>	<p>- Control of database - Interview workers, EPC personnel and subcontractor companies</p>						

LABOUR AUDIT (TASKS - ACTIONS - COMPLIANCE CATEGORY - REMEDIAL ACTIONS)								
Task No.	Task	Actions	Compliance Category (please tick relevant part)				Corrective / Remediation	
			C = Compliant	PC = Partially Compliant	NC = Not Compliant	N/A = Not Applicable	Remedial Actions to be taken	Deadline
6	Ensuring all workers are informed of the grievance mechanism that is easily accessible to them. Commit to resolving grievances within specified timeframes in the ESIA Report.	- Commit to resolving grievances within specified timeframes in the ESIA Report that is easily accessible to them						
7	Require subcontractors to manage their workers in line with the HR Policy by including Human Resources Policy in tender documentation and contractual agreements.	- Review and audit of the HR policy						
8	Policy commitment of the main contractor and its subcontractors regarding developed policy that includes an explicit acknowledgement of the contractor's responsibility to respect all human rights, and a commitment to comply with enumerated global human rights principles as well as laws, and other binding instruments at the national level.	- Review the contractor's website and the webpage of the project and published materials - Interview with the main contractor representatives at the project site level to ensure they understand and adhere to the corporate policy commitment.						

LABOUR AUDIT (TASKS - ACTIONS - COMPLIANCE CATEGORY - REMEDIAL ACTIONS)								
Task No.	Task	Actions	Compliance Category (please tick relevant part)				Corrective / Remediation	
			C = Compliant	PC = Partially Compliant	NC = Not Compliant	N/A = Not Applicable	Remedial Actions to be taken	Deadline
9	The main contractor to carry out due diligence to prevent or mitigate potential human rights abuses and remediate the effects of existing human rights impacts related to company activities or business relationships	<ul style="list-style-type: none"> - Interview with the workers and manage subcontracted companies - Review practices of the main contractor - Review documents related to the issue 						
10	Other matters as defined in 12.0.E	- Other matters (if required)						

SUMMARY OF INTERVIEWED EMPLOYEES

SUMMARY OF INTERVIEWED EMPLOYEES			
No.	Interviewed Employees	Number of interviewed persons	
		Male	Female
1	EPC Contractor		
1.1	Managers		
1.2	Engineers, Architects, Technical Staff, Administrative Staff		
1.3	Technicians, Foremen		
1.4	Workers		
2	Managers from Subcontractors		
3	Workers from Subcontractors		
4	Public Institution around the Site		
4.1	X1		
4.2	X2		
4.3	X3		
4.n	Xn		
	TOTAL		

LABOUR PROFILE

LABOUR PROFILE										
Name of the Contractor / Subcontractor	Type of Contract (Direct / Contracted / Subcontracted)	Number of Workers			Worker Skills			Gender		Comment
		Local	National	International	Labour	Junior	Senior	Male	Female	
Contractor A	Concrete Works									
Contractor B	Excavation									
Contractor n	X Works									

