

The project is categorised B under Environmental and Social Policy (2014), as it is an existing project and the issues can be readily identified and mitigated. The environmental and social due diligence (ESDD) carried out by EBRD's Environmental and Sustainability Department included review of the project components and expansion programme and a corporate audit of the Company's current environmental and social (E&S) management systems; Environmental, Health and Safety (EHS), traffic and road safety; labour management within the farms, processing plants and in the supply chain; an analysis of their past and current performance compared to the EBRD Performance Requirements (PRs); and an E&S analysis of the proposed investment programme. The ESDD reviewed the permitting requirements and the Client compliance with pertinent EU environmental and food safety standards. The ESDD also looked at specifically sustainable agricultural practices, soil quality management, biodiversity issues and potential impacts on local small and medium farmers and local communities at the current and proposed within the Project.

The Client has the capacity to manage its EHS performance, and their EHS department will be restructured and strengthened with additional resources. ESDD confirmed that Client has established a sound EHS system in relation to the fruit processing operations and the Company has earmarked and has committed to making further improvements. HR practices of Anadolu Etap for permanent employees have been reviewed in accordance with the national regulatory requirements. Management of contractor labour conditions and monitoring mechanisms have also been assessed. Majority of the workers at the fruit processing plants are represented by a Labour Union.

The Client will undertake regular risks assessments and develop measures to comply with the national and EBRD requirements related to the accommodation sites and working conditions of seasonal workers, including but not limited to:

- 1- Improvement of the accommodation sites in line with EBRD's requirements:
  - Health&Safety and Fire safety requirements;
  - General living and working conditions for men and women, including accommodation premises and room conditions, bed arrangements and storage facilities; ventilation, water, wastewater and solid waste;
  - Sanitary and toilet facilities;
  - Canteen, cooking and laundry facilities
  - Standards for nutrition and food safety;
  - Medical facilities, including first aid facilities;
  - Leisure, social and telecommunication facilities. Management and staff, including management policies and plans on health and safety (including provisions for pregnant women), security, living conditions, workers' rights and representation, relationships with the communities and grievance processes.
2. Improvement of the labour conditions for seasonal, migrant workers and their families through setting up a policy an HR policy for seasonal workers to avoid the potential risks including:
  - Documented employment records for agricultural workers, terms and conditions/employment terms,

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- Non-discrimination and wages in relation to workers' family members, gender, and young workers (16-18 years old, in non-hazardous positions),
- Prevention of harassment or abuse in relation to labour contractors or intermediaries,
- Ensuring documented payment terms and free access to/from the camp,
- Prohibition of child labour, but provision for leisure activities, education, medical care in relation children accompanying their working parent(s),
- Hours of work and compensations in terms of calculation, communication, monitoring and remediation
- Establish a formal grievance procedure for employees including seasonal workers and Contractor employees and provide them information on channels for raising grievances.

In order to manage project impacts on communities, Anadolu Etap will be required to develop and implement, Stakeholder Engagement Plan (SEP) and a formal complaint mechanism for future projects. Also Anadolu Etap is required to enhance road safety fleet management for all Company's transport (including contractors and core suppliers) in accordance to ISO 39001.

The issues identified during the ESDD including above have been addressed in the ESAP. Key areas addressed in the ESAP among others include enhancement of E&S and H&S management systems; assessment of EHS and social impacts on a site-by-site basis within the scope of current and future investments; contractor/supply chain management; revision of the HR policy and procedures; effective communication of the existing internal grievance mechanism to employees including seasonal workers; implementation of a fleet management program; review of the requirements for accommodation sites; improvement of waste management practices; enhancement of the existing occupational health and safety (OHS) practices at all sites; development of procedure and manage environmental and social issues at plantation sites and within its core supply chain in line with Global GAP Requirements;; implementation of the agreed Stakeholder Engagement Plan (SEP) and grievance procedure.

The project will be monitored through annual E&S reports. Monitoring visits will be carried out, as necessary.