

# SOCIAL IMPACT ASSESSMENT

BEFORE UNDERTAKING ANY ACTIVITY, ENKA ASSESSES THE SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACTS THAT MAY ARISE DUE TO THE ACTIVITY. THE ASSESSMENTS ARE INITIALLY CARRIED OUT DURING PROJECT'S DECISION STAGE IN INVESTMENT PROJECTS AND BEFORE ACCEPTING THE PROJECT IN CONTRACTING ACTIVITIES. THESE ASSESSMENTS ARE DETAILED DURING THE PROJECT PREPARATION PHASE AND ACTIVELY REVISITED THROUGHOUT THE PROJECT LIFE.

ENKA is well aware that the greatest factor in the success of a project is to ensure its ownership by the local communities in the project area where it is undertaken and the contributions to the welfare of these communities through the opportunities it will create in the region both during project life and after its completion. In this context, ENKA performs Environmental and Social Impact Assessments for its projects.

Through Environmental and Social Impact Assessments, potential positive and negative environmental and social impacts of a planned project and the risks and possible improvement opportunities that it may create in the region where the planned project will be located are identified. During these studies, specialist firms are engaged for the work and action plans are developed on the basis of the assessments.

Towards the action plans created, starting from the project planning and design phase, studies are carried out to eliminate potential negative impacts and risks as much as possible, to reduce or compensate in the cases where they cannot be completely eliminated and to increase the positive effects.

In line with its approach to reduce negative environmental and social impacts as much as possible, ENKA's design and engineering teams conduct all their design work to develop projects that will maximise the efficiency of materials and energy, have minimum negative impacts on employee and local community health and interfere with the daily lives and economic resources of local communities at minimum, to the extent permitted by project specifications and regulations. Waste management plans are drawn up during the pre-mobilisation stage and the construction sites are set up accordingly.

While assessing the social impact of projects, the demographic structure of the project region, community habits and traditions, the social and human rights risks in the region, legal requirements, economic conditions, opportunities for employment and the needs and expectations of the community are prioritized in the assessment criteria. If the assessment reveals that the impacts of the project may differ by gender or among minority groups, these effects are taken into consideration with the relevant sub-groups.





ENKA's environmental and social impact management plans are created with the aim of eliminating the negative impacts before they arise. When this is not possible, various solutions are developed such as impact mitigation, isolation, compensation or the use of engineering measures. Stakeholder dialogue is at the centre of both the impact assessment and the development and implementation of action plans. ENKA manages this kind of stakeholder dialogue in line with the Social Community Engagement Manual and project-specific Stakeholder Engagement Plans. ENKA holds regular meetings to inform its stakeholders, raise their awareness and establish two-way communication. In this context, meetings are held and cooperation is established with local authorities such as municipalities, village/neighbourhood leaders and local authorities. This cooperation focuses mainly on matters such as providing local communities access to employment opportunities, protecting the rights of local employees and residents, resolving their complaints, eliminating human rights risks. Apart from these, other groups with which stakeholder meetings are held include local school administrators, healthcare units, local businesses and local non-governmental organisations.

Another important form of stakeholder dialogue tool used in projects is grievance mechanisms. These grievance mechanisms offer services in local languages and are accessible to the local communities affected by the project in addition to the employees. All reports, suggestions and information conveyed to the grievance mechanisms are recorded, evaluated by the relevant specialised units and studies are carried out for all complaints that fall within the scope of the grievance mechanism. Regarding all received complaints, the complainant is informed at appropriate durations.

During all ENKA projects and business activities, all kinds of possible resettlement processes in the regions in which activities take place are planned and conducted in accordance with the principles drawn up by ENKA in line with international regulations. There was no resettlement process related to ENKA activities in 2019.



**ENKA developed a Social Community Engagement Manual in 2017 in order to successfully manage all positive and negative impacts on communities located in the same region as its projects and various operations and made the document available for the use of all ENKA units. The manual explains the main elements of managing interaction with communities and the role of project management in this process and includes examples and reference files from which projects and other business operations may draw. In this context, the following three main elements are to be taken into account in activities concerning the community at all locations where ENKA operates:**

**▮ Avoiding or Eliminating Negative Impacts**

**▮ Increasing Positive Impacts**

**▮ Social Investment**

**While conducting these activities, all units pay attention to ENKA Code of Business Conduct and to the legal requirements of the country where the activity is to be carried out.**





## DHI QAR COMBINED CYCLE POWER PLANT PROJECT SOCIAL IMPACT ASSESSMENT

As part of the Stakeholder Engagement Plan of the Dhi Qar Combined Cycle Power Plant Project, which will meet the energy needs of Iraq, support the national development and help to improve the quality and efficiency of infrastructure services, public meetings were held with the participation of local communities to discover the expectations of the stakeholder groups who would be directly or indirectly affected by the project, to listen to their concerns and opinions and to initiate the first communication with the local communities. Meetings were conducted with the representatives of villages and various local communities close to the project and community-level situation assessments were carried out through the interviews conducted in four villages and through the implementation of 356 household surveys.

During the interviews held with village leaders, it was stated that the main problem in the villages was high unemployment rates, which was also reflected in the household survey results. In the surveys, 63% of the local population stated that unemployment was a very important issue. Accordingly, local communities of Al-Sayed and Al-Agir were provided with direct and indirect employment opportunities, while local suppliers were given the opportunity to sell products and services to the project. By developing a transparent recruitment process plan, employment opportunities were announced to the local communities primarily and an Employment Policy and Recruitment Plan was developed to support this work. The policy was also prepared in such a way as to help to prevent child and forced labour, discrimination based on religion, language, gender and social status, and harassment-based discrimination. In order to contribute to the local economy, 650 personnel requirement had been supplied with the local workforce as of the end of May 2019. In this regard, a Local Procurement Plan was also developed and priority has been given to the suppliers within the project's area of impact for providing products and services.

Another important problem revealed by the household surveys was the lack of a secure energy supply. 70% of the households with a connection to the electrical network complained of power cuts lasting longer than 12 hours a day and in household surveys, it was also stated that the power cuts could occur at any time during the day without any advance warning. In view

of the basic needs of the communities and the social problems caused by power cuts, the resources allocated to the project were increased by making a plan to complete the project before the completion date specified in the contract.

The roads that had been damaged due to the project activities and the roads that were already in need of repair were improved, road safety and traffic signs were placed to ensure safe travel for the public and a traffic management plan for the project has been developed. Furthermore, a training was given to the employees who were employed as drivers, including the traffic rules they must follow.

Due to the lack of healthcare facilities in the vicinity of the project location, most of the villagers reported that they have difficulty accessing healthcare centers and this poses an important problem, particularly in cases of emergency. Healthcare services are provided to local employees in the clinics within the project site, even if health problems are not work related.

An effective grievance management system has been established for the stakeholder groups who would be affected directly or indirectly by the impacts of the project. Separate grievance mechanisms have been established for employees and local communities. All employees, including those employed on the project directly or indirectly, subcontractors, local employees and migrant workers working for subcontractors were informed about the project's Grievance Mechanism.

This process was also conducted in parallel at the Samawa Combined Cycle Power Plant Project which is the twin project.







## MORAVA CORRIDOR MOTORWAY PROJECT SOCIAL IMPACT ASSESSMENT

The main objectives of the 112 km Morava Corridor Motorway Project, which ENKA will conduct in Serbia are; increasing the export and import opportunities in the region, ensuring the expected safe travel conditions and shortening travel durations, enabling local companies to carry their goods in nationwide as well as worldwide and access to new technologies.

A comprehensive and detailed Environmental and Social Impact Assessment (ESIA) was conducted to evaluate the project's environmental and social impacts, to identify potential environmental and social impacts associated with the construction and operation phases and to take actions to prevent, mitigate or compensate for any adverse impacts. During the ESIA process, project impact areas were identified, all stakeholder groups were identified by paying special attention to those directly affected, social baseline data were collected through field studies, impact identification, prediction and analysis processes were carried out and impact mitigation and management action plans were developed.

Stakeholder engagement has an important place in all ENKA projects and it is ensured that the opinions and interests of relevant groups are taken into account during project design and planning. The Stakeholder Engagement Plan, which was prepared in line with the Social Community Engagement Manual developed by ENKA in 2017, served as a guideline on how to establish communications and interact with stakeholders which may be directly or indirectly affected by the project. It also contains the details of a grievance mechanism for stakeholders to raise their concerns about the project. For the identified stakeholder groups, the initial public participation meeting was held on August 26<sup>th</sup> and local experts, consultants and sociologists took part in meetings to assess the opinions expressed by the stakeholders.

Within the defined Social Impact Area, there are 7 municipalities and 48 villages which are expected to be affected by the project. Community Level Surveys, Household Surveys, Information Gathering Meetings and Focus Group Discussions were held by consultants and various social experts in the areas within

the Social Impact Area to obtain information about the current situation and to assess the possible social impacts of the project.

Unemployment was reported to be a significant problem in all the municipalities within the impact area where researches were carried out. Due to the lack of employment opportunities, the younger generation in particular has been migrating away from the region in recent years. The Republic of Serbia defines the workforce as individuals between the ages of 15 and 64, and according to national statistics, unemployment rate of the Social Impact Area ranges from 11% to 35%.

During the baseline study, a team of sociologists and experts conducted Focus Group Discussions with local women in the affected municipalities in order to understand the role of local women and specific gender conditions in the Social Impact Area. The target groups included farmers, unemployed women, older and younger women. It was observed that employment opportunities in the region were not subject to gender discrimination and that majority of local women contribute to household income through agricultural activities. Both women and men underlined the lack of job opportunities. In line with previous experience in the private and public sectors, it was observed that local women are willing to be a part of the project through direct or indirect job opportunities.

In order to ensure that job-seekers in the region would benefit from the work opportunities provided by the project, it was decided to prepare a Recruitment Plan. In line with this plan, it was decided to take account of the information obtained through the household surveys about the occupational skills of the local communities and the availability of workforce types. With recruitment procedures, priority is given to vulnerable people (especially those who are economically disadvantaged) and it is aimed to provide as many opportunities as possible for the employment of the local workforce. Priority has been given to those living in areas which the project would impact socially.

In order to contribute to local procurement, the project aims to increase the benefits provided to local communities through direct and indirect employment and the purchase of local goods and services. In addition to local

subcontractors, national and local companies will have opportunities to supply various services in the field of maintenance and repair works.

Positive social impacts are also considered as part of the ESIA. These impacts are mainly based on local economic development and the creation of employment opportunities during the construction and operation phases of the project. In addition to direct employment opportunities during the construction phase, the project is expected to create many indirect economic opportunities for many projects that will lead to an increase in the local welfare.







# W ENKA'S CULTURE INCORPORATES ALL THE CONCEPTS OF SUSTAINABILITY VERY COMPREHENSIVELY. A

ENKA and its joint venture partner Bechtel have successively undertaken and successfully completed motorway projects with a total length of more than 700 km in Turkey, Croatia, Romania, Albania and Kosovo since 1986. The originator of these projects was the founder of our company, our esteemed elder Şarkı Tara. With the close international relations Şarkı Tara developed, he identified the true needs of the countries concerned, produced solutions for them and led the way for these solutions to be implemented. All of these projects were crucial for the realisation of very important missions in the countries of implementation. For example, the construction of the Adriatic-Ionia Motorway in Croatia has opened the tourism potential of Croatia to Europe. The motorway constructed in Albania has reduced the travel time between the north and the south of the country to 2 hours from 8, reinvigorate the economy by facilitating mobility in Albania, improved both trade and the tourism potential of the Albanian coast by facilitating transportation

with Albania's neighbours. Similar examples can be given from every project we have undertaken in the Balkans. While carrying out our projects, we prioritised occupational safety, quality, on-time completion and local employment without compromising our ethical values and we accepted them as our most important principles. Constantly emphasising the advantages of ENKA being an engineering company, we draw our strength from our engineering ability while taking new projects and carrying out work. We combined all these qualities to complete every job successfully and achieve high customer satisfaction. The success of every project and the trust and respect we earned from local communities of the countries have brought new works to us. We regard every project we undertake as the key to further business opportunities. We consider our young employees on current ENKA projects as the managers of our future projects and we assign them responsibilities and we empower them. All these I mentioned above are the key to our 22 years of continuous business in the Balkans.

On December 5, 2019, Bechtel-ENKA Joint Venture was selected by the Government of the Republic of Serbia to undertake the design and construction of the 112 km Morava Corridor Motorway Project that will connect central Serbia with the Pan-European Corridors 10 and 11. Regulation of a new river bed of nearly 50 km is also within the scope of this project. As ENKA offers the most economical and rapid solutions for the development of countries' transport networks through its projects, it will also construct a new riverbed and flood prevention structures to prevent flooding, one of the most significant natural disasters in the region.

In the motorway projects we have completed, we sourced at least 70% of the workforce from among local citizens and a significant contribution has been made to the employment in the regions and countries concerned. With vocational trainings provided by ENKA, professional development of the local workforce employed at the projects was also ensured.

In addition to local employment, local suppliers have taken a significant place in our supply chains. Many of the goods and services purchased by the projects have been supplied from the local market, contributing greatly to the development of local suppliers.

All of the motorway projects we have completed contributed to significant increase in their Gross Domestic Product by providing leaps in in tourism, industry and trade revenues of the countries concerned. The economic

benefits obtained as a result of the development of the transport system have not been limited with the borders of the relevant country, but also with the connection of the new motorways to the European Motorway Network System, it also made transportation safer and comfortable for the surrounding countries and contributed significantly to the economic development of all these countries.

In addition to economic development, motorway projects contributes tremendously to social development, especially to education, culture and arts, as it connects communities with safer and economical ways due to their nature that links cities, regions and countries.

At our projects, we make a principle of attaching importance to social responsibility efforts and contributing to local communities. By way of example, I might mention the occupational safety and vocational trainings and professional certification we have provided to local employees. All the local employees who start working with us become competent in their professions at the end of the projects and once the projects are completed, they are able to find employment in every European country as highly qualified professionals. We also try to employ these highly qualified employees at our new projects as much as possible. I can easily say that there are as many ENKA people abroad as the Turkish ones. There are countless similar examples. For example, in one Balkan country, we provided "entrepreneurship" training to the local community, whose lands were on the project route and expropriated, on how to invest the compensation they had received, even though they were not our employees. We received very significant positive feedback. In another country, the dust from the stored waste ashes of a coal power plant was threatening the health of surrounding villages and towns. Our engineering team had developed a project to cover these stocks of ash with some of the earth excavated from the bed of motorway that was not suitable to be used for filling and prevent the dust. We implemented the project immediately, planted trees on the top of the stocks and thus we made a significant contribution to the health of the local community. Contributions to local communities arise spontaneously once you integrate the idea of benefiting the local communities into your work and use your creativity. I believe this way of thinking is one of ENKA's most distinguishing characteristics.

ENKA's culture incorporates all the concepts of sustainability very comprehensively. In addition to being the largest construction company in Turkey, ENKA is also one of the leading organisations in the fields of education, sports, culture and arts in Turkey. This institutional structure has played an important role in making the sustainability perspective so comprehensive within ENKA's corporate culture.

Our employees at İstanbul Headquarters participate in social responsibility projects with various non-governmental organisations both at corporate and individual levels throughout the year. Newsletters about social responsibility projects are shared with all employees on a voluntary basis in our company. In addition, in all the countries where we work, our project management units assess the expectations of the local communities and try to make the greatest contributions they can to community.

Our Health, Safety and Environment (HSE) policy is in line with international standards and is strictly applied at all the projects of the company. ENKA's figures for person-hours without lost day incident are much higher than the construction industry average. This is a direct result of our strict application of the HSE policy.

At the motorway projects we completed, policies on the environment, the protection of natural resources and waste disposal were implemented very meticulously. As a result, the Kosovo Route 6 Motorway Project was awarded by the International Road Federation (IRF) with the 2016 Global Road Achievement Award (RAA) in the Environmental Mitigation category.

One of the most notable aspects of the ENKA culture is the elder brother/sister and sibling relationships among its employees. As the founder of our company, dear Şarkı Tara, emphasised repeatedly in his memoirs, this culture results in strong ties of love, respect and friendship among ENKA's employees.

Works on the sustainability of ENKA culture is constantly supported and monitored by the most senior levels of management and they are converted into internal procedures and conveyed to every level within the company both through publications and modern training methods by the Corporate Quality, HSE and Integrity Department.

■ **Özger İnal**  
*Member of the Executive Committee*

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STAKEHOLDER ASPECT