

## SOCIO-ECONOMIC IMPACT ASSESSMENT

ENKA assesses all its projects with regard to their potential impacts on the regions where they are to be carried out. These evaluations are carried out under the main components of ENKA sustainability approach - namely, "Doing Good Business", "Caring for Employees", "Developing Communities" and "Reducing Environmental Impact" – during project's decision stage in investment projects and before accepting the project in contracting activities.

In line with the "Doing Good Business" principle and regardless of the location or nature of the work, ENKA maintains the same quality in all parts of the world and conducts its business on the basis of sound risk management, a responsible attitude to management, effective leadership, a robust supply chain and keeping its stakeholders informed and involved at every stage. In order to conduct its business ethically, transparently and in compliance with human rights, ENKA evaluates all its projects in terms of potential risks and forms its project progress plans according to the results of this evaluations.

In order to minimise the environmental impacts of all its projects, ENKA conducts its Environmental Impact Assessments with the help of qualified companies. Teams of environmental and social experts are formed at the corporate and project levels for the implementation and monitoring of these assessments before and during operations. Waste management plans are drawn up during the pre-mobilisation stage and construction sites are set up accordingly.

In line with the principle of Reducing Environmental Impact, ENKA's design and engineering teams, carry out all design work to maximise material and energy efficiency and prefer materials which have the lowest negative impact on the environment and employee health, to the extent permitted by project specifications and regulations.

ENKA believes that the most important way to ensure the success of a project is to ensure its ownership by the communities in the area where it is undertaken. It therefore aims to satisfy these communities through the opportunities it creates and aims to achieve success by bringing together the principle of Caring for Employees, on which ENKA never compromises, with the principle of Developing Communities in the regions where it is active.

Before starting any activity, ENKA carries out an environmental and social impact assessment specific to that activity. If the impacts are likely to vary by gender, then a gender impact assessment is also taken into consideration during the assessment. Based on the results of these assessments, environmental and social impact management plans are drawn up and implemented.

ENKA's priority in terms of environmental and social impact management plans is to eliminate any negative impact before it takes effect. When this is not possible, various other solutions are implemented, such as reducing the negative impact, isolating it or taking engineering precautions or implementing relevant mitigation measures. Regular meetings and training activities are held in order to keep stakeholders informed and increase their awareness. Examples of these include Occupational Health and Safety committee meetings, meetings with local school principals, meetings with the administrators of the settlements nearby and training for schoolchildren.

To ensure stakeholder participation and maintain the process of continual improvement, a feedback/ grievance procedure is established and made available for stakeholders' use. Feedback and complaints received are dealt with in the manner set forth in the relevant procedure.

**A DETAILED ANALYSIS IS CARRIED OUT TO ESTABLISH THE POSITIVE AND NEGATIVE IMPACTS ON LOCAL COMMUNITIES OF THE CONTRACTING ACTIVITY TO BE CARRIED OUT AND HOW ENKA CAN MANAGE THE IMPACT.**

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.

During all projects or business activities, all kinds of possible resettlement processes in the regions where 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 2018.



The Namakhvani Cascade HEPP Project, for which ENKA signed a contract in 2018, consists of two separate hydroelectric power plants to be built over the Rioni River in Georgia. There is a potential risk that settlements in the region designated by the investor for the construction of the dam might be submerged and there is a possibility that these settlements will be relocated to a suitable location designated by the Government of Georgia. ENKA has started working on designing the new proposed settlements. The Architectural Projects Group, which operates at ENKA Design Centre has designed country houses which will be able to meet daily and traditional living conditions and needs; with floor areas ranging from 65 m<sup>2</sup> to 161 m<sup>2</sup> and with one, two, three or four bedrooms plus living room options.

During the design of these houses, climate conditions were taken into consideration and since the region receives frequent and heavy rainfall, plinth levels were considered in placing the houses on the terrain. Frontal movements and window sizing were paid attention in order to maximise the utilisation of natural light and ventilation. The designs aim at energy conservation by consolidating roofs on southern and western facing sides according to position on the terrain, in order to ensure active protection from the sun in the summer months with a passive energy implementation, and by using 10 cm of heat insulation on outward walls to prevent energy loss. While creating the designs for these houses, the daily living conditions and practices of local communities were taken into consideration. As a result, an open living area with many functions was placed at the entrance, with other living areas branching off from this space. Designs inspired by local woodwork and other local architectural ornamentation were used on the facades.



As a result of impact assessments for the SCPX project underway in Georgia, impacts on wildlife, impact on farming and bee-keeping as means of livelihood, the risk of traffic accidents, the environmental impact of dust, noise and vibration and the risk of fire were identified as the main impacts that could create risks for the environment and the communities in the region given the location of the project. Neighbouring villages were closely monitored for these potential impacts. The project management received feedback regarding a decrease in the amount of honey production from an administrator conducting bee-keeping activities, who operates in a location which falls within the impact area of the CSG-2 site of this project. Upon

receiving this information, the project team carried out research and assessment work in cooperation with the Georgia Beekeepers Association. It was identified that the amount of dust in the content of produced honey exceeds acceptable values and the impacted beekeeping activities were relocated to an area outside of the project's impact area. ENKA compensated for damages and in order to prevent future dust impact, stricter speed limits for vehicles and watering to prevent dust were implemented in the area. In addition, the frequency of visits by the project team to regions where beekeeping activities are conducted were increased and control mechanisms were established to prevent other potential incidents.

Kashirskaya Multi-Functional Trade Centre Project in Russia which was completed in 2018 and the on-going TAIF Business Centre Project are located in the city centre, with accompanying risks of a different nature for the surrounding communities. The identified risks were an increase in traffic accidents, damage to private and public property due to falling objects, environmental dust, noise and vibration and damage to surrounding buildings and communities due to potential outbreak of fire. As a result of the

precautions taken, no events that could have had a negative impact occurred at these projects in 2018. After Kashirskaya Multi-Functional Trade Centre was opened for business in 2018, people living in the vicinity shared complaints about the media facade lightning being excessive and affecting their sleep patterns. In response, the trade centre management optimised the active time and lighting intensity of the media facade and informed the parties who had placed complaints.



Kashirskaya Multi-Functional Trade Center

## ENKA FOUNDATION

ENKA Foundation, which was established in 1983 with a mission of raising individuals who are trained in an environment where sports, education and culture intertwine, who keep up with contemporary developments, are productive, ask questions and fulfil

their potential, orients Turkish youth towards sports and making sports a part of their lives, identifies the sporting potential of talented individuals among them using scientific methods and trains them to become champions capable of international success.



ENKA Foundation

## ENKA SPORTS CLUB

ENKA Sports Club, with its motto of "The future belongs to the young", strives to equip thousands of children with superior mental and physical qualities through the top-quality training system implemented within its teams and sports schools and raises many talented young athletes for the benefit of Turkish sports.

ENKA prepares for and takes part in national and international sporting contests in the branches of sports in which it is active with its strong potential; 1,300 licenced athletes and 87 specialised coaches. In 2018, ENKA Sports Club athletes won 194 cups and medals in national and international contests and set 88 records in various branches.

ENKA Sports Club is one of Turkey's leading clubs both in terms of the talented young people whom it has won over for Turkish sports through its training activities and in terms of successes at the international level.

Around 860 candidate athletes are receiving training within the youthful ENKA family to become champions of the future.

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