



# **ULUDAG ELECTRICITY DISTRIBUTION INC.**

## **NON-TECHNICAL SUMMARY**

MARCH 2023

## TABLE OF CONTENTS

1.	Uludag Electricity Distribution Inc. (UEDAŞ) .....	3
2.	Planned Investments .....	3
3.	Project Finance .....	5
4.	Environmental and Social Assessment .....	6
5.	Environmental and Social Action Plan.....	6
6.	Stakeholder Engagement Approach.....	14
7.	Complaints and Opinions of Stakeholders .....	14
8.	Company Communication .....	14

## 1. Uludag Electricity Distribution Inc. (UEDAŞ)

UEDAŞ is an electricity distribution company with exclusive distribution rights in the distribution region No. 12 (also known as the UEDAŞ Region), which is among the 21 electricity distribution regions in Turkey and covers the provinces of Bursa, Canakkale, Balıkesir and Yalova.



*UEDAŞ Electricity Distribution Region No. 12*

Uludag Electricity Distribution Inc., with its service area covering the south of the Marmara Region, Turkey's locomotive region; It continues its activities in an area of 35,501 km<sup>2</sup>. UEDAŞ serves as the primary energy provider in the southern region of the Marmara Region, which is widely regarded as Turkey's most important and influential region. It continues its activities in an area of 35,501 km<sup>2</sup> and serves approximately 3.5 million subscribers in Bursa, Balıkesir, Çanakkale and Yalova. In 2022, 13,128 TWh (net) energy was distributed by UEDAŞ.

The organizational structure of UEDAŞ consists of a General Directorate located in Bursa, 12 Operations Directorates and the chiefs affiliated to these directorates.

Uludağ Electricity Distribution Inc., whose privatization was completed as of 01.09.2010, started its activities within the body of Limak Holding Company. As of 01.04.2022, all rights of UEDAŞ have been transferred to ACTIS. As of this date, UEDAŞ continues its duty with the understanding of reliable and uninterrupted service under the roof of ACTIS in the provinces of Balıkesir, Çanakkale and Yalova, as Bursa, which is the service region.

## 2. Planned Investments

The most important improvement to be achieved by the project will be the alleviation of power outages, technical energy losses and other problems related to electricity distribution in the UEDAŞ region. The investments planned by UEDAŞ for 2023 are generally related to the distribution network. These investmentst can be categorized into three main areas: main facility construction investments,

small additional facility investments and building connection line investments. In addition to these, the planned investments will also meet the needs of customers who will be newly included in the distribution system.

The breakdown of the company's investment items for 2023 and their breakdown within the network are shown in the tables below:

PROVINCE	NUMBER OF PROJECTS			
	Main Facility Construction	Small Additional Facility	Building Connection Line	Total
BURSA	131	437	1.495	2.063
BALIKESİR	65	446	158	669
ÇANAKKALE	23	159	24	206
YALOVA	24	30	22	76
TOTAL	243	1072	1.699	3.014

*Investments planned for 2023*

NETWORK BREAKDOWNS PLANNED FOR 2023 INVESTMENT YEAR	
Number of Transformers (#)	248
Transformer Capacity (MVA)	152
Network Investments LV Line (km)	1399
Network Investments HV Line (km)	343

*Network breakdown of investments planned for 2023*

In addition, the total investment amount of UEDAŞ approved by the Electricity Market Regulatory Authority (EMRA) for the 2021-2025 period is 7.270 billion TL, which is divided into the items shown in the table below:

	INVESTMENT CHARACTERISTICS	2021 Investment Expenditure Amount (TL) (1)	2022 Investment Expenditure Amount (TL) (2)	2023 Investment Expenditure Amount (TL) (3)	2024 Investment Expenditure Amount (TL) (4)	2025 Investment Expenditure Amount (TL) (5)	Total Amount (TL) (1+2+3+4+5)
1	Network Investments	347.335.918	576.528.039	1.993.983.754	1.566.041.845	1.783.714.246	6.267.603.802
2	Investments with Legal Obligations	41.916.965	104.549.406	114.750.000	144.694.570	164.806.430	570.717.371
3	Network Operating System Investments	46.564.976	36.952.063	69.458.064	28.515.137	32.478.606	213.968.845
4	R&D Project Dissemination Investments	0	0	5.000.000	3.838.448	4.371.974	13.210.422
5	Other Expenditures Qualified as Investment Exp.	3.889.323	12.438.737	47.808.181	140.000.000	0	204.136.242
	Investment Total	439.707.182	730.468.245	2.231.000.000	1.883.090.000	1.985.371.256	7.269.636.682

*Investment budget for the period 2021-2025*

### 3. Project Finance

Financing will be provided for new investment projects to UEDAŞ by a group of Lenders including;

- European Bank for Reconstruction and Development (EBRD)
- Dutch Entrepreneurial Development Bank (FMO)
- Asian Infrastructure Investment Bank (AIIB)
- Türkiye İş Bankası A.Ş.
- Türkiye Garanti Bankası A.Ş.
- Türkiye Vakıflar Bankası T.A.O.
- Türkiye Finans Katılım Bankası A.Ş.
- Türkiye Halk Bankası A.Ş.
- Türkiye Sınai Kalkınma Bankası

It is part of the fourth implementation period capex financing (UEDAŞ expansion plan financing - Project), which involves investments of approximately TL 6.1 billion for the period 2023-2025.

The Financing will support the expansion of the network in all operations in four provinces capacity and replacement, upgrade and modernization of the existing network, which is expected to reduce distribution losses and to improve network efficiency and reliability of supply as well as environmental, security and social investment.

This Non-Technical Summary (NTS) provides an overview of the Project, to be financed by the EBRD&FMO&AIIB, and presents a summary of relevant potential environmental and social impacts

related to the Project. Appropriate measures to mitigate key adverse environmental and social impacts that may arise in relation to the Project are also provided.

#### **4. Environmental and Social Assessment**

Environmental and Social Due Diligence (ESDD) study was carried out by MRC R&D ENERGY ENG. CONTROL AND TEST SERVICE INC. in May 2021 for the proposed financial investment program of the Project. The purpose of the ESDD study was to identify and evaluate the current or potential significant environmental and social impacts as well as proposing management/mitigation measures of the Project.

The project is being evaluated within the framework of Turkish laws, regulations and policies, EBRD ESP and Performance Requirements (PRs) and IFC Performance Standards (PSs). The framework for assessing environmental and social risks is clear, and an action plan can be implemented to mitigate these risks. As a result, it was classified as Category B, taking into account the EBRD's 2019 Environmental and Social Policy criteria. However, during its environmental and social assessment, a number of potential adverse environmental and social impacts related to existing activities were identified. To this end, UEDAŞ will implement specific actions to prevent, manage or mitigate any potential adverse impacts that may be associated, including electricity distribution operations.

Required mitigation measures to minimize significant environmental and social impacts are also shared within the scope of this document.

#### **5. Environmental and Social Action Plan**

Current and new investment projects-related environmental and social impacts and risks have been identified within the scope of the environmental and social assessment study.

Within the scope of environmental and social assessment, in 2021 site visits were made to certain existing facilities, interviews were held with UEDAŞ personnel, company's existing ESMS was reviewed, and existing activities within the framework of national legislation requirements and international standards.

The site visits included the sites in existing operations in Bursa, and site conditions included urban and rural settlements were assessed at the headquarter, main warehouse, operational centers, planned electrical distribution line route, and contractor work sites. Selected visits to mukhtars and affected landowners from previous land acquisitions were also undertaken by the consultant. A detailed ESDD Report and Environmental and Social Action Plan have also been prepared within the scope of the ESDD.

The ESDD study offers some improvement suggestions for existing businesses as well as to avoid, minimize and mitigate these negative effects. For these reasons, it will implement the necessary mitigation measures to prevent and mitigate the potential negative impacts of the planned investments of the Project, including the existing businesses of UEDAŞ.

Possible impacts and mitigation measures for these impacts are summarized in the table below;

IMPACT TOPIC	POTENTIAL IMPACT/SOURCE		PROPOSED REMEDIAL MEASURES
	SOURCE	SIGNIFICANCE	
EBRD PR1 Assessment and Management of Environmental and Social Impacts and Issues			
IFC PS1 Assessment and Management of Environmental and Social Risks and Impacts			
Integrated Management System	Improvement of the E&S Performance	High	<ul style="list-style-type: none"><li>· Revised Environmental and social risk impacxt assessment and procedure</li><li>· Include the requirement for the development and implementation of the Construction Environmental and Social Management Plan (ESMP) in the contracts</li><li>· Development of a formal ESMP and field activities, implementation across all regions, covering contractors and third party management</li><li>· Review the existing Environmental and OHS Policies and update them, if necessary, to cover UEDAŞ all field activities</li><li>· Preparation and implementation of necessary environmental and social management plans within the framework of environmental, health and social impact management systems</li></ul>
Management of Contractors/ Subcontractors	Risks due to inadequate contractor management / insufficient control mechanisms	High	Improve existing Contractors management and monitoring/control mechanisms to managing and monitoring contractors within the framework of PR2/PS2 requirements
Climate Change	Climate change in the region to potentially impact UEDAS operational activities	Medium	Carrying out climate change risk assessment for UEDAŞ activities
EBRD PR2 Labour Conditions			
IFC PS2 Labour and Working Conditions			
Working Conditions	Risks due to noise, vibration, illumination, thermal comfort, and air quality measurements create risks in the work environment	Medium	<ul style="list-style-type: none"><li>· Prepare and implement a workforce management and employee engagement program under EBRD PR 2 requirements</li><li>· Making noise, vibration, lighting and thermal comfort measurements during construction processes</li></ul>



			<ul style="list-style-type: none"> <li>· Establishing a permit system for non-routine activities</li> </ul>
Wages, benefits, and conditions of work and accommodations	Noncompliance of workers work schedule with the ILO Conventions and EBRD PR2/IFC PS2 requirement	Medium	<ul style="list-style-type: none"> <li>· Preparation and implementation of Corporate Social Compliance Policy, HR Policy and HR Management System meeting EBRD PR 2/IFC PS2 standards</li> <li>· Implementation of the requirements of the SA8000 based social compliance management system</li> <li>· Performing internal audit report according to EBRD PR2/IFC PS2 requirements</li> <li>· Providing training on local laws, regulations and ILO conventions regarding employee personal rights</li> <li>· Measurable change in the gender balance of the workforce</li> <li>· Developed and monitored Equal Opportunity Action Plan</li> </ul>
Permit Requirements	Compliance to the legislative requirements regarding construction and operation permits (e.g.workplace permits, temporary waste storage permits, fire brigade permits etc.)	Medium	<ul style="list-style-type: none"> <li>· Compiling permit inventory</li> <li>· Determining the deficiencies</li> <li>· Taking actions to obtain permits</li> </ul>
Grievances and Complaints	The company employees and contractor employees are not sufficiently aware of the grievance mechanism and its implementation.	Medium	<ul style="list-style-type: none"> <li>· Continue to apply the current Grievance Management System for permanent employees and subcontractor employees and informing employees about internal communication and complaint reporting channels</li> <li>· Strengthening the grievance mechanism to handle anonymous grievances</li> <li>· Training all company employees to raise awareness of the company grievance mechanism and employee representation system</li> <li>· Community social tensions and complaints</li> <li>· Continue and enhance the grievance management system for external stakeholders, project-affected people and other relevant parties</li> </ul>

Gender-based violence	<ul style="list-style-type: none"> <li>· Affected employees/communities</li> <li>· Customers: abuse, mistreatment, harassment, exploitation</li> </ul>	Medium	<ul style="list-style-type: none"> <li>· Complaint management procedure</li> <li>· Workers Grievances</li> <li>· Code of Conduct/Ethics Line</li> <li>· Providing training to employees and contractors, contractor management over contractual commitments</li> <li>· Awareness raising activities for prevention through social media</li> </ul>
Inclusion & Diversity	The low percentage of female employees within the scope of diversity and the absence of women-oriented initiative programs applications	Medium	<ul style="list-style-type: none"> <li>· A tailored training programme developed and implemented, and 100 participants attaining accredited skills in total, including 50% women</li> <li>· Improved practices on equal opportunities.</li> </ul>
EBRD PR 3 Resource Efficiency and Pollution Prevention and Control			
IFC PS3 Resource Efficiency and Pollution Prevention			
Hazardous Substances	<ul style="list-style-type: none"> <li>· Hazardous materials are used in the operations including transformer oil, diesel oil, engine oil, paints, lubricants, and cleaning agents</li> <li>· PCB presence in older transformers</li> <li>· HCFC Gas presence (greenhouse gas)</li> <li>· Asbestos containing roofing material presence</li> </ul>	High	<ul style="list-style-type: none"> <li>· Execution of asbestos investigation and appropriate disposal as required by regulations</li> <li>· Making an inventory for transformers containing PCBs and preparing a decommissioning plan, if necessary</li> <li>· Development of an equipment replacement plan for replacement air-conditioning equipment containing R-22</li> <li>· Making an inventory of materials and chemicals used in all activities</li> </ul>

			<ul style="list-style-type: none"> <li>Ensuring the implementation of hazardous materials handling procedures within the framework of the relevant legislation</li> </ul>
Waste Management / Warehouse	Hazardous and non-hazardous waste material generated during construction and operations in all four provinces.	High	<ul style="list-style-type: none"> <li>Ensuring waste storage conditions in accordance with the legislation</li> <li>Obtaining temporary waste storage permits</li> <li>Fulfilling legal requirements regarding reporting and planning</li> <li>Major rehabilitation and retrofitting in the Main Warehouse (Panayır)</li> </ul>
Wastewater	Failure to take the necessary measures in storage areas to prevent water pollution	Low	<ul style="list-style-type: none"> <li>Making and evacuating gratings in storage areas</li> <li>Ensuring proper management of hazardous materials</li> </ul>
Soil and Groundwater	Adverse impact to soil and ground water quality from the management of hazardous chemicals during operations	Medium	<ul style="list-style-type: none"> <li>Updated Activity Preliminary Information Form for Main Warehouse</li> <li>Pollutant source control such as removal of transformers and waste on earth ground</li> </ul>
<b>EBRD PR 4 Health and Safety</b>			
<b>IFC PS4 Community Health, Safety and Security</b>			
OHS/Community Safety & Security	The risks due to affect the society during operations to be carried out in the sites such as excavation, construction, installation, breakdown, maintenance and repair, and add mitigation and preventive studies to the risk analysis	High	<ul style="list-style-type: none"> <li>Community health and safety risk assessment</li> <li>Community Health and Safety Management Plan</li> <li>Conducting electromagnetic field measurements at all sites of activity and where there is a risk of exposure to residents</li> <li>Include public health, safety and security issues in the risk assessment process</li> <li>Taking necessary security measures in construction activities (including raising public awareness about security) in order to ensure the safety of the public</li> </ul>

Disaster & Emergency Preparedness	Risks exist for fire and natural disasters (earthquakes) in UEDAS operation buildings	High	<ul style="list-style-type: none"> <li>Review of emergency exits, fire extinguishers, and ensure that businesses that have not yet received the Fire Brigade Compliance Report should complete the necessary deficiencies</li> <li>Develop the existing emergency response plan</li> <li>Establishing a (seismic risk) inventory of the buildings (existing physical condition, renovations made and/or planned to be made, age of the building, the biggest earthquake in the world) and preparing an action plan</li> </ul>
Traffic Management	Injury or death of employees, contractor employees and/or the community in accidents that may occur during vehicle use and during field work in areas with traffic	Low	Development and implementation of the Traffic Management Plan
<b>EBRD PR 5 Land Acquisition, Involuntary Resettlement and Economic Displacement</b>			
<b>IFC PS5 Land Acquisition and Involuntary Resettlement</b>			
Expropriation	Land owners and users: Lack of access to information and grievance mechanism, loss of land and crops in seasonal, partial loss of assets	Medium	<ul style="list-style-type: none"> <li>Review and finalize Land Acquisition/ Expropriation Procedure under EBRD PR 5 requirements</li> <li>Carry out information disclosure, participation activities and grievance mechanism in an inclusive manner especially for vulnerable groups</li> </ul>
<b>EBRD PR 6 Biodiversity and Living Natural Resources</b>			
<b>IFC PS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>			
Biodiversity	Biodiversity impacts from existing and future UEDAS investments as some of power lines are located near or in the vicinity of sensitive biodiversity areas	High	<ul style="list-style-type: none"> <li>The biodiversity screening procedure, ecological risk assessment analysis and high-level assessments for all existing and new sites/assets</li> <li>Carrying out baseline evaluation studies for investment projects</li> <li>Preparation of a biodiversity action plan for critical habitat zones located at all project sites in the four UEDAS regions</li> <li>Develop a biodiversity policy and biodiversity management plan (BMP) to action on minimize in alignment with PR6 and PS6</li> </ul>

<b>EBRD PR 8 Cultural Heritage</b>			
<b>IFC PS8 Cultural Heritage</b>			
Cultural Heritage	The potential presence of cultural heritage artifacts identified during the new investment	Low	Review the existing procedure and implementing on trainings on this subject to the contractors of UEDAŞ
<b>EBRD PR 10 Information Disclosure and Stakeholder Engagement</b>			
<b>IFC PS1 Assessment and Management of Environmental and Social Risks and Impacts</b>			
Stakeholder Management	<ul style="list-style-type: none"> <li>· Affected communities</li> <li>· NGOs</li> <li>· Local authorities and regulatory bodies</li> <li>· Project Affected People</li> <li>· Vulnerable groups</li> <li>· Internal stakeholders, employees</li> </ul>	High	<ul style="list-style-type: none"> <li>· Updating the stakeholder engagement plan</li> <li>· Implementation of the updated stakeholder engagement plan</li> <li>· Clarifying and developing the content and channels of stakeholder interaction and information to be shared (with a more proactive approach and content, including impact and risk management beyond reactive management of complaints and demands)</li> </ul>

## 6. Stakeholder Engagement Approach

UEDAŞ considers stakeholder engagement (including dialogue, consultation and the disclosure of information) to be a key element of project planning, development and implementation and committed to a transparent and respectful dialogue with stakeholders. UEDAŞ has developed a Stakeholder Engagement Plan which provides details of the approach to stakeholder engagement and their planned meetings and commitments.

## 7. Complaints and Opinions of Stakeholders

UEDAŞ has established a Grievance Mechanism that provides a process for all persons to express their views and make complaints. UEDAŞ is committed to responding to all such feedback and resolving complaints appropriately as defined in the grievance mechanism.

## 8. Company Communication

All stakeholders will be able to convey their requests, questions, notifications and complaints using the following contact information/channels.

UEDAŞ "ULUDAG ELECTRICITY DISTRIBUTION INC"

Address: Çırpan Mahallesi Stadyum Caddesi No:40 16050 Osmangazi / Bursa

E-mail: [halklailiskiler@uedas.com.tr](mailto:halklailiskiler@uedas.com.tr)

Corporate E-mail Address: [uedas@hs03.kep.tr](mailto:uedas@hs03.kep.tr)

Telephone: 0 (224) 600 00 00

Customer Call Center: 186

Fax: 0 (224) 271 65 00

Website : <https://www.uedas.com.tr/>

Online Processing Center: <https://online.uedas.com.tr>

CİMER: <https://www.cimer.gov.tr/>

Official Social Media Accounts:

Facebook: <https://www.facebook.com/uedascomtr>

Twitter: <https://twitter.com/uedascomtr>

Instagram: <https://www.instagram.com/uedascomtr/>

LinkedIn: <https://www.linkedin.com/company/uedas>

Youtube: <https://www.youtube.com/@uedascomtr>