

Initial Project Summary

Project Location: Ceyhan Petrochemical Industrial Zone, Adana, Southeastern Turkey

Name of Applicant: Ceyhan Polipropilen Üretim Anonim Şirketi, a Special Purpose Vehicle (SPV) consisting of Sonatrach Petroleum Investment Corporation B.V. and RNS Ceyhan Petrokimya Endüstriyel Yatırım A.S. (subsidiary of Rönesans Holding).

Name of Project: Ceyhan Propane Dehydrogenation – Polypropylene Production (PDH-PP) Project

Project Description: The Project involves the construction and operation of a greenfield petrochemical facility capable of producing approximately 450,000 metric tonnes (“MT”) of polypropylene per annum using propane as the primary feedstock. The Project will primarily manufacture propylene from propane through a dehydrogenation process and then polymerize it to polypropylene, a thermoplastic polymer with a wide range of uses, ranging from parts used in the automotive industry to textile products or food packaging. The import and export jetties are a part of the Ceyhan Terminal and are a separate project. However, the jetty and its supporting infrastructure are considered to be Associated Facilities. Propane will be sourced from Sonatrach in Algeria. Polypropylene is expected to be sold primarily in Turkey and Europe. The Project is located within the Ceyhan Energy Specialized (CES) Industrial Zone (also referred to as Ceyhan Petrochemical Industrial Region (CPIR)), in the Province of Adana, Turkey. The design phase of the Project commenced in October 2019 and construction started in May 2022. The construction schedule is divided in two phases, the Early Works (Phase 1) and Main EPC Works (Phase 2) which are scheduled to last 6 and 38 months, respectively, with completion planned for April 2026.

Environmental and Social Categorization and Rationale:

The Project has been reviewed against DFC’s categorical prohibitions and determined to be categorically eligible. The Project has been screened as Category A because it involves large-scale, greenfield development of a petrochemical facility and the projected Greenhouse Gas emissions exceed the 100,000 tons of carbon dioxide equivalent (CO₂e) per year threshold. In addition, the Project has the potential to cause significant and irreversible impacts which need to be adequately mitigated.

Key environmental impacts include impacts due to fire and explosion, air emissions and noise; impacts on soil, surface water, groundwater, vegetation, and fauna present in the area (including reptiles, amphibians, birds, and mammals). In addition, the Project needs to address hazardous waste and hazardous materials management, and worker and community safety. The Project also has the potential to emit approximately 210,000 tons of CO₂e/year.

Key social impacts include impacts related to displacement; impacts due to in-migration and related to overall labor management of a large construction workforce; and potential impacts related to cultural heritage.

Environmental and Social Standards:

DFC's preliminary environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation's (IFC) 2012 Performance Standards:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention;
- PS 4: Community Health, Safety, and Security;
- PS 5: Land Acquisition and Involuntary Resettlement;
- PS 6: Biodiversity Conservation and Sustainable Management of Living Resources; and
- PS 8: Cultural Heritage.

No indigenous peoples have been identified at or near the Project site. Therefore, Performance Standard 7 (Indigenous Peoples) is not triggered by the Project at this time.

IFC's Guidelines applicable to the Project include: General Environmental, Health, and Safety (EHS) (2007); Petroleum-based Polymers Manufacturing (2007); and Ports, Harbors, and Terminals (2017).

Location of Local Access to Project Information: A copy of the Environmental and Social Impact Assessment (ESIA) package may be found at the following location:

- Project Construction Site's Security Cabinet:
 - Address: (TR) Kurtpınar Mahallesi Ceyhan-Dörtyol Yolu, İncirli Mevkii, Ceyhan Liman Başkanlığı yakını, Ceyhan/ADANA - (EN) Kurtpınar Neighborhood, Ceyhan-Dörtyol Road, İncirli Settlement, Near to Ceyhan Port, Ceyhan / Adana
 - Name: Fatih Süleyman Kuruç
 - Title: Sponsor's Personnel
 - Mobile Phone: +90 544 877 04 42