

Project # 51237 – RHOL LTF

Environmental and Social Review Summary

Disclaimer

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Project Description

The proposed project comprises a financing package of up to US\$400 million in combined IFC A Loan (“IFC Loan”) and mobilized financing (the “IFC Financing”) to Ronesans Holding (“RHOL” or “Ronesans” or the “Company”). The IFC financing will be used to finance general corporate purposes including potential equity contributions of RHOL’s hospital public-private partnership (“PPP”) projects in Central Asia (the “Project”).

RHOL is one of Türkiye’s leading conglomerates, operating across five core divisions: construction, real estate, concessions, renewable energy and industrials. It is also a longstanding IFC client and investee with good Environment and Social (“E&S”) standing. Previous IFC financed projects can be found on the IFC Disclosure website.

The IFC Loan proceeds are expected to support the Company’s potential prospective growth in PPP hospital projects in Central Asia as well as general corporate purposes. IFC Loan proceeds (including any IFC B1 Loan proceeds) will not be used to finance Category A projects as defined under IFC’s Environmental and Social Sustainability Policy. These future projects are expected to replicate the model of Kokshetau, a 630-bed multidisciplinary PPP hospital currently under construction by RHOL in Kazakhstan. Under this model, RHOL is responsible for the full construction services and will hand over the hospital to the Ministry of Health upon completion in 2027. RHOL will then provide limited facility management services during the initial years of operations, including technical maintenance and information systems management.

Overview of IFC's Scope of Review

IFC's appraisal of the project took place in May 2026 and included a review of the Company’s latest corporate environmental, health, safety and social information from annual reports and discussions with the Company representatives responsible for Health, Safety, and Environment (HSE), social compliance and healthcare concessions. As part of the appraisal, IFC also undertook an in-person visit to the Kokshetau construction site in Kazakhstan as a proxy to assess E&S organizational and management systems capacity for future hospital projects in Central Asia and reviewed independent E&S and labor consultant reports for the project. IFC also reviewed the Company’s pipeline of PPP projects in Central Asia.

Identified Applicable Performance Standards

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following 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

If IFC's investment proceeds, IFC will periodically review the project's ongoing compliance with the Performance Standards.

Environmental and Social Categorization and Rationale

This is a Category B project as per IFC's Environmental and Social Sustainability Policy, as the project activities have potentially limited adverse E&S risks and impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

Key E&S aspects and potential risks associated with the Project include: (i) RHOL's capacity to effectively screen, assess and manage E&S risks related to new construction projects in Türkiye and Central Asia; (ii) labor and working conditions during both for construction and operations, including compliance with local labor codes, migrant worker rights, freedom of association (FoA), prevention of gender-based violence and harassment (GBVH), child protection and safeguarding (CPS) non-discrimination, grievance mechanism, (iii) occupational health and safety (OHS), particularly during construction; (iv) life and fire safety in hospital design and operations; and (vii) stakeholder engagement and community grievance mechanisms.

Environmental and Social Mitigation Measures

IFC's appraisal considered the environmental and social management planning process and documentation for the project and gaps, if any, between these and IFC's requirements. Where necessary, corrective measures, intended to close these gaps within a reasonable period of time, are summarized in the paragraphs that follow and (if applicable) in an agreed Environmental and Social Action Plan (ESAP). Through the implementation of these measures, the project is expected to be designed and operated in accordance with Performance Standards objectives.

PS 1 - Assessment and Management of Environmental and Social Risks and Impacts

RHOL has adopted a corporate environmental, social and governance (ESG) policy that consolidates the Company's commitments to environmental and social sustainability responsibility in line with international standards. RHOL has certified E&S management systems at the Holding level (ISO 9001, ISO 14001, ISO 45001 and ISO 50001). Depending on the nature of the activities and associated risk levels, its subsidiaries and projects also implement certified and site-specific E&S management systems.

To support consistent application of the IFC Performance Standards (PSs) across subsidiaries and projects, RHOL has updated and further detailed its E&S risk screening, assessment and management methodologies within its corporate ESMS manual. The manual incorporates project categorization definitions in line with IFC's Sustainability Policy. Each project undergoes an initial in-house E&S screening against the IFC PSs, followed by preparation of a detailed E&S scoping report, and as applicable, an E&S due diligence (ESDD) report (for brownfield acquisitions), an environment and social impact assessment (ESIA), and/or complementary studies supported by independent consultants, commensurate with the Project's anticipated impacts.

The ESMS manual will serve as the primary mechanism for assessing subproject eligibility under IFC financing, including screening out Category A projects.

E&S management is overseen by a Sustainability Committee chaired by the E&S and OHS Directors, which reports directly to the Board. Group-level ESG KPIs are defined and tracked through quarterly reviews, and each subsidiary is expected to align with Group's E&S performance indicators. E&S responsibilities are distributed across several corporate departments, led primarily by the E&S, OHS and Social Compliance teams, and supported by dedicated site-based teams that include subject matter experts commensurate with project-specific risks. Each RHOL subsidiary is also suitably staffed with E&S teams of their own. Risk assessment and monitoring processes are further supported through external consultancies for complex projects, as described in the ESMS manual.

RHOL commissioned an independent ESDD for the Kokshetau Hospital in line with applicable national regulatory and international standards and adopted an E&S action plan (ESAP) to address identified gaps. ESAP implementation is supported by quarterly independent monitoring and internal E&S monitoring by the Corporate E&S team. During visits to the construction site in Kazakhstan, IFC observed generally good implementation of the ESMS, including site-specific environmental, health and safety management plans that are cascaded to the project's subcontractors. ESAP implementation and day-to-day E&S management are overseen by the site OHS and E&S manager, supported by a Community Liaison Officer (CLO) and a social specialist focused on labor.

As per **ESAP #1**, RHOL will adopt with their ESMS a framework procedure to support future expansion of its PPP hospital business. At a minimum: (i) E&S staffing requirements for the specific PPP project during construction and operations; (ii) review and incorporation of national E&S regulatory requirements (iii) a gap analysis of local requirements against the IFC Performance Standards and identification of associated mitigation measures; (iv) the scope and minimum requirements for Construction and Operations E&S Management Plans (CESMP and OESMP) and other management plans, as needed, to meet the IFC PSs, and (v) project monitoring and review procedures, including key EHSS indicators covering sub-contractors, external audit frequency, and management review arrangements.

RHOL manages contractors' environmental, health and safety performance through prequalification, contractual, and monitoring processes applied at both corporate and project levels. Contractor selection includes evaluation of compliance with labor, OHS, and environmental standards, as well as verification of legal registration, required technical certifications, and past performance. E&S clauses are incorporated into contracts covering labor standards, OHS practices, waste management, and audit rights.

Emergency preparedness is managed at both corporate and project levels. All RHOL construction and operational facilities maintain emergency response procedures addressing incidents such as fire, medical emergencies, hazardous materials handling, and external disaster scenarios. Site-based regular drills are conducted, including fire and evacuation exercises and simulated disaster responses. Spill kits, first-aid stations, and emergency equipment are maintained at project sites.

PS 2 – Labor and Working Conditions

RHOL employs over 6,600 direct employees (17% female) across its subsidiaries. In addition, more than 36,000 people are engaged through subcontractors on RHOL projects (15% female). The Kokshetau PPP hospital construction site employs over 2,700 workers at peak and the future PPP hospitals in Central Asia are expected to have construction sites of similar scale. During operations, staff will be hired through Renell, RHOL's subsidiary managing Kokshetau. Although the number of RHOL's operations phase staff at Kokshetau is not known currently, it's expected to be minimal (around 50) as the services undertaken will be limited as described above.

RHOL has a Group-level HR policy aligned with PS2, which is cascaded to its subsidiaries and includes requirements for contractors and suppliers. The policy commits worker protection, including prohibition of child labor and forced labor; zero tolerance for discrimination, retaliation, and any form of violence or harassment; and promotion of diversity, inclusion and equal opportunity. It also recognizes workers' rights to form and join unions of their own choosing and to bargain collectively.

RHOL has a formal workers' grievance mechanism aligned with PS2 that covers both direct and contractor employees. The mechanism is designed to receive and address sensitive grievances, including those related to Sexual Exploitation Abuse and Harassment (SEAH)/ Gender-Based Violence and Harassment (GBVH), and trained focal people are available to support such cases. At Kokshetau, implementation of the grievance mechanism has been adequate, including designation of a GBVH focal point and delivery of relevant worker trainings.

Worker camps visited by IFC, including Kokshetau were designed and operated in line with PS2. At Kokshetau, approximately 2,000 workers reside in the camp, primarily blue-collar workers from across Kazakhstan and neighboring countries (Uzbekistan, Kyrgyz Republic and Russia). Migrant worker

recruitment is strictly regulated by the Government of Kazakhstan and is subject to approval of foreign worker hiring quotas allocated to the project.

The Social Compliance team within the Internal Audit Department, together with the HR Department, oversees compliance with RHOL's HR policy and applicable host-country laws and regulations. Oversight is carried out through regular audits of project sites, with or without prior notice, as well as review of employee grievances. RHOL also commissions external labor audits for large-scale projects during peak construction. An external labor audit was commissioned in 2025 for the Kokshetau Hospital, and the team is implementing the associated corrective action plan under supervision of the RHOL's E&S compliance unit.

As part of the ESMS framework (**ESAP#1**), RHOL will identify host-country labor regulatory requirements and include provisions for HR policies, site working conditions, and worker accommodation to be aligned with RHOL's HR Policy, statutory requirements and PS2. The ESMS framework will also include a requirement to commission an external labor audit during peak construction (**ESAP#1**).

RHOL has established a comprehensive OHS management system aligned with ISO 45001, IFC Performance Standards, and good international industry practices. The system is underpinned by a corporate commitment to zero accidents, with centralized oversight by the Corporate OHS Management Department, which sets Group-wide standards, conducts audits, and ensures alignment across subsidiaries. Implementation is supported by the RSafe digital platform, enabling near real-time monitoring and reporting of key OHS indicators, including Lost Time Recordable Injury Rates (LTIFR), Total Recordable Injury Rates (TRIR), and high-potential incidents (Hi-Po). Both the LTIFR rate (0.27) and TRIR (1.66) remain below construction industry benchmarks (as per BLS 0.9 and 2.2 available at: https://www.bls.gov/web/osh/table-1-industry-rates-national.htm#soii_n17_as_t1.f.4). Kokshetau did not have any LTIs since the start of the construction in May 2025. Near-misses and non-LTI injuries are recorded and analyzed. Some cases have been flagged as high-potential incidents, and systemic corrective actions have been implemented.

RHOL uses a combination of leading and lagging indicators, integrates OHS KPIs into annual planning and leadership performance evaluations, and reinforces executive-level accountability. Continuous improvement is supported through targeted action plans focused on high-potential incidents, behavioral safety, digital integration, subcontractor management, and incentive mechanisms, complemented by training programs and culture-building initiatives. Traffic and road safety risks are also addressed through risk assessments and mitigation measures, particularly for large-scale infrastructure projects.

PS 3 – Resource Efficiency and Pollution Prevention

Environmental monitoring is conducted across RHOL operations and projects in line with applicable legal and international requirements, permit conditions, and RHOL's corporate sustainability targets. Corporate-level targets for water and energy use, emissions and waste reduction are monitored quarterly across all subsidiaries by the Sustainability Committee.

At the project level, environmental compliance monitoring is carried out during construction and operation, commensurate with the nature of the activities, and covers parameters such as air emissions, water quality (including surface water and groundwater, as applicable), wastewater, noise, vibration, greenhouse gas emissions and waste management. Water and wastewater management plans are prepared both for construction and operations. Wastewater from hospital operations is treated through built-in pre-treatment systems prior to discharge release to the municipal network.

RHOL will incorporate requirements for site-specific environmental management plans and monitoring procedures into the ESMS framework (**ESAP#1**). The framework will identify project standards aligned with applicable local requirements and the WBG EHS Guidelines, applying whichever is more stringent.

Waste generated from construction and operational activities is managed at the project level in accordance with applicable regulations. Projects visited by IFC demonstrated appropriate practices for the temporary storage and disposal of waste. Waste quantities by type are recorded through a Group-wide waste register system, which enables tracking of waste generation and disposal methods. Under this system, 60% of total waste generated in 2025 was recycled. For the Kokshetau hospital – and likely for other Central Asia hospitals

– waste management and disposal during operations is overseen by Ministry of Health and are outside RHOL’s scope.

Corporate-level GHG emissions following the Project are estimated at 84,000 tCO₂eq. RHOL has an independently verified GHG accounting procedure and regularly tracks progress against its 2030 target to reduce their Scope 1 and 2 emissions by 55%, as well as its goal to achieve carbon neutrality across its operational assets by 2040. Project teams are incentivized to adopt innovative and sustainable practices to support corporate targets for GHG, water and waste reduction.

PS 4 – Community Health, Safety, and Security

Key community health and safety impacts during construction are assessed and managed through construction E&S management plans, including traffic management, noise and dust control, and emergency preparedness and response. RHOL appoints a CLO for projects involving large-scale construction activities and worker camps where affected communities are present. Workers receive training on the Code of Conduct, and curfews are enforced at worker camps to help monitor and mitigate labor influx risks in neighboring communities. RHOL also designates a GBVH focal point for each sizeable project, under the supervision of the Corporate Social Compliance team, and provides awareness-raising for both contractor and direct employees, as well as community members, to support identification and reporting of GBVH risks. The framework procedure for Central Asia hospitals (**ESAP#1**) will define project-specific community health and safety risks and mitigation measures.

RHOL has corporate policies and a grievance mechanism to address risks related to GBVH and SEAH. Under ESAP #2, RHOL will extend these procedures to the areas under its responsibility within the operations of the Central Asia hospitals. Given the company’s existing and expanding portfolio in healthcare and shopping malls, additional review of child protection and safeguarding risks is required. Under **ESAP#2**, RHOL will conduct a portfolio-wide risk mapping and, based on the findings, develop and adopt a child protection and safeguarding policy commensurate with its operations where children may be present or affected including hospitals, shopping malls and other relevant projects, and considering IFC’s recent Guidance on Addressing Child Safeguarding in the Private Sector.

RHOL implements a combination of local and international fire safety codes in hospital design and operations. Life Fire Safety (LFS) design of Kokshetau Hospital visited and reviewed as a proxy, is in accordance with the local GOST code (Fire Code of Kazakhstan) as well as other international codes, such as NFPA for fire safety systems and ASHRAE for HVAC and smoke management.

As per **ESAP #1**, RHOL will include requirements to ensure Life and Fire Safety (LFS) design, construction and operations of the PPP Hospitals in Central Asia to be conducted in full compliance with the local LFS codes and in accordance with an internationally accepted LFS standard, to be certified by an independent qualified consultant at design stage and prior to commissioning.

Security arrangements at RHOL projects visited in Türkiye and Central Asia are provided through third-party reputable contractors and implemented in line with PS4.

Stakeholder Engagement

RHOL publishes annual Sustainability Reports prepared in accordance with the Turkish Sustainability Reporting Standards (TSRS), as required for companies of a certain size. The reports also follow the principles of the Global Reporting Initiative (GRI) and take into account the European Sustainability Reporting Standards. RHOL conducts corporate-level surveys and meetings to inform and engage stakeholders. Site-specific stakeholder identification and engagement procedures are implemented in line with PS1. Stakeholders may raise concerns regarding unethical conduct by RHOL employees or subsidiaries through the publicly disclosed Ethics Line (<https://ronesans.com/en/sustainability/the-ronesans-impact-on-business/code-of-conduct>) or through project-level grievance mechanisms; both channels accept anonymous submissions.

RHOL projects visited recently demonstrated good implementation of Stakeholder Engagement Plans and grievance mechanisms. The ESMS framework to be developed under **ESAP#1** will incorporate stakeholder

engagement and grievance management requirements commensurate with project impacts, with information to be disclosed on the project website and/or at locations accessible to affected communities and reporting requirements to RHOL corporate.

Broad Community Support

N/A

Local Access of Project Documentation

Please include at least the following:

- Contact Person:
- Company Name:
- Address:
- Email:
- Phone: