

Public Information Summary

Host Country

Türkiye

Name of Counterparty / Issuer

CW Enerji Mühendislik Ticaret ve Sanayi A. S. (“CW Enerji”)

Project Description

A corporate direct loan for the construction of an integrated solar photovoltaic cell manufacturing facility in Antalya, Türkiye.

DFC Product Type

Debt Financing

DFC Investment / Insured / Equity Amount

Up to \$210,000,000

Total Project Costs

Up to \$271,420,000

U.S. Involvement

N/A

Policy Review

U.S. Economic Impact

The Project is manufacturing solar power components, used for the future assembly of PV modules. The U.S. production of modules is currently heavily reliant upon imported components to meet U.S. production needs. Any production of these components from the Project that are exported to the U.S. are therefore not expected to have a negative impact on U.S. employment, given existing reliance upon imported components.

Developmental Objectives

Currently, Türkiye relies heavily on energy imports from abroad. As a result of its dependency on imported energy, the country is extremely vulnerable to supply disruptions and price shocks. Responding to these risks, the government of Türkiye has identified the development of renewable energy and renewable energy technologies as a priority over the next ten years.

In response to these challenges, the Project will contribute to the government of Türkiye’s energy goals by supporting the construction of a fully integrated PV cell production facility in order to reach a nameplate annual capacity of 2.3 gigawatts. The new facility will produce ingots, wafers, and solar PV cells. The facility will be the only one in the country to produce TOPCon cells and, once fully operational, will

support over 1,200 full-time jobs of which nearly 50 percent are expected to be staffed by women. Given the Project's characteristics, it is categorized as Exceptionally Impactful per DFC's Impact Quotient ("IQ").

Environment and Social Assessment

Screening: In accordance with DFC's Environmental and Social Policy and Procedures ("ESPP"), the Project has been determined to be categorically eligible. The Project involves the development, construction and operation of a solar cell manufacturing facility in Türkiye. Projects of this nature are screened as Category B under DFC's ESPP because potential adverse environmental and social ("E&S") risks and impacts are readily mitigated to acceptable levels with good E&S management systems.

Applicable Standards:

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

- 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

The Project involves the development, construction and operation of a manufacturing facility within an existing industrial park in Türkiye. As part of the Project activities, CW Enerji will demolish a pre-existing textile factory located on the Project site and replace it with new infrastructure for the solar cell production facility. As such, significant adverse impacts with respect to land acquisition, biodiversity, indigenous peoples, and cultural heritage are not anticipated. Therefore, PS 5, 6, 7, and 8 are not triggered at this time.

In addition, the Project is required to comply with the World Bank Group ("WBG") Environmental, Health, and Safety ("EHS") General Guidelines.

Environmental and Social Risk and Mitigation: The key E&S issues associated with the Project include the need for robust environmental and social management systems to mitigate risks related to Project-specific demolition, construction and operational activities.

CW Enerji will provide overall oversight of the Project construction activities and will oversee and implement the Construction Environmental and Social Management Plan ("CESMP") outlining E&S management and mitigation measures for all demolition and construction-related activities. CW Enerji will be required to develop and implement E&S management plans pertaining to waste, air quality and emissions, pollution, traffic, occupational health and safety, emergency preparedness and response, stakeholder engagement, community health and safety and chance finds in alignment with the CESMP.

CW Enerji is expected to provide operations and maintenance services and will be required to implement an Operational Environmental and Social Management Plan ("OESMP"). The OESMP commits to compliance with the IFC Performance Standards and applicable E&S laws and regulations, identifies potential risks and provides mitigation measures for water usage, energy use, air emissions, wastewater, waste, occupational health and safety, community health and safety, and labor and working conditions. The OESMP also identifies training, incident management, and reporting requirements to ensure implementation.

CW Enerji will be further required to ensure the proper training of on-site security personnel and develop and implement a Project-specific supply chain management framework to assess and mitigate risks associated with the procurement of polysilicon from the PRC. The management systems will be required to include (i) a supply chain management policy; (ii) E&S risk screening procedures for potential suppliers; and (iii) regular auditing and reporting requirements, consistent with DFC policies and procedures.