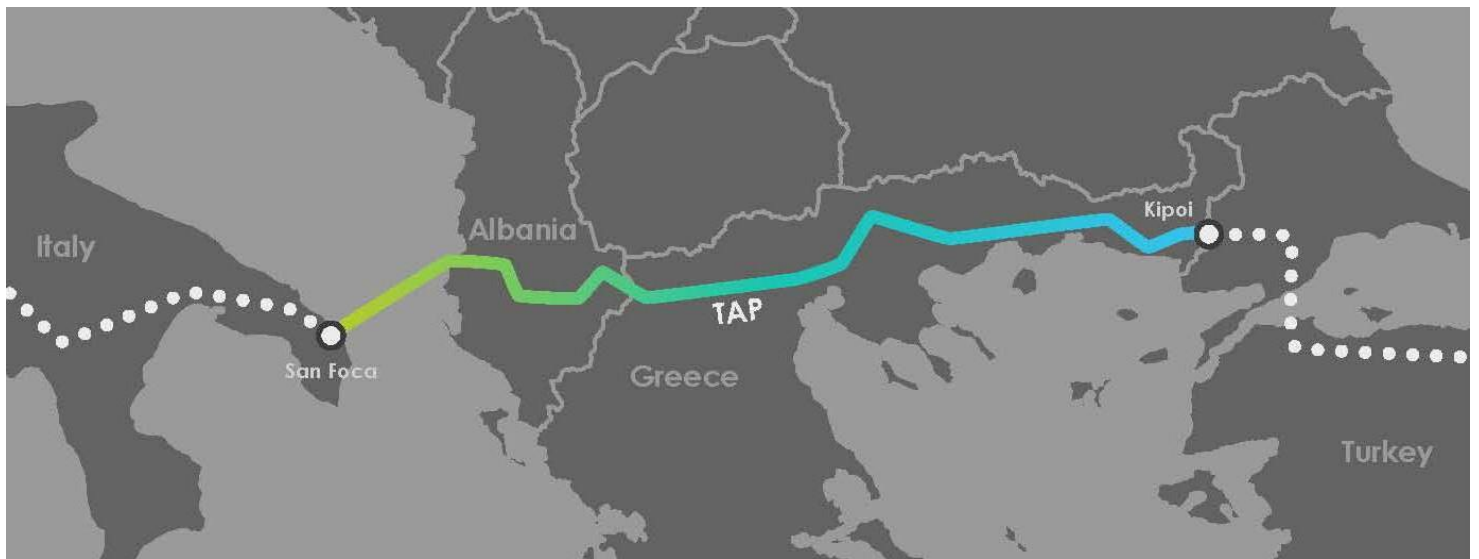




Trans Adriatic
Pipeline



International Financial Institutions Supplementary Information Package

International Financial Institutions Supplementary Information Package

The Trans Adriatic Pipeline (TAP) is one of Europe's most important energy infrastructure projects. TAP will enable Caspian natural gas to be transported to Europe through Greece, Albania and Italy by 2020. Connecting with the Trans Anatolian Pipeline (TANAP) at the Greece-Turkey border, TAP will cross Northern Greece, Albania and the Adriatic Sea before coming ashore in Southern Italy to connect to the Italian natural gas network.

The TAP pipeline will span 773 km buried onshore (550km in Greece, 215km in Albania, 8km in Italy) and 105km offshore. Its design has been developed in accordance with recognised national and international safety standards. TAP's shareholders - SOCAR, Snam, BP, Fluxys, Enagás and Axpo - are major energy companies with significant expertise in delivering complex international projects safely, on budget, on time and to specification.

The pipeline will contribute to Europe's energy security and diversity, supporting the European Union's strategic goal of securing future gas supplies and meeting its changing energy needs. Natural gas reduces reliance on coal and is an important element of Europe's strategy in the short-term for reduction of greenhouse gas emissions.

The project is currently in the construction phase and, as at the end of Q3 2017, is 58% complete. Ever since the original concept was developed and throughout the planning for its construction and operation, TAP has been committed to effectively managing its associated environmental, social and cultural heritage (ESCH), health, safety and security risks and opportunities, as well as delivering benefits to local communities and the company's shareholders. The approach to managing these risks is designed to reflect the scale and nature of project activities and will be adapted as these change.

TAP conducted Environmental and Social Impact Assessments (ESIAs) which were approved by the appropriate authorities in Greece, Albania and Italy during 2013 and 2014. Subsequent amendments to the ESIs reflecting changes to the project scope have also been approved. Approved project ESIs and amendments are available at <https://www.tap-ag.com/our-commitment/to-the-environment>.

Each ESIA was conducted in accordance with the with the applicable national requirements and good international practices (GIP). Since the ESIs were approved, TAP has initiated discussions with international financial institutions (IFIs), including the EBRD and the European Investment Bank (EIB), as well as three export credit agencies (ECAs).

TAP is committed to comply with the current environmental and social policies of these institutions if they are to participate in TAP's financing, namely:

- EBRD Performance Requirements (PRs 1 through 6 and 8 through 10)¹ as per EBRD's Environmental and Social Policy (2014)
- EIB Environmental and Social Practices and Standards (2013)

¹ EBRD PR 7 is a performance requirement in relation to Indigenous Peoples and is not applicable to TAP Project.

Document title	International Financial Institutions Supplementary Information Package
Date	19 December 2017
Classification	External

- IFC Performance Standards (PS 1 through 6 and 8)² (January 2012)
- IFC EHS General Guidelines (2007)
- IFC Industry-specific Guidelines
 - the IFC EHS Guidelines for Onshore Oil and Gas Development (2007)
 - the IFC EHS Guidelines for Offshore Oil and Gas Development (2015)
- The Equator Principles III (2013)
- OECD Common Approaches (2012).

To demonstrate its compliance, TAP is therefore initiating a process to disclose its ESCH management system and effective stakeholder engagement. Disclosure of this information will supplement material already presented to project stakeholders through TAP's extensive engagement programmes in support of construction and during the ESIA consultation and disclosure.

Supplementary studies have also been completed to comply with IFI/ECA standards. These include the project ESCH Overview, the Cumulative Impact Assessment (additional to the cumulative impact assessments in each ESIA), the Critical Habitats Assessment and Supplementary Ecological Assessment, and the Associated Facilities Assessment (presenting and summarising upstream, downstream and interconnector projects and assessing environmental and social issues).

It is important to note that these are not statutory documents required by host country legislation. Using data that TAP has collated since the ESIA phase on ESCH sensitivities along the pipeline route, the purpose of these supplementary studies is to support construction readiness, implementation of TAP's ESCH management system and conformance with IFI/ECA requirements, which often exceed national requirements. This is a process common to all construction projects of a similar scale seeking IFI/ECA funding and follows good industry practice.

The full list of additional assessments and management plans that are being disclosed to fully inform stakeholders is shown in the table below.

² IFC PS 7 is a performance standard in relation to Indigenous Peoples and is not applicable to TAP Project.

TAP additional assessments & management plans for public disclosure

Additional Assessments		Management Plans	
<u>Cumulative Impact Assessment Executive Summary</u>	Environmental and Social Management Plan	Soil Erosion and Reinstatement Plan	Stakeholder Engagement Strategy and Country Stakeholder Engagement Plans
Associated Facilities Assessment	Consolidated ESMS Project Standards	Industrial Relations Management Plan	Country Cultural Heritage Management Plans
Critical Habitat Assessment Report	Ecological Management Plan	Social Impact Management Plan	Environmental and Social Compliance Assurance Plan
Supplementary Ecological Assessment	Biodiversity Offset Strategy	Social and Environmental Investment Overview	Project Health and Safety Plan
TAP Routing Report	Waste Management Plan	Country Livelihood Restoration Plans	Crisis and Emergency Response Strategy
Environmental, Social and Cultural Heritage Overview	Water course crossing plan	Grievance Management Framework and Country Grievance Management Plans	

In addition to the above listed documents, TAP has disclosed a draft Environmental and Social Action Plan that has been developed by the IFI/ECA's and their independent consultants in consultation with TAP and will be revised as discussions with these institutions progress.

TAP is disclosing all the above documents on the project website at <https://www.tap-ag.com/resource-library/reference-documents/project-finance-disclosure>

Any questions or comments regarding this summary or the project are welcome and should be directed to the relevant TAP offices and at <https://www.tap-ag.com/contact-us>.