

Ceyport Tekirdağ Uluslararası Liman İşletmeciliği A.Ş.

Ceyport Project - Non-Technical Summary (NTS)

1. Who are Ceyport Tekirdağ Uluslararası Liman İşletmeciliği A.Ş. and Ceynak Lojistik ve Ticaret A.Ş.?

Ceyport Tekirdağ Uluslararası Liman İşletmeciliği A.Ş. (“Tekirdağ A.S.”) is a Turkish-based special purpose company that was awarded the operation rights for the Port of Tekirdağ (“Ceyport” or the “Port”) for 36 years in December 2018 and it is 100 per cent owned by Ceynak Lojistik ve Ticaret A.Ş. (Cey Group; Ceynak, Samsunport, Ali Avcı, M Berzan Avcı, Lerzan Avcı Lülecioğlu) (“Ceynak” or the “Company”).

Ceynak is the flagship company of the Cey Group of companies. Cey Group is active in logistics, transportation, storage, warehouse, bonded warehouse, grain silos, elevators, container terminal, container repair and maintenance, port services, packing, customs clearance transportation and international port management services with 1,000 personnel since 1969. The Company has a successful record of accomplishment in port privatisations. Samsunport, owned by the Group since 2008, is one of the most successful privatisations in the sector in Turkey as the port reached 75 per cent EBITDA margin in 2017 compared to 62 per cent average for its peers in Turkey.

2. What is Ceyport?

Ceyport is located in Ertuğrul District (Süleymanpaşa District) of Tekirdağ Province, Turkey. Tekirdağ is an important hinterland area for the Port with its organised industrial zones. Major industrial activities in the region include textile manufacturing, wheat processing, steel manufacturing and glass manufacturing, amongst other activities and the Port has served each of these industries in its history.

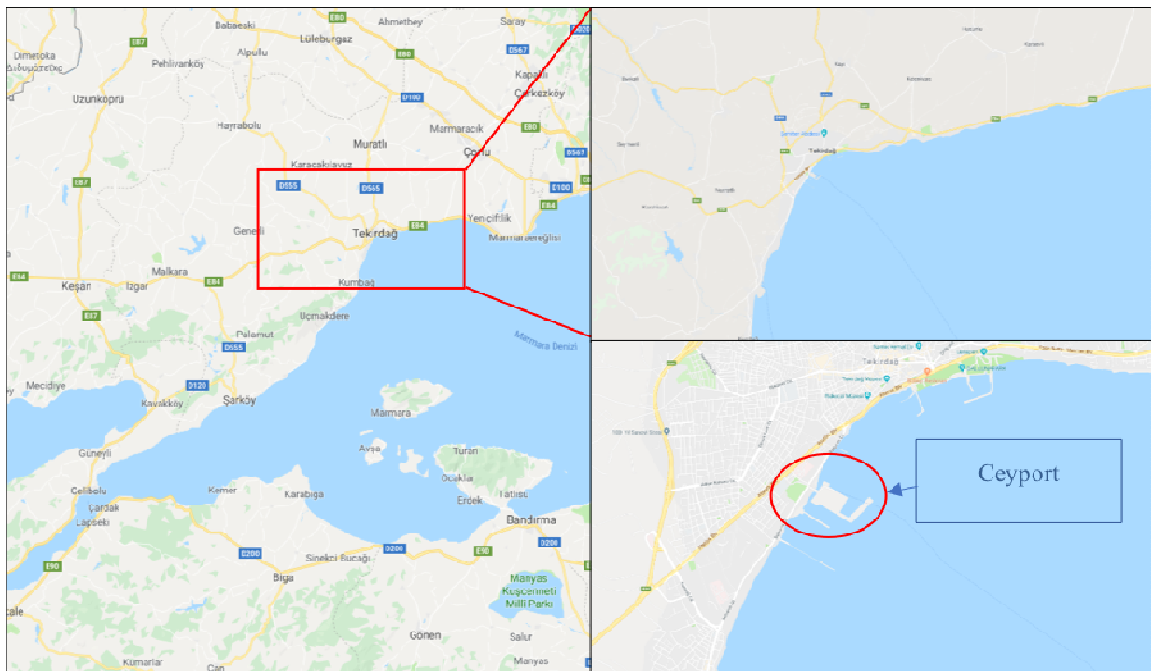
The Port is the only port handling terminal in the Thrace region with a railway connection, which also includes a ferry line to ÇelebiPort / Bandırma in West Anatolia region also Derince port in Kocaeli region. The Port provides dry bulk and general cargo handling and storage services. The main products are grain, fertiliser and sunflower seeds. The Port has eight piers and berth range between 6-12 meters. Ceynak has been an Operations and Maintenance operator for handling services of the terminal since 2012.

The Port comprises of 152,547.02 m² of surface area and has been providing service on Barbaros Road, Tekirdağ in the name of Türkiye Denizcilik İşletmeleri Anonim Şirketi (Turkey Maritime Organization - TDI) Tekirdağ Limanı. The Port has been under the management of TDI since 2012 and governed by the Tekirdağ Port Authority. The Port’s previous private operator was Akport until 2011. Ceynak acquired the privatisation tender of the Port in 2018 and started providing operational services for the Port of Tekirdağ.

The following figures present a general view and location of Ceyport in Turkey.



General View of Ceyport



Location Map of Ceyport

3. What is the Ceyport Project?

The Ceyport Project (the “Project”) represents the (i) privatisation of the Port of Tekirdağ, an operational brownfield terminal located in the Thrace region, and (ii) the Port’s investment plan for capacity expansion and equipment acquisition. The Port’s expansion and modernisation are required by the technical specification of the awarded privatisation tender, which includes expanding the handling capacity from 1.5 million to 3.0 million tons, repairing the damaged areas and building a passenger pier, enlargement the surface to 260.000.-m² in the next 15 years.

The figure below presents the graphic illustration of the Project.



Graphic illustration of Ceyport Project (Red areas are to be constructed)

4. What environmental and social studies have been undertaken?

Turkish Environmental Impact Assessment (EIA) Regulation (Official Gazette Date/Number: 25.11.2014/29186) includes provisions for environmental impact assessment, public consultation and disclosure of project information for projects listed in the annexes of the regulation. Waterways, harbours and shipyards are covered under the Annex I of the EIA Regulation. An EIA study for future investments will be undertaken by Tekirdağ A.S., however, the timing for initiating the EIA Study is unclear. The EIA study is expected to be completed within 6-9 months at a minimum.

The Project has been designated as a category B project in accordance with the European Bank for Reconstruction and Development (EBRD)'s 2014 Environmental and Social Policy as the potential environmental, and social impacts/risks are to be limited. The impacts are likely to be site-specific and can be readily addressed through the implementation of adequately designed mitigation measures.

5. What is the purpose of this document?

This Non-Technical Summary (NTS) document provides an overview of the proposed Project and presents a summary of relevant potential environmental and social issues and 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.

6. Scope of ESDD work

An Environmental and Social Due Diligence (ESDD) comprised the following:

- Identification of the existing and Project-related environmental and social impacts and risks; and
- Environmental and Social Analysis of potential environmental and social issues associated with the Project.

The scope of the ESDD undertaken for the Project included an environmental and social audit through a site visit, interviews with relevant staff, review of available environmental and social documents and an environmental and social management review and analysis for the Project in relation to national regulatory requirements and relevant international standards. As part of the ESDD, a detailed ESDD Report, an Environmental and Social Action Plan and a Stakeholder Engagement Plan were prepared for the Project.

7. What are the key environmental and social impacts of the Project, and what are the proposed mitigation measures?

The main improvement that will be provided by the Project is the operational efficiency of the Port through capacity expansion and optimization, which in turn would positively impact the load factors of the goods transported. Thereby, the Port is expected to enhance modal shift and direct a larger share of the cargo commodity from roads towards railway and shipping lines. Potential positive impacts will also include job creation and employment opportunities for those who will be employed by the Project, either in the construction or operation and increased economic activities directly or indirectly related to the Project. On the other hand, in addition to its benefits, the Project could potentially result in some negative impacts on the environment and people, if not managed carefully. In addition, the ESDD determined areas for improvement related to the existing operations. Therefore, Ceyport and sub-contractors will need to be implementing certain actions (called “mitigation measures”) to prevent, reduce, or mitigate any potential negative impacts of the Project, including the existing operations.

A summary of key potential impacts and mitigation measures that have been identified is provided in the Table below.

Overview of key potential Project impacts and their mitigation

No	Issue	ES Risks/Benefits	Mitigation measures
1	Environmental and Social Impact Assessment	Compliance with Turkish regulations / aligning impact assessment to acceptable standards	Tekirdag A.S. to conduct a baseline and environmental and social impact assessment to identify ES related risks for construction and operation aspects in line with the Turkish EIA regulation and international lender’s standards and develop mitigation measures for key issues.
2	Environmental, Health and Safety (EHS) Management Systems / Environmental and Social Management Plan (ESMP)	Optimisation of environmental and social management through a formalised system	<ul style="list-style-type: none"> • Develop and maintain a formal Environmental and Social Management System that is appropriate for the nature and scale of the Project. • Prepare and implement an ESMP and appropriate supporting plans to be implemented during the construction activities. • Appoint or assign an ES team within Tekirdag A.S. who has relevant qualifications, the defined roles and responsibilities.

No	Issue	ES Risks/Benefits	Mitigation measures
3	Permitting	Compliance with national regulations	Clarify the required permits for the Project and obtain any necessary permits
4	EHS monitoring	Compliance with Turkish regulations / aligning impact assessment to acceptable standards	Investigate the air quality, noise and marine water quality impacts from increase port activities, including traffic and assess community health and safety measures to be taken.
5	Waste management	Waste management control Compliance with national regulations	Ensure proper operation of the waste acceptance facility.
6	Traffic and road safety management	Management of traffic impacts and risks / aligning impact assessment to acceptable standards	Develop and implement a Traffic management plan for the Project and all Port activities.
7	Occupational health and safety (OHS) practices	Increased health and safety performance in the workplace	<ul style="list-style-type: none"> • Review and improve the health and safety risk assessments, including implementation of mitigation measures. • Enhance the existing OHS practices to guide all Project-related activities during construction and operation. • Ensure present, and future infrastructure and building are in line with earthquake regulations. • Complete life and fire system for the project. • Conduct workplace exposure assessments.
8	Labour and working conditions/management of employee grievances	Improved labour and working conditions Improved grievance management	<ul style="list-style-type: none"> • Develop and implement an HR Policy and social management system that will be adopted by all affiliated bodies post-merger, following the principles and requirements of national legislation, EBRD ESP and SA 8000. • Develop and implement an equal opportunities action plan to promote good HR policies and practices with respect to gender and equal opportunities in the company's workforce. • Establish a written grievance mechanism for all employees and subcontractors.
9	Subcontractor management	Improved employee/ contractor relationship	<ul style="list-style-type: none"> • Establish policies and procedures for managing and monitoring the

No	Issue	ES Risks/Benefits	Mitigation measures
		and management	<p>performance of subcontracted employers.</p> <ul style="list-style-type: none"> • Ensure that labour practices of subcontractors are line with labour laws and regulations and the international lenders' standards. • Establish and implement procedures for the selection of main suppliers based on their social compliance' practices; and a system for periodical assessment of labour rights and conditions of the main suppliers.
10	Stakeholder and Information Disclosure	Maintaining good relationships with stakeholders	<ul style="list-style-type: none"> • Implement the stakeholder engagement plan for the Project. • Develop and implement an efficient and working grievance system for the Project.

8. What is Ceynak's approach to stakeholder engagement, grievance mechanism and communication?

Ceynak 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. Ceynak has developed a Stakeholder Engagement Plan which provides details of the approach to stakeholder engagement and their planned meetings and commitments.

9. How will Ceynak communicate and engage with stakeholders?

A Stakeholder Engagement Plan is in place to ensure that there is regular ongoing engagement with the community, local government and organisations, to inform them of plans and developments on an ongoing basis and gather any complaints or feedback. A Stakeholder Engagement Register records all Ceyport interactions with stakeholders.

10. How can stakeholders make a compliant or make an inquiry?

Ceyport plans to employ a Grievance Mechanism which provides a process for all people to raise any complaints and grievances, and to allow the Project to respond to and resolve the issues in an appropriate manner.

The following channels are available for those who wish to convey a comment or grievance to Ceyport or the Company:

Contact details for submitting grievances to Ceyport and contacting its units are provided below:

**Ceyport Tekirdađ Uluslararası Liman İřletmeciliđi A.ř.
100. Yıl Mahallesi Barbaros Cad. No:9/1 Sleymanpařa, Tekirdađ**

E-mail: info@ceyporttekirdag.com.tr

Tel: 0 (282) 261 08 00

Fax: 0 (282) 261 23 46

Website: www.ceyporttekirdag.com.tr

Contact details for submitting grievances to Ceynak and contacting its units are provided below:

**Ceynak Lojistik ve Ticaret A.ř.
Basın Ekspres Yolu Cemal Ulusoy Caddesi No: 21
Yenibosna - Bahçelievler / İSTANBUL**

Email: istanbul@ceynak.com.tr

Tel: 0 (212) 693 18 18

Fax: 0 (212) 693 25 78

Website: www.ceynak.com.tr