

Non-Technical Summary

Tersan III - Turkiye

Tersan Tersanecilik Tařımacılık Sanayi ve Ticaret A.ř.

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Contents

| | |
|--|----|
| PURPOSE OF THE NON-TECHNICAL SUMMARY | 2 |
| PROJECT OVERVIEW | 2 |
| PROJECT LOCATION | 2 |
| ENVIRONMENTAL SENSITIVITIES | 4 |
| RATIONALE OF THE PROJECT | 5 |
| PROJECT DESCRIPTION..... | 6 |
| Core Project Components | 6 |
| Associated Components | 6 |
| Project Proponent and Key Entities | 6 |
| PROJECT PHASES AND TIMELINE..... | 6 |
| Design and Construction Phases | 7 |
| Operational Phase | 8 |
| Social context | 8 |
| STAKEHOLDER ENGAGEMENT | 9 |
| Approach to Stakeholder Engagement | 9 |
| Stakeholders' identification | 9 |
| Ongoing Engagement | 9 |
| Grievance Mechanism | 10 |

Purpose of the Non-Technical Summary

This Non-Technical Summary (NTS) provides a clear and accessible overview of the Tersan III Project and its potential environmental and social effects. It is intended for non-specialist stakeholders, including local communities, authorities, and financial institutions.

Project Overview

Tersan Tersanecilik Taşımacılık Sanayi ve Ticaret A.Ş. (“Tersan”) operates ship repair facilities in Türkiye, with two main sites located in Yalova and Tuzla. The Company owns and operates three floating docks: one in Tuzla (130 metres in length) and two in Yalova (180 metres and 310 metres, respectively). Tersan has been active in shipbuilding and ship repair services since 1998.

The project is being developed to expand Tersan’s ship repair capacity through the construction of a new Panamax-sized floating dock (approximately 250 metres in length) at its existing Yalova facility (the “Project”). The development will involve the fabrication, installation and commissioning of the new floating dock within the existing shipyard infrastructure. Once commissioned, the new floating dock is expected to increase the company’s repair capacity.

Project Location

The Project is located within Tersan’s existing shipyard facility in Yalova, northwestern Türkiye, where the new floating dock will be constructed, installed and operated.

The Yalova shipyard is situated within a designated industrial shipyard zone along the coastline and comprises both land-based infrastructure and associated sea areas used for docking operations.

The Project will be developed within this permitted sea area and will form an integral part of the broader shipyard operations.

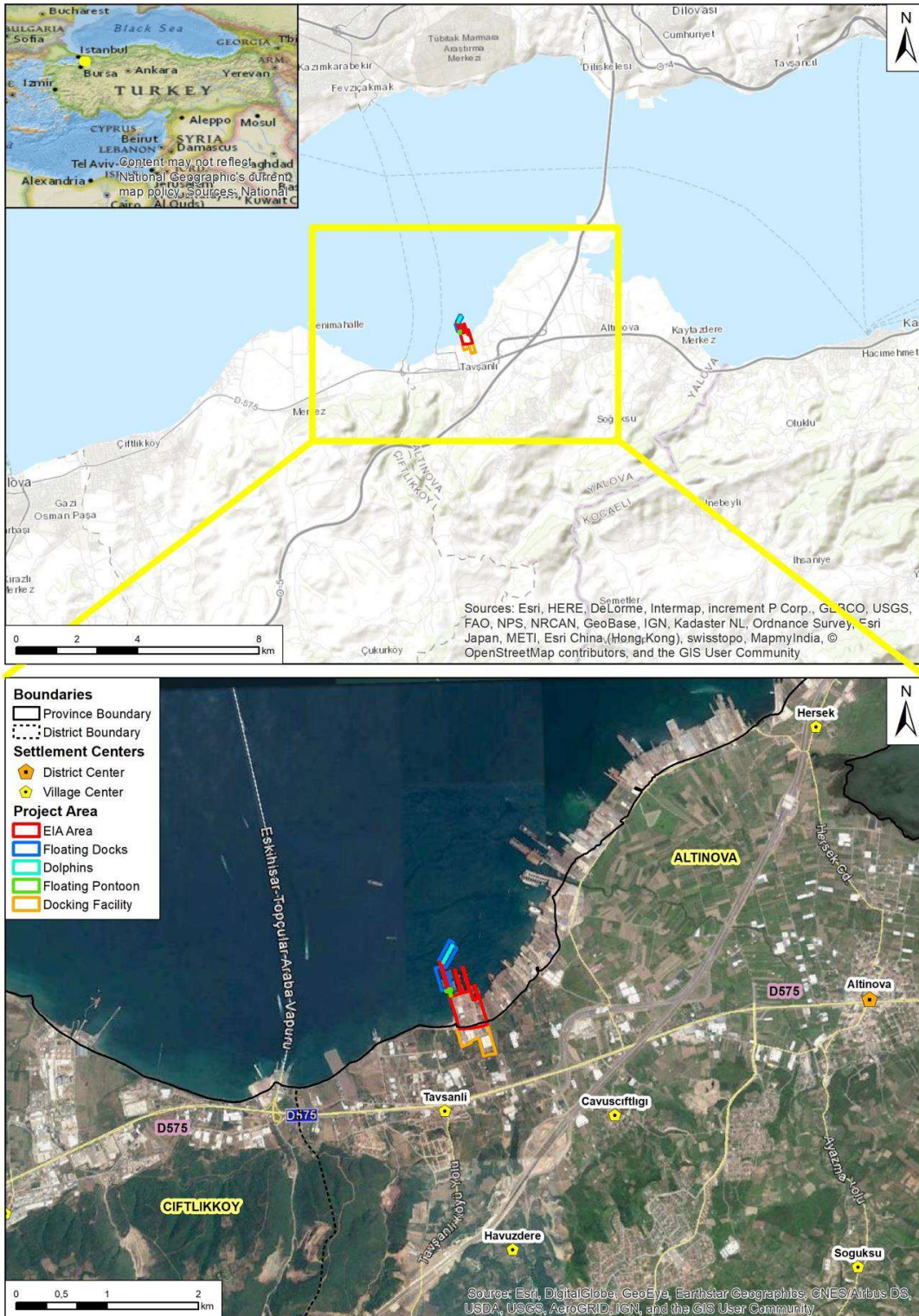


FIGURE 1. AERIAL VIEW OF THE PROJECT SITE



FIGURE 2. GENERAL OVERVIEW OF EXISTING FACILITIES OF TERSAN

Environmental sensitivities

The Project is located within an existing shipyard and industrial coastal area in Yalova Province, where the marine environment has already been influenced by ongoing maritime and industrial activities. There are no designated protected areas within the Project footprint; however, certain environmental sensitivities have been identified in the surrounding area.

A marine biodiversity study confirmed that no critical habitats, endemic species or species of high conservation concern are present within the Project area. Biodiversity within the site is therefore considered typical of a modified coastal environment.

The key environmental sensitivities to the Project are as follows:

- **Nearby site of local ecological importance:** Although not located within the Project footprint, there is a nearby site of local importance (including an Important Biodiversity Area), which represents a sensitive ecological receptor. Potential indirect impacts (e.g. disturbance, changes in water quality) need to be assessed and managed to ensure no adverse effects on its conservation objectives.
- **Hydrological and water regime sensitivity:** The Project may influence local hydrological conditions, including water quality and, to a lesser extent, water circulation patterns. These aspects are considered sensitive due to their importance for maintaining marine ecological functions and supporting surrounding biodiversity.
- **Marine water quality (Aquatic Products Production Area):** The site is designated as an aquatic products production area (i.e. suitable for fishing activities). As such, marine water quality is a key sensitivity, requiring careful management to avoid impacts on fisheries resources and compliance with national regulations.

The Project incorporates mitigation and monitoring measures to address these sensitivities, including hydrological assessment, biodiversity impact assessment, and ongoing marine water quality monitoring in line with applicable legislation and international standards. With these measures in place, potential impacts are expected to be effectively managed and not significant.

Rationale of the project

The Project supports the expansion and operational enhancement of Tersan's ship repair capacity, responding to growing demand for maintenance, retrofit and upgrade works in the maritime sector. By increasing dock availability and operational flexibility, the Project will enable the Company to service a higher number of vessels and reduce waiting times, thereby improving efficiency within regional shipping and logistics networks.

The new floating dock is expected to enhance Tersan's capability to undertake more complex and higher-value repair and retrofit activities, including energy efficiency improvements and environmental compliance upgrades on vessels. These may include retrofitting technologies aimed at reducing fuel consumption, lowering emissions, and supporting compliance with evolving international maritime regulations. In this regard, the Project indirectly contributes to the decarbonisation of the shipping sector and the adoption of cleaner technologies.

The Project also strengthens the role of the Yalova shipyard as a key industrial and maritime hub, supporting local employment, supply chains and economic activity. At a broader level, it contributes to the resilience and sustainability of maritime transport infrastructure by facilitating safer, more efficient and environmentally compliant vessel operations.

Project Description

Core Project Components

The Project's permanent infrastructure includes:

- The new floating dock (approximately 250 m in length, 51 m in width, 20 m in depth, and with a lifting capacity of approximately 25,000 tonnes),

Associated Components

The Project's associated components include:

- Ballast systems, pumps, cranes and control/monitoring systems,
- Docking and berthing infrastructure, including piers and quay walls,
- Supporting shipyard infrastructure such as workshops (steel, pipe, mechanical, electrical and blasting/painting),
- Material handling equipment (including gantry cranes, auxiliary cranes and transport systems), and
- Supporting utilities, internal roads and operational areas within the existing shipyard.

Project Proponent and Key Entities

The Project is sponsored by Tersan Tersanecilik Taşımacılık Sanayi ve Ticaret A.Ş., which acts as the Project Sponsor and is responsible for the overall development, financing, and operation of the Project. Construction will be undertaken by Tersan Tersanecilik Sanayi ve Ticaret A.Ş., acting as the main construction contractor, within Tersan's existing shipyard facilities in Yalova Province.

Project Phases and Timeline

The Project is structured into three main phases: design and planning, construction, and operation. The design and planning phase includes engineering and class approvals completed by mid-2026, followed by an intensive construction phase beginning with steel cutting in August 2026 and culminating in launch in July 2027. This is followed by commissioning and testing activities prior to operational start-up in September 2027, after which the facility enters its operational phase.

- The project dock is intended to be built at Tersan's Yalova facility itself.
- Design works are expected to be completed by 3rd July, 2026.
- Steel cutting is expected to start by 3rd August, 2026.
- Keel laying is scheduled by 23rd Sept, 2026.
- The project dock will be built at the building areas of the yard and it will be launched with help of their biggest floating dock by moving the project dock using SPMT (Self Propelled Modular Transporter) into their biggest floating dock. The launch is scheduled for 1st July, 2027.
- The dock is expected to be commissioned for operations by 1st September, 2027.

Design and Construction Phases

The construction phase of the Project comprises a series of marine and onshore fabrication, assembly and installation activities, which may generate temporary environmental and social impacts. These activities can be grouped as follows:

- **Design and Pre-Construction Activities:**
Initial works include detailed engineering design, class drawings, and regulatory approvals. These activities are primarily office-based but may involve preparatory planning on site, with minimal environmental impact.
- **Material Procurement and Fabrication:**
Procurement of steel and equipment is followed by steel cutting and fabrication within the shipyard. These activities may result in noise, energy use, and generation of industrial waste (e.g. scrap metal), as well as emissions from cutting and welding processes.
- **Dock Construction and Structural Assembly:**
The floating dock structure is assembled through steel production, welding, and block erection. This phase represents the core construction activity and may generate noise, and localised air emissions,
- **Mechanical and Electrical Installation (Outfitting):**
Installation of mechanical systems, electrical components, pumps, and control systems is undertaken in parallel with structural works. Potential impacts include noise, use of hazardous materials, and generation of construction waste.
- **Slipway Operations and Launching:**
The dock is transferred and launched using slipway and heavy transport systems. This phase involves large equipment movements and may result in temporary safety risks, noise, and localised marine disturbance.
- **Commissioning and Testing:**
Following construction, commissioning and harbour acceptance trials (HAT) are conducted to ensure systems are operational. Temporary impacts may include noise, energy use, and limited marine disturbance.
- **Site Organisation and Housekeeping:**
Construction activities take place within the existing shipyard footprint; therefore, no significant land clearance or new access roads are required. Temporary impacts are generally limited to within the established industrial area.

The construction phase is expected to reach peak activity during 2026–2027, with commissioning completed by September 2027.

During the construction phase, the workforce is expected to consist of a combination of permanent shipyard personnel and subcontractors, including skilled workers, engineers, and technical specialists. Workforce levels will vary depending on the stage of construction and specific activities being undertaken.

Operational Phase

During operation, the floating dock will be used for ship repair, maintenance and conversion activities within the existing Tersan shipyard.

The facility will support docking of vessels for inspection, repair and retrofitting works. Operations are carried out continuously, subject to demand, and involve activities such as steel repairs, mechanical works, painting, and installation of equipment.

The operation is supported by an established workforce at the shipyard, including permanent employees and subcontractors. Activities are managed through existing operational systems, and no significant increase in workforce beyond normal shipyard operations is anticipated.

Operational impacts are typical of shipyard activities and may include noise, emissions from industrial processes, waste generation and marine water quality considerations. These are managed through established environmental and social management systems.

Routine maintenance of the floating dock and associated systems will be carried out to ensure safe and efficient performance. This includes periodic inspection, servicing of mechanical and electrical systems, and repair of structural components as required.

Social context

| Component | Description |
|---|---|
| <p>Socio-economic context</p> | <p>The Project is located within the existing Tersan shipyard in Yalova Province, Türkiye, an established industrial and maritime cluster specialised in shipbuilding and ship repair activities. The site lies within a designated shipyard zone and does not require acquisition of new land or resettlement. Surrounding areas include a mix of industrial facilities and nearby settlements associated with the shipyard workforce.</p> <p>The regional economy is strongly linked to the maritime and manufacturing sectors, with employment generated through shipbuilding, repair services, and associated supply chains. The Project is expected to contribute positively by supporting industrial activity, sustaining employment, and enhancing the operational capacity of the shipyard. As the Project is developed within an existing facility, no significant disruption to land use or local livelihoods is anticipated.</p> |
| <p>Community health, safety and security</p> | <p>The Project is located within an existing industrial zone with controlled access, limiting interaction with the wider public. Potential impacts on nearby communities are expected to be limited and primarily related to temporary increases in traffic, noise and industrial activity during peak construction periods. These impacts are expected to be localised and managed through standard mitigation measures. No significant risks to public health or safety are anticipated beyond typical shipyard operations.</p> |

| Component | Description |
|----------------------------------|--|
| Land use and resettlement | The Project is implemented within the boundaries of an existing industrial facility, and no land acquisition, physical displacement or economic resettlement is required. Existing land use as a shipyard remains unchanged. |

Stakeholder Engagement

Approach to Stakeholder Engagement

Stakeholder engagement is a key component of the Project and is implemented as a continuous and structured process throughout all phases, from planning to operation. The approach is based on national legislation, International good practices and lender standards, particularly EBRD Performance Requirement 10 and IFC Performance Standard 1.

Tersan has established a structured stakeholder engagement framework through its Stakeholder Engagement Plan, which aims to ensure that stakeholders are provided with sufficient and timely information and are able to express their views and concerns.

The approach is based on principles of transparency, openness and objectivity, and includes mechanisms for evaluating and responding to stakeholder requests, suggestions and complaints.

- All communications are carried out through authorised channels and in compliance with legal and internal requirements, ensuring that information is shared accurately, consistently and in a timely manner.

Stakeholders' identification

A wide range of stakeholders has been identified, including:

- national and local authorities,
- local communities and landowners,
- NGOs, local associations and service providers,
- businesses and contractors.

Special attention is given to vulnerable groups to ensure they can access information and participate in consultations through tailored approaches.

Ongoing Engagement

A wide range of stakeholders has been identified, including:

- management and employees,
- customers and vessel classification institutions,
- suppliers and subcontractors,
- financial institutions,
- public institutions, municipalities and regulatory authorities,

- local communities and non-governmental organisations.

Each stakeholder group has different expectations, including compliance with legal requirements, environmental protection, occupational health and safety, transparent communication, and continuity of services.

Grievance Mechanism

The Project has established a grievance mechanism that enables stakeholders to submit complaints, requests and suggestions through written, verbal or online channels at any stage of the Project.

All grievances are registered, assessed and addressed by the relevant departments. Where immediate resolution is not possible, longer-term solutions are defined and communicated to the complainant.

Stakeholders are informed about the progress and outcome of their complaints, including any corrective actions taken. If a grievance cannot be resolved or does not require action, a clear explanation is provided.

How to Submit a Grievance

Stakeholders can submit complaints or requests for information through the following channels:

- **Community Liaison Officer (CLO):**
 - Name: **Ferhat AKTAŞ**
 - Phone: **+90 531 720 71 70**
 - Email: **ikdestek@tersan.com.tr**
- **Hotline:**
 - [phone number] **+90 534 593 16 19**
- **In person:**
 - Directly to the CLO or project representatives
- **Written submission:**
 - Online via the Tersan's website
- **Grievance boxes:**
 - Available in : **QR codes are available in public areas (shipyard entrance, site meeting rooms, and corridors), allowing both internal and external stakeholders to submit their suggestions, complaints, and requests.**

All complaints can be submitted **confidentially or anonymously** and will be addressed in a timely manner.