

PROJECT LIMESTONE
NON-TECHNICAL SUMMARY



Çimsa Çimento Sanayi ve Ticaret A.Ş.
(ÇİMSA)

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ABBREVIATIONS

Abbreviation	Definition
CAC	Calcium Aluminate Cement
Company	Çimsa Çimento Sanayi ve Ticaret A.Ş. (ÇİMSA)
E&S	Environmental and Social
EBRD	The European Bank for Reconstruction and Development
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESR	Environmental and Social Requirement (of the EBRD)
GBVH	Gender Based Violence and Harassment
GHG	Greenhouse Gas
NTS	Non-Technical Summary
RK	Rotary Kiln
SEP	Stakeholder Engagement Plan

1 Introduction

1.1 Mersin Cement Factory

ÇİMSA, a subsidiary of Sabancı Holding, was founded in Mersin in 1972. Mersin cement factory (“the Site”) is located in Toroslar neighborhood of Akdeniz district of Mersin province located in southern Türkiye (Figure 1). The distance of the Site to Mersin port is approximately 16 km.



Figure 1. Location of Mersin Cement Factory

The Site is located in an industrial setting surrounded by residential and agricultural areas where the nearest settlements, Tekke and Yaka neighborhoods, are located approximately 400 m to the north and 300 m to the southwest of the Site, respectively. Sisecam, a major glass manufacturer, is located adjacent to the south of the Site. Mersin-Adana highway passes from further south. There is a vegetable oil manufacturing site to the east.

The operations started in Mersin cement factory in 1975. The milestones in the history of Mersin cement factory are presented in Table 1.

Table 1. Milestones in the history of Mersin cement factory

Year	Milestone
1975	1st Line was established (1M ton grey clinker/year).
1989	Grey/White reversible line was established (2nd Line) - first reversible kiln in the world.
1997	2nd Line heat exchanger investment, capacity increased from 230k ton to 420k ton.
2000	- A new white clinker line established (3rd Line) and Mersin plant became the world's largest white cement producer in a single factory (660k ton). - 2nd Line pre-calciner investment, capacity Increased to 540k ton.

Year	Milestone
2002	1 st Calcium Aluminate Cement (CAC) kiln started its operation.
2007	2 nd CAC kiln becomes operational.
2010	1st Line clinker cooler upgrade (satellite cooler changed to grate cooler), capacity increased from 1M ton to 1.3M ton.
2012	Waste Heat Recovery (WHR) facility was established (9.8 MWh).
2013	3rd CAC kiln becomes operational.
2015	CAC coal mill started its operation.
2016	First CAC50 clinker was produced.
2018	First FLUX clinker was produced.
2021	- 1st Line Alternative Fuel (AF) investment. AF rate (AFR) has reached 15% at grey clinker line. - CAC capacity increase (+25.000 ton clinker/year)
2022	2nd Line AF Investment. AFR has reached 13%, highest white clinker AFR ratio in Türkiye.
2023	CAC investment (+66.000 ton clinker/year) – 4 th CAC kiln
2024	- CAC investment decision (+66.000 ton clinker/year) – 5 th CAC kiln investment - First RECIPRO40S clinker produced

Mersin cement factory sits on an area of 850,000 m² and the Site is engaged in the production of grey and white cement, calcium aluminate cement (“CAC”) and ready-mixed concrete. CAC is a special product that offers heat resistance, high performance, and durability. Its key features include high early and final strength within 24 hours; resistance to acids and alkalis; adjustable and fast setting time; and thermal resistance up to 1,300°C.

1.2 Project

The proceeds of the EBRD loan will be used to finance several technical investments planned at Mersin cement factory to support the decarbonisation strategy of ÇİMSA (“Project Limestone” or “the Project”), including the following:

- New line for Calcium Aluminate Cement production line - 5th CAC line
- Rotary Kiln I – Energy recovery from waste
- Rotary Kiln II – Fuel from waste inc. biomass
- Rotary Kiln III – Fuel from waste inc. biomass
- Alternative raw material storage and feeding system
- 4.16 MW solar energy generation
- Change in the product mix
- Grinding-separator and system fan upgrade
- Rotary Kiln I cooler upgrade and capital expenditure to improve the heating/burning process

Information on the planned investments is presented below. It should be noted that according to the information provided by the EBRD, the Bank will initially finance some of the investment items listed above. The investments to be financed by the Bank will result up to 246,166 tCO₂-eq savings until 2030.

1.2.1 5th CAC Kiln Investment

Following the completion of the 4th CAC Kiln in 2023, the capacity of the CAC production plant within Mersin cement factory increased by 66,000 tons/year, reaching a total capacity of 133,000 tons/year. This has positioned ÇİMSA as the third-largest producer in the world. In line with the strategy to expand growth and add value in the field of sustainable building materials, the 5th CAC kiln is planned to be commissioned in the first half of 2026, further increasing capacity by an additional 66,000 tons/year, thereby strengthening the Company's global position. It should be noted that the 5th CAC Kiln investment will not result in an overall capacity increase in Mersin Cement Factory as grey clinker production will be decreased to compensate for the planned increase in CAC clinker (as committed by ÇİMSA as part of the EIA decision). The new production technology to be used aims to achieve reduced calorific consumption, decreased electricity usage, and consequently, a reduction in CO₂ emissions. Information on the 5th CAC Kiln investment project implemented by ÇİMSA is presented below in Table 2.

Table 2. Information on 5th CAC kiln investment project

Aspect	Explanation
Contractor	SINTEK
Start Date	13.11.2024
Completion Date	15.04.2026
Construction Permit/ Building License	12.05.2025
EIA Decision	EIA Not Required Decision, dated 21.04.2025
GHG Reduction Relevance	As part of the EIA commitment, ÇİMSA has committed to replace 66,000 ton grey clinker production with 66,000 ton CAC clinker. As the former is more GHG intensive, an estimated 6,072 ton reduction is expected from overall plant emissions.

Excavation works have been completed and civil and steel engineering works were ongoing in July 2025 (Figure 2).



Figure 2. Views from 5th CAC kiln construction works

The layout of the 5th CAC kiln being constructed next to the 4th CAC kiln is presented in Figure 3.

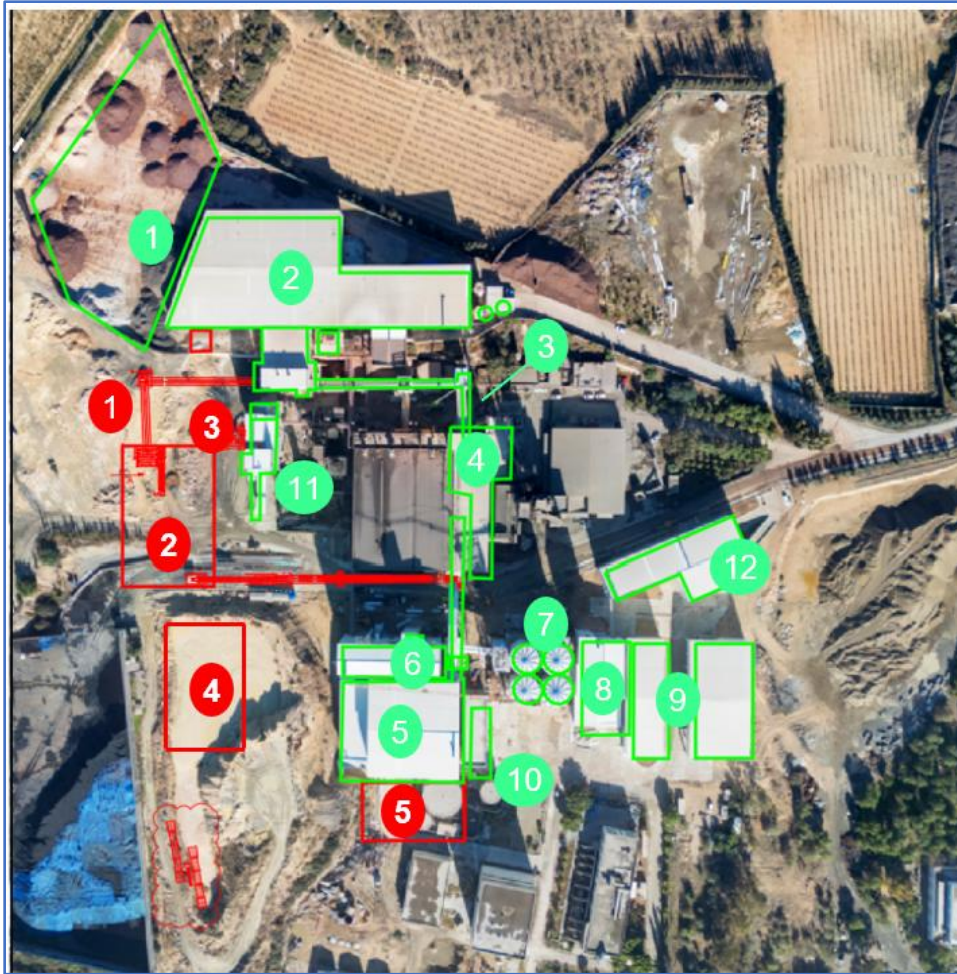


Figure 3. Layout of the CAC Kilns #4-5 (Green areas indicate the scope of 4th CAC Kiln and Red areas indicate the scope of 5th CAC Kiln)

5th Kiln Scope: 1. Raw material conveying 2. Kiln & storage 3. Coal silo 4. Coal storage 5. Clinker storage

4th Kiln Scope: 1. Raw material stockpile area 2. Raw material storage 3. Raw material conveying 4. Kiln and storage 5. Clinker storage and crusher 6. Cement mill 7. Cement silo 8. Packaging and big bag 9. Palletising and palletising stock 10. Electrical room 11. Coal mill & silo 12. Crusher & big bag

1.2.2 Other Investments

Rotary Kiln 1 – Energy recovery from waste

The investment entails the installation of refuse derived fuels feeding system through the main burner of Rotary Kiln 1 (Figure 4). The investment is planned to start in 2027 and completed in 2028. ÇİMSA expects to increase the Alternative Fuels substitution ratio from 13% to 25% with this investment, which, in turn, is estimated to reduce Scope 1 GHG emissions by ~43,000 tons per year.



Figure 4. Schematics of RK#1 and the planned RDF feeding system in red

Rotary Kiln 2 – Fuel from waste inc. biomass

The investment entails the installation of a feeding system of solid refused fuels (including biomass) for Rotary Kiln 2 (Figure 5). The investment is planned to start in 2027 and completed in 2028. ÇİMSA expects to increase the Alternative Fuels substitution ratio from 2% to 20% with this investment, which, in turn, is estimated to reduce Scope 1 GHG emissions by ~40,000 tons per year.

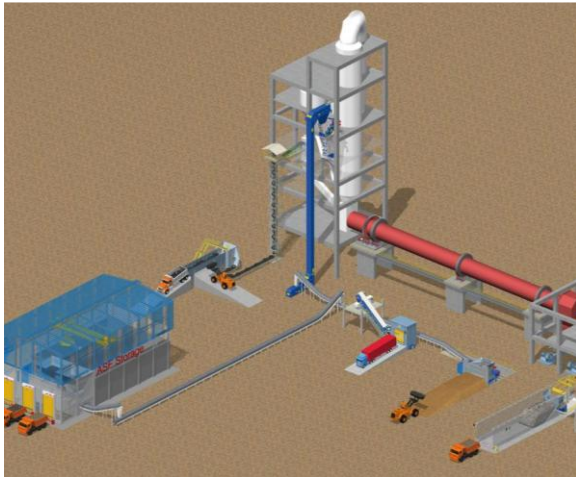


Figure 5. Illustration of the feeding system planned for RK#2

Rotary Kiln 3 – Fuel from waste inc. biomass

The investment entails the installation of a feeding system of solid refused fuels (including biomass) for Rotary Kiln 3 (Figure 6). The investment is planned to start in 2026 and completed in 2027. ÇİMSA expects to increase the Alternative Fuels substitution ratio from 0% to 30% with this investment, which, in turn, is estimated to reduce Scope 1 GHG emissions by ~78,000 tons per year.

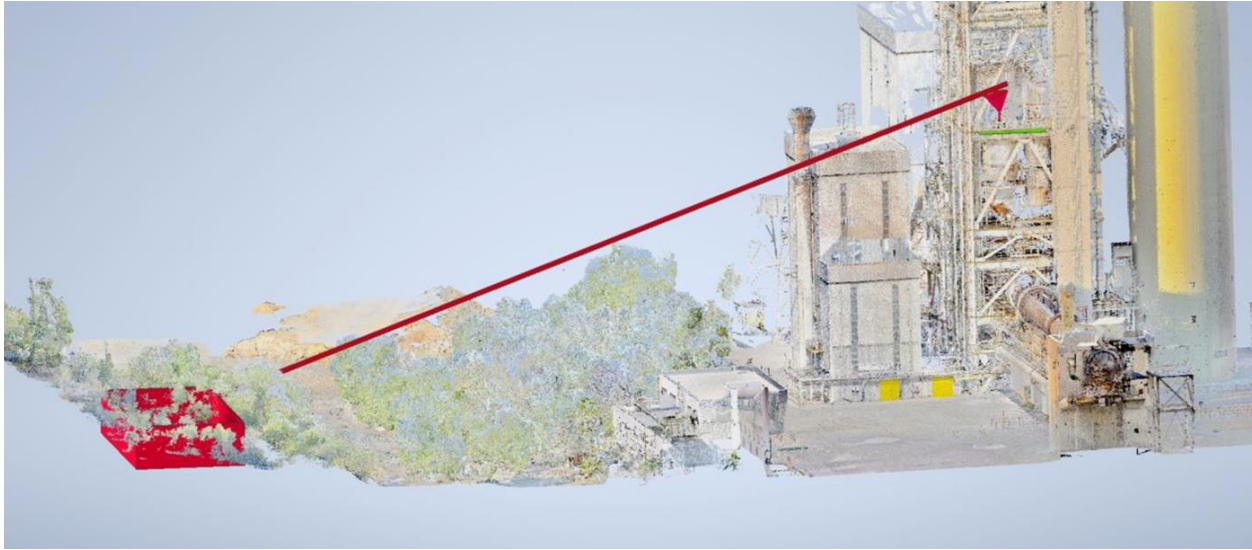


Figure 6. Illustration of the feeding system planned for RK#3

Alternative raw material storage and feeding system

The investment entails the use of fly ash as alternative raw material instead of cement clay (fed through cement raw mill). As reported by ÇİMSA, there are many facilities using boilers in the region and there is an ash source, but dosing is not possible due to the absence of a silo in Mersin cement factory at the time of the ESDD. ÇİMSA expects 20% clay replacement with 300 tons/day fly ash supply. The investment is planned to start in 2027 and completed in 2028. ÇİMSA expects to reduce Scope 1 GHG emissions by ~17,000 tons per year.

4.16 MW solar energy generation

ÇİMSA plans to install a field type solar power plant within the premises to generate electricity from solar energy (4.16 MW). As reported by ÇİMSA representatives, the investment is in very early stage as there has not been any permitting related developments at the time of the ESDD. The investment is planned to be started and completed in 2027. ÇİMSA expects to reduce Scope 2 GHG emissions by ~2,600 tons per year. As this investment requires capacity allocation by the competent authority, the timeline may change.

Change in the product mix (transition to additive cement products)

The investment entails the installation of a cement silo (12,000 ton capacity) for transition to additive cement products and reducing clinker usage rate. The investment is planned to start in 2029 and completed in 2029. ÇİMSA expects to reduce Scope 1 GHG emissions by ~54,000 tons per year. Calculation was made based on the transition of 500,000 tons of domestic market and 300,000 tons of export market CEM I product to CEM II type product.

Technological Investments for Process Improvement of Line-1 Cooler Upgrade

ÇİMSA aims to reduce fuel usage with the technological investments and energy optimization projects regarding to kiln cooler upgrade for RK#1 (Figure 7). The investment is planned to start in 2026 and completed in 2027. ÇİMSA expects to reduce Scope 1 GHG emissions by ~5,000 tons per year.



Figure 7. Illustration of cooler upgrade (before and after) planned for RK#1

1.2.2.1 Estimated GHG Reductions from Planned Investments

ÇİMSA has developed an estimated GHG reduction scheme for each investment item (Table 3).

Table 3. GHG reductions estimated for the planned investments by ÇİMSA

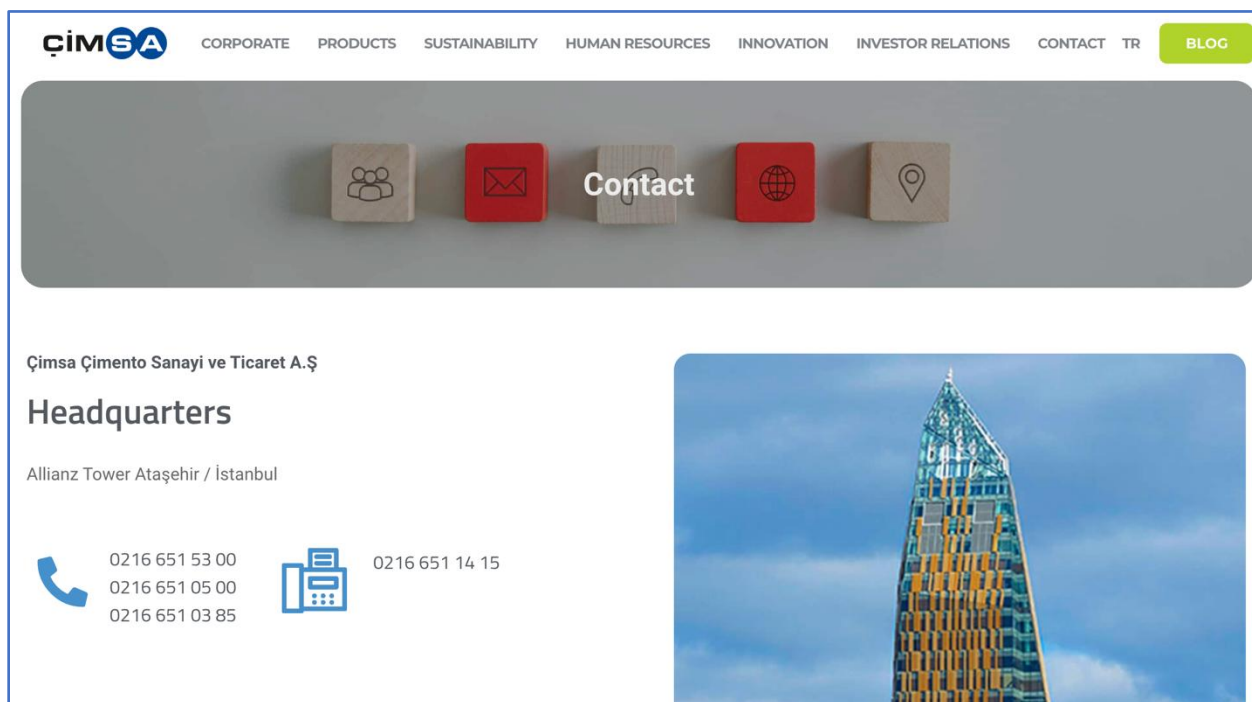
Investment Item	Impact	Estimated GHG Reduction (in tons CO ₂ -eq)
Kiln I - (energy recovery from waste)	Increased alternative fuel (mainly biomass) utilisation	42,902
Kiln II (fuel from waste inc. biomass)		39,357
Kiln III (fuel from waste inc. biomass)		78,445
Alternative raw material storage and feeding system	Fly ash/ other alternative raw material usage instead of clay	16,999
4.16 MW solar energy generation	Increased use of renewable resources	2,592
Change in the product mix	Decrease clinker usage	53,760
Heating/burning process improvement through Kiln I Cooler Upgrade	Reduction of fuel consumption	5,209
Grinding-separator and system fan upgrade	Reduction of energy consumption	829
5 th CAC Line	Reduction of fuel and energy consumption	6,072

Total GHG reduction associated with the investment items amounts to 246,166 tCO₂-eq by 2030. According to the internal calculations performed by ÇİMSA, the GHG emissions reductions will be primarily due to the reduction of Scope 1 emissions while the reduction of Scope 2 emissions will be mainly due to solar energy generation and process improvements (grinding-separator and system fan upgrade) resulting in electricity savings.

2 Who is ÇİMSA and Where Can I Learn More About the Project

ÇİMSA, a subsidiary of Sabancı Holding, was founded in Mersin in 1972. ÇİMSA operates integrated production plants in Türkiye, located in Mersin, Eskişehir, and Afyonkarahisar. Internationally, the Company operates three production facilities in Buñol (Spain), Houston, Texas (USA), and Ireland, and strategically located terminals across Europe's key markets, including Germany, Spain, and Italy. Renowned as one of the world's foremost brands in white cement and calcium aluminate cement, ÇİMSA sustains and expands its global operations through Cimsa Building Solutions, combining its operational expertise with the financial strength of its main shareholder, Sabancı Holding.

The Non-Technical Summary gives a brief information on the Project. Please contact ÇİMSA from the following channels to get more information about the Project (Figure 8):



ÇİMSA CORPORATE PRODUCTS SUSTAINABILITY HUMAN RESOURCES INNOVATION INVESTOR RELATIONS CONTACT TR BLOG

Çimsa Çimento Sanayi ve Ticaret A.Ş.

Headquarters

Allianz Tower Ataşehir / İstanbul

0216 651 53 00
0216 651 05 00
0216 651 03 85

0216 651 14 15

Figure 8. Contact information

For more information, please contact Mersin cement factory:

Address: Toroslar Mah. Tekke cad. Yenitaşkent 33250 Akdeniz/Mersin

Tel: +90 (324) 241 23 00

3 What Are the Benefits of the Project?

Categorized B under the Environmental and Social Policy (2024) of the EBRD, the Project will support ÇİMSA's decarbonisation strategy and will help contribute to meeting the national targets related to climate change targets and to the reduction of greenhouse gas (GHG) emissions and increased energy efficiency. To better demonstrate the benefits of the Project, a simplified comparative analysis of the Project with the No-Project Alternative is summarised in Table 4 below:

Table 4. Comparison of the Project with the No-Project Alternative

Topic	With Project	No Project Alternative
National benefits	The Project contributes to meeting the national targets related to climate change targets. The Project will contribute to the reduction of GHG emissions and increased energy efficiency.	In the No Project Scenario, the investments would not be in place to support the decarbonisation strategy of ÇİMSA.
Environmental and social impacts	The environmental and social impacts of the Project are considered as a continuum of risks posed by existing operations, as such, the Company will address the E&S risks associated with the Project through the review and revisions of existing E&S management systems and relevant plans and procedures. Project specific risks will be addressed through the implementation of a Project specific environmental and social action plan.	In the No Project Scenario, GHG reduction, renewable energy generation and increased energy efficiency of the Company operations would not take place.
Employment	Employment opportunities have been provided by the Company and will continue to be provided during the Project. The existing operation workforce will continue their services during the Project. ÇİMSA is committed to maximise the localisation of the workforce during construction and operation phases of the investment projects.	In the No Project Scenario, there would not be any additional employment.
Procurement	ÇİMSA aims to maximise local procurement to the extent possible.	In the No Project Scenario, there would be no benefits to local procurement.

ÇİMSA is committed to manage the environmental and social impacts of the Project in compliance with the requirements of applicable national legislation as well as EBRD's Environmental and Social Policy (2024) and the associated ESRs.

4 What Are the Key Environmental and Social Impacts of the Project?

The Project's potential environmental and social impacts were assessed during Project's Environmental and Social Due Diligence (ESDD) study conducted in July 2025. The ESDD entailed consultations with stakeholders to understand the Project's potential risks, impacts and mitigations to reduce identified negative impacts, and to expand positive impacts. A summary of environmental and social (E&S) management systems and key E&S issues associated with existing operations and the Project is presented below. The key E&S gaps, risks, and potential adverse impacts as well as the mitigation measures to be taken by ÇİMSA are summarised in Table 5.

Table 5. Project's key E&S risks and impacts and the associated mitigation measures

Gap/Risk/Impact Description	Mitigation Measure
<p>The nature of cement operations result in onsite and offsite dust generation which needs to be managed systematically through a management plan with a dedicated monitoring component.</p> <p>Existing and Project related activities have direct and indirect impacts on internal and external stakeholders, particularly the local communities and sensitive receptors in the vicinity of Mersin cement factory.</p>	<p>ÇİMSA shall undertake a comprehensive survey to map dust sources and impacted receptors and develop and implement a Dust Management Plan to reduce flue gas and fugitive dust emissions and minimise impacts on the workforce and local communities potentially impacted from Company operations. The Dust Management Plan shall be applied for the area of influence of ÇİMSA operations in Mersin, taking into account the quarries, as well as the receptors along the access roads and within the nearby settlements. The Plan shall be based on sound methodologies for the development of a dust source inventory, maintenance, operational controls, and ambient dust monitoring. ÇİMSA will complement the action with smart and robust dust monitoring systems established prior to the 5th CAC kiln and other investments becoming operational, in order to generate credible baseline data that will demonstrate the difference in ambient dust levels between the pre- and post-investment periods.</p> <p>ÇİMSA will develop a standalone community health and safety plan of existing and Project related risks to the local communities.</p> <p>ÇİMSA will develop and implement a Road and Traffic Safety Management Plan to address the risks associated with transportation of raw materials used in cement production from the quarries to the factory, transportation of the produced cement to customers.</p>
<p>There is room for improvement in terms of aligning the existing cement manufacturing operations with international standards and best available techniques.</p>	<p>ÇİMSA will improve the existing operations to align the Company with the EU Directive (2010/75/EU) on industrial emissions and the associated BAT Conclusions for the Production of Cement, Lime and Magnesium Oxide and undertake a detailed technical study report to explore options and opportunities to adopt the best available techniques presented in the BAT Conclusions for the Production of Cement, Lime and Magnesium Oxide Production.</p>
<p>There is room for improvement to further reduce the greenhouse gas emissions associated with the Company operations.</p>	<p>ÇİMSA will develop and implement a GHG Reduction Plan in accordance with the decarbonisation strategy of the Company. ÇİMSA has also identified GHG emission reduction pathway based on Science-Based Targets Initiative (SBTI). ÇİMSA's shall implement the following strategies as part of its decarbonisation pathway:</p> <ul style="list-style-type: none"> • Increasing the use of alternative resources to reduce the use of fossil fuels and natural resources • Transition to a sustainable product portfolio containing low clinker and high additives to support the transition to a low carbon economy • Applications of decarbonised raw materials with low carbon density • Renewable energy generation • Technology improvement and new technology investments

Gap/Risk/Impact Description	Mitigation Measure
The external stakeholders of ÇİMSA need to be engaged systematically and the external grievances need to be formally addressed through an external grievance mechanism.	ÇİMSA will implement a stakeholder engagement plan (SEP) and the external grievance mechanism. The SEP, in particular the external grievance mechanism, will be disclosed via the corporate web site and will be made available physically to local communities impacted from the Project (e.g., at the mukhtar's office, village tea house, etc). All grievance shall be recorded and responded in line with the steps defined in the external grievance mechanism.

5 Monitoring and Reporting

Ongoing monitoring will be undertaken for the oversight of E&S performance and implementation of EBRD ESRs. Based on the internal audits, ÇİMSA will also provide monitoring the progress of actions defined within the environmental and social action plan of the Project and the progress on the Project will be reported to the EBRD through annual Environmental and Social Monitoring Reports.

ÇİMSA prepares global reports as part of its sustainability strategy and discloses annual CDP Climate Change Report and CDP Water Report from its corporate website: <https://cimsa.com.tr/en/sustainability/global-reports/>. ÇİMSA has also developed a Stakeholder Engagement Plan (SEP) to disseminate timely information on the Project to the stakeholders and also to manage external grievances about the Project. The SEP and this Non-Technical Summary (NTS) will be disclosed from the web site and the grievances will be managed in line with the external grievance mechanism established for the Project. The SEP, external grievance mechanism and the NTS will be made available to the local communities in the vicinity of Mersin cement factory as well as quarries operated by ÇİMSA.

ÇİMSA will ensure full compliance with EBRD ESRs and Turkish legislative requirements during the Project.