Limak İskenderun Uluslararası Liman İşletmeciliği A.Ş.("LimakPort")

Sustainability-Linked Bond Framework

May 2021

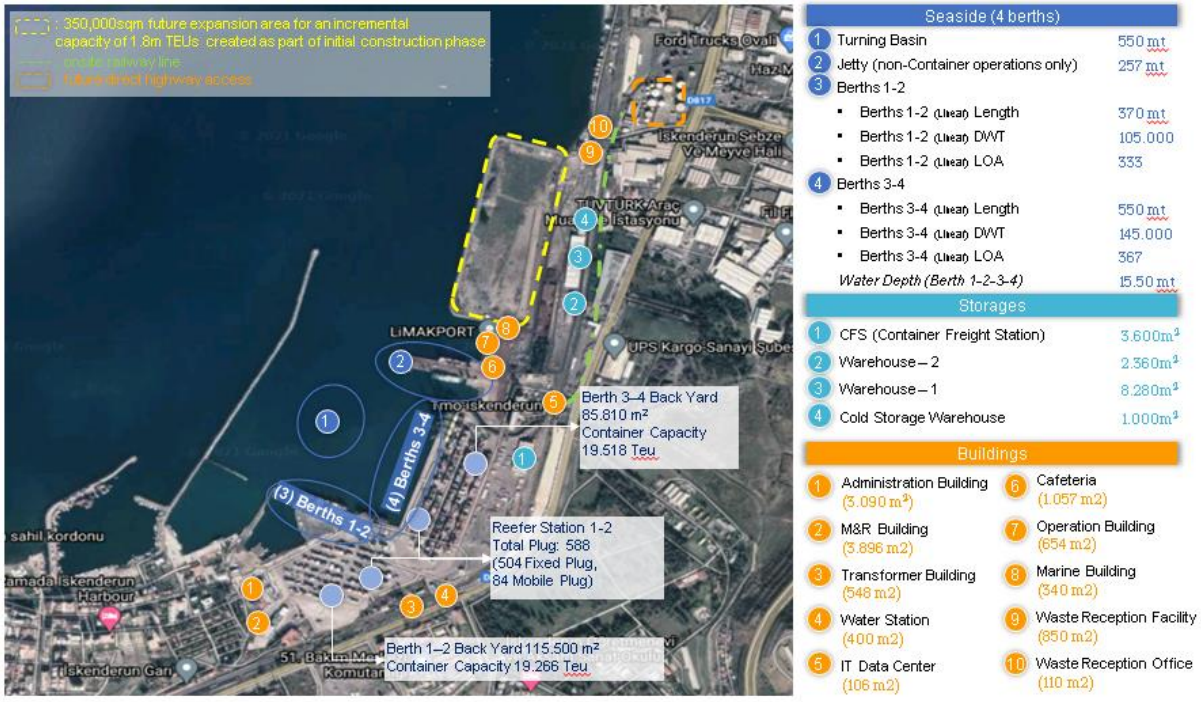
Contents:

1. Introduction

The port of Iskenderun is a state-of-the-art container and general cargo port located in Iskenderun bay – South East-Med Turkey. The port is operated by Limak İskenderun Uluslararası Liman İşletmeciliği A.Ş.("LimakPort" or “Company”) since 2011 under a 36-year concession agreement with the General Directorate of the Turkish State Railroad Administration ("TCDD") ending in 2047 for the operation, maintenance, and development of the port. The investment activities for transformation of Iskenderun Port have been initiated in January 2012 and activities have been concluded within 2014. Today the Iskenderun Port is one of the most contemporary and largest container terminals in the Eastern Mediterranean, with an annual handling capacity of 1 million twenty-foot equivalent unit (TEU) and providing 24/7 pilotage and towage services.

Iskenderun port outperformed under the LimakPort management. Container volume increased 5x times between 2014 and 2019. Market share gains were driven by geographical advantage and capacity constraints of the main regional competitor, Mersin port. Currently, LimakPort is serving to 16 liners, up from 5 in 2014. LimakPort has continuously increased its container volume share in Iskenderun Bay. In the first 9 weeks of 2021, full-container volume grew by 19% compared to the same period last year.

Overview of current port infrastructure:

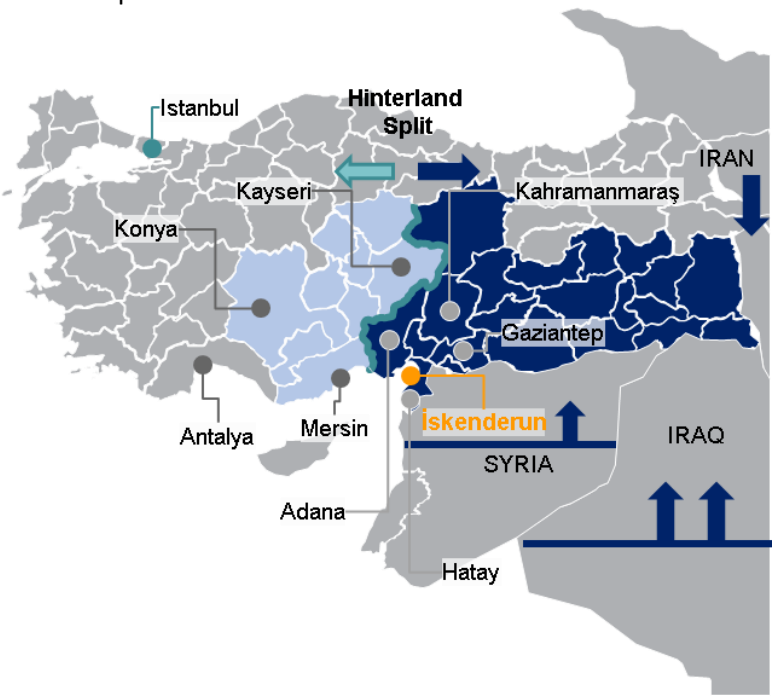


LimakPort has benefitted from continuous growth of container traffic in Turkey including throughout the COVID-19 pandemic. LimakPort drives most of the trade volume growth in the Southeastern region. Ports in the Southeastern region have also shown resilience, given the hinterland's industrial exposure. LimakPort's share of trade volumes in Turkey have steadily grown, from 0.41% in 2013 to 4.26% in 2020E. In 2020, the Southeast region was the fastest growing import/export market in Turkey with 7% growth in foreign trade.

Iskenderun port is an essential asset on the consolidation of the economic development of its hinterland. It is uniquely positioned to serve the southeast region of the country including the

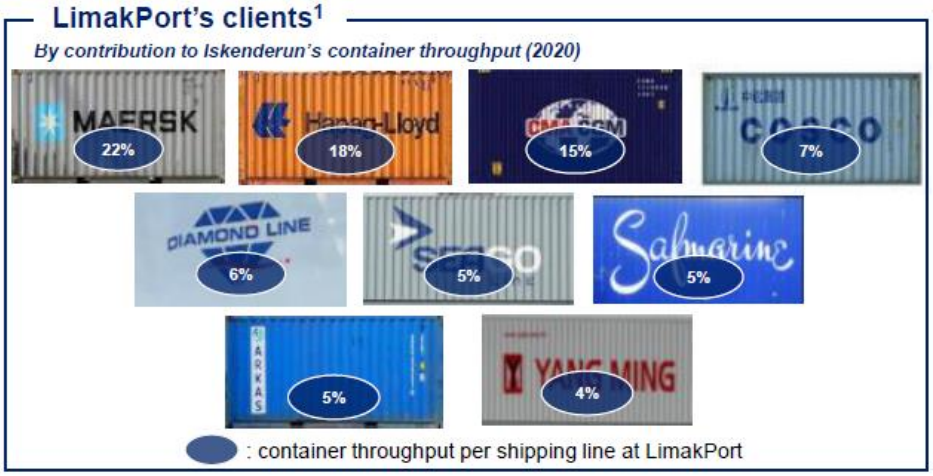
Mediterranean, Middle and Easter Anatolia as best point of transit in key trading routes between more than 60 destinations in Europe, Middle East, Far East Asia, North America and Africa given:

i. Important cost advantages to shipping carriers, importers and exporters,
ii. Sole port in the region with ample spare capacity,
iii. The proximity to its hinterland compared to the main competitor, Mersin port, and
iv. Crucial operational and time efficiencies



LimakPort is backed by strong ownership given the experience of one of the most important infrastructure groups in the country Limak Group (80% ownership) and the financial support of Inframed (20% ownership), the largest investment vehicle dedicated to infrastructure in the Southern and Eastern Mediterranean.

LimakPort possesses a strong client base, with almost all large shipping lines calling regularly at the port and as volumes grow, LimakPort's customer base continues to diversify. No client representing more than 25% of the total container throughput per shipping line with a balanced mix between imports (46%) and exports (48%), which mitigates the risk of one-way trading dynamics.[1]



[1] Other lines not stated include MED (3%), Evergreen (3%), Hamburg Sud (2%), ONE (1%), Lloyd Triestino (1%) and others (3%)

Achieving economic growth and sustainable development requires that we urgently reduce our ecological footprint by changing the way we offer our services and consume the resources. That is why LimakPort sustainability priorities and practices studiously address the topics such as energy, environmental and waste management. We understand promoting energy efficiency is also key to finding lasting solutions to economic, business and environmental challenges. For this reason, we would like to address issues like energy consumption, energy efficiency, and emission intensity in our long-term sustainability performance targets.

As the competition continues to grow in the logistic sectors as well as almost in all areas of the service industry, so will the demand for cheap energy, and an economy reliant on fossil fuels is creating drastic changes to our climate. Utilizing the energy produced by solar, wind and thermal power is not only creating an opportunity for our business to reach affordable and clean energy but also improves energy productivity and mitigates impacts on the global climate change. Expanding our investments and upgrading our technology to utilize cleaner and more efficient energy in all of our services will accelerate business growth and help the environment.

In the search for the efficiency of our processes, we have already managed to achieve considerable improvement in the certain sustainability goals. For example, LimakPort decreased its on average machine-based energy consumption from 0.53 KW/tons in 2017 to 0.46 KW/tons in 2020, near 25% reduction in 2 years. However, we know that we have the capacity, will and ambitions to achieve more. Thus, we remain dedicated to targets and focused on developing solutions that lead us to better results.

2. LimakPort's approach to Sustainability

While ensuring sustainable financial results in the medium and long term, based on fair business relations and services that create value for our clients, as LimakPort, we understand our Company has a special impact in terms of climate change, emissions and energy, and it is responsible for the proper energy management, use of water resources, management of waste and wastewater and prevention and mitigation of environmental risks. For that purpose, LimakPort follows well-structured sustainability priorities addressing the above mentioned topics as well as many other sustainability-related action items. In parallel with LimakPort's sustainability strategy, our effort in this context include periodic actions of engagement with stakeholders and our main focus is to have direct inputs from employees, suppliers, regulators and leaders that enrich our sustainability strategy and contribute to our sustainability priorities and long-term sustainability targets.

LimakPort closely follows current international regulations having an influence on the port activities. In the context of compliance with these regulation, an integrated management system is available and in place consisting of ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, TS 18001 Occupational Health and Safety Management System. The conclusion of the ISO 10002:2018 Management System for Handling Customer Satisfaction-Complaints certification is targeted during 2021 for the purpose of increasing the performance related to the customer satisfaction, which is one of the top priorities of the port.

Combining the port operations, activities and management with the environmentally friendly methods and the integration of the sustainable practices with the entire operations has been awarded with the “Green Port” certificate.

LimakPort believes that customer-oriented key activities and operations are an integral part of successful and sustainable business. Cognizantly, LimakPort continues to improve its Customer-specific transportation solutions and the ability to deliver products in requested transportation models with the existing intermodal transportation and storage module of the port. LimakPort aims to maintain both the customer satisfaction and the service continuity at the highest level with its technological infrastructure and continuous investments.

SUSTAINABILITY PRIORITIES

LimakPort's sustainability approach and activities are identified based on the subject indicated on the high priority area on its prioritization matrices.

According to this, just like in overall Limak Group of Companies, establishing the occupational health and safety practices on higher standards and increasing the diversity and number of the trainings to increase the occupational and personal qualifications of the employees are the major focal points.

Environmental priorities focus on effective waste management, energy management, clean sea and preservation of the biodiversity. Reducing the emission impact of LimakPort's operations and its services provided, are among the issues of outmost importance for the Company.

In accordance with the priorities, LimakPort has adopted the following principles:

- Rendering LimakPort as a pioneering global Turkish port in the service sector, technology and quality, with the awareness of its responsibilities towards the environment, society, customers and employees;
- Reduction of emissions related to the operations, improvement of energy efficiency throughout the operations and rely on renewable energy resources
- Ensuring the continuity of Quality, Environment, Occupational Health and Safety Management Systems,
- Reducing the potential risks and waste at its source, sharing with employees, customers, suppliers and society things performed to reuse or recycle the wastes generated, protecting the world and our environment,
- Acting as a team working together for the elimination and correction of the negativities and sharing the success,
- Supporting the employees and subcontractors by providing trainings in order to enhance the sustainability and competitiveness of operations,
- Minimizing the exposure to occupational accidents and establishing safe working environments

ENERGY MANAGEMENT

In the context of energy management, LimakPort concentrates its effort to reduce the unit energy consumption by equipment and machinery per volume handled (per ton) as well as increase the rate of utilization of electric-powered cranes. Additionally, the Company continuously plan, implement

and invest in more energy efficient solutions and put efforts to utilize renewable energy sources in its operations. All these efforts contribute to the Company's strong dedication to low carbon emissions target.

Progress of reducing energy consumption by equipment and machinery per volume handled (per ton) include:

- Periodical maintenances of the entire equipment have been performed regularly and on time and thus, increase of fuel consumption of equipment operated by fuel in particular is avoided.
- The maintenance of variable refrigerant flow (VRF) heating and cooling systems employed in the administrative buildings, as well as the heating and cooling systems utilized in equipment, are performed regularly and on time by the personnel working in the port.
- An independent line was installed from the local energy distribution center to the port in order to fulfill the energy requirements of the port area, thus the exposure to local power outages was almost eliminated entirely. Operation of generators powered by fuel has been minimized.
- Led-type fittings are preferred and will be preferred in the structures built on the port site. Use of led-type fittings is planned in the upcoming years instead of sodium-vapor outdoor fittings started to be used during the investment period for the lighting of the entire outdoor site.

Although LimakPort is not subject to emissions permits within the scope of national legislation, by the help of its environmental investment philosophy, LimakPort works to reduce the use of vehicles operated by diesel-fuel. For example, reducing the number of movements per container and performing works that can be done with the electric-powered cranes without the use of diesel-powered cranes. For this purpose, electricity power cranes have been acquired and put under operation. In this context;

• Our 2 Liebherr brand mobile Cranes, which were purchased in 2012 and are still working, are powered by electricity instead of diesel fuel, and our subcontractors are encouraged to choose all similar equipment that work with electricity. Accordingly, 4 cranes of subcontractor are also working with electricity which handles general cargo and dry bulk.

• Our ZPMC branded 4 SSG and 14 RTG container cranes, which started to be operated in 2013, have been ordered as electrically powered and regenerative, generating energy during unloading and using the generated energy in other parts of the site.

This equipment corresponds to nearly 100% of our available capacity (1mn TEU annual container handling capacity) and we are further committed to make necessary planning and applications to reduce the use of diesel fuel cranes and increase the use of electricity powered equipment by our subcontractors.

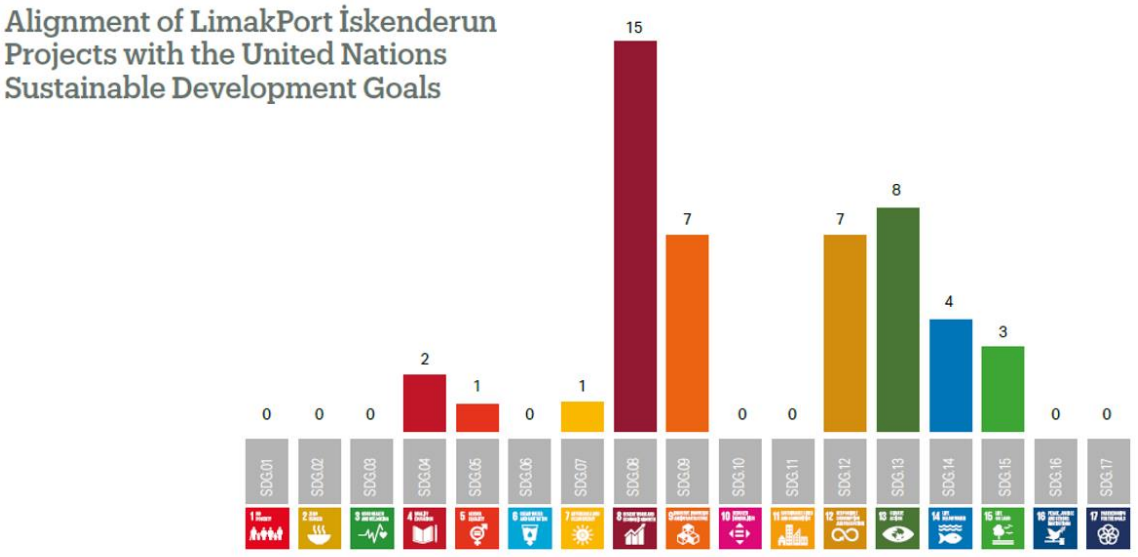
CLIMATE CHANGE

We highlight climate change as the biggest environmental challenge the world faces, affecting our own operations as well as our supply chains.

Understanding that Climate Change is a challenge for the logistics sector in Turkey and in the world; compliance with local, national and international legislation, regulations and standards, and strong dedication to our sustainability priorities and long-term sustainability targets are essential in overcoming the adverse impacts of Climate Change as well as in fulfilling our responsibilities to the society in the matter.

We know that the path to be followed in the short term is energy efficiency with a focus on reducing emissions, which requires effective energy and environmental management in daily and longer-term business activities. For this purpose, LimakPort aims to reduce the unit energy consumption by equipment and machinery per volume handled (per ton) and increase the rate of utilization of electric-powered cranes. LimakPort has already committed and is dedicated to take further actions to increase the number and usage of electrical powered equipment in its operations, which in turn will decrease the ratio of usage of diesel fuel machineries and result in reduced emission intensity (diesel hour/tons handled). Additionally, with the current conditions available, we work intensively with training and awareness campaigns to take firm steps to increase business efficiency, reduce energy consumptions, and mitigate environmental risks.

In addressing the challenges of climate change, LimakPort places emphasis on alignment with international organizations and the standards and goals determined by those organizations. Projects accomplished by Limak Group of Companies within the last 4 years are associated with the United Nations Sustainable Development Goals in the report for “For a Better World Walk the Talk”, where LimakPort İskenderun has focused on the goals of Decent Work and Economic Growth, Climate Action, Responsible Consumption, Production and Industry, Innovation and Infrastructure.



Our climate strategy also focuses on both operational and supply chain actions to reduce our direct and indirect impacts on the environment, as well as supporting our customers to reduce their environmental impacts. Particularly, LimakPort aims to increase the share of renewable energy in its operation, in order to decrease its indirect carbon footprint and encourage others to further utilize renewable energy sources in energy production.

CUSTOMER SATISFACTION

LimakPort, through its “Customer Focused Service” approach that it introduced to the Turkish port sector, bears the characteristics of being one of the first ports with the Customer Services Department established and in place. LimakPort performs its activities and operations to respond to the requirements and expectations of its customers as a solution driven partner by offering high quality services. The Company continues to create awareness with its quality service owing this success to the Customer Services team consisting of 30 dynamic, innovative individuals each acting as experts in their own areas.

LimakPort executes the following activities to enhance and bolster the port experiences of its customers:

- Customer Satisfaction Survey
- One-to-one Meetings
- Customer Visits
- Customers’ Feedbacks Via Web Site

LimakPort has created a "Complaint Module" in the Entranet System used to manage Customer Complaints. The processes of receiving, evaluating, finalizing and providing feedback of the complaint are carried out through the "Complaint Module". A team has been assigned in LimakPort Customer Services Department for Complaint Management and a control mechanism has been developed.

All complaints are recorded and evaluated in a customer-oriented approach, objectively, without prejudice, in line with the principles of fairness and confidentiality.

The customer has been given the right to obtain the information he wants about his complaint at any time. As a result of the evaluation of complaint applications, applications are closed with feedback according to customer preference.

LimakPort's Complaint Management System has been set up to be able to instantly report, see the action status of complaints, and make the necessary analysis. The entire customer feedbacks are recorded and assigned to the relevant parties and executed with development and result reports.

Improvements performed on the operational processes, new services developed for years and effective management of Customer Relations positively contribute for the provision of a sustainable customer satisfaction. Some of the Innovative LimakPort practices are as follows:

- Web-based system developments are performed for customers to be able to run their processes on the Internet.
- Customers are allowed to file their service requests and calculate their costs via the web and the mobile application.
- Operational statuses of the service requests can be instantly monitored on the web.
- It is ensured within the scope of digital transformation activities that the documents are digitized and the approval mechanisms are executed digitally.

In addition, a “Customer Satisfaction Survey” is conducted every year to measure Customer Satisfaction, the results are reviewed by the relevant unit and senior management, and actions are planned. The Customer Satisfaction Surveys conducted in the last 3 years indicates an increasing

satisfaction level, as the overall average the satisfaction of the customers (satisfaction on the port services, communication with employees, etc.) assessed (on a scale of 5) by 17 different criteria in various aspects, were 3.83 in 2018, 4.03 in 2019 and 4.18 in 2020.

In the light of all the efforts made to ensure customer satisfaction, LimakPort aims to obtain ISO 10002:2018 Management System for Handling Customer Satisfaction-Complaints for2021.

OCCUPATIONAL HEALTH AND SAFETY

LimakPort performs its activities and operations on occupational health and safety under the OHS, Fire and Workplace Medical Unit supervised by the Directorate of Occupational Health and Safety. Regulations, communiques and national and international standards particularly the EHS Law are taken into consideration during the performance and execution of EHS operations, and in this context, performance goals for Occupational Health and Safety are established.

Occupational Health and Safety rules are an integral part of the business manners and mentality. All equipment utilized in the port is selected in accordance with TSE and EN standards, where periodical controls are performed by the accrediting organization. Non-conforming equipment identified as a result of the periodical controls is removed from service. The work area is secured prior to the operations and the required personal protective equipment controls are performed before the operations are initiated.

All work accidents with and without loss of days are recorded. Upon the occurrence of an accident, all middle and upper level directors are informed about the accident and corrective actions are then initiated by conducting an on-site examination. Root cause analysis is performed and the nonconformities are eliminated accordingly.

Occupational Health and Safety Board is consisting of the general manager, employee representatives, OHS specialist, occupational physician, department directors, sub employer representatives and the chairman of the OHS Board is in the position of the general manager. Occupational accident statistics are reviewed in detail in the OHS board meetings bi-monthly and improvement proposals are developed. Non-conformities identified on the site are brought to the agenda with continuous audits and preventive approaches are taken. Emergencies, dangerous situations and behaviors are negotiated. Issues written on the minutes of the meeting are deemed to be resolutions.

Acting proactively in issues such as health and safety related to the in-port dynamics that may have adverse impact on the working environment in the operations performed and the culture of taking measures without taking any risks of each LimakPort employee is a fundamental principle of LimakPort.

In this context, the following activities are monitored and followed-up on to reduce any kind of risks emerging in performing these activities;

- Processes of applying pesticides against flies and pests at the entire areas within the port site
- Activities for struggling against all sorts of epidemics and contagious diseases by Occupational Medical Unit

- Regulation and following of in-port traffic practices,
- Regular drills, particularly on fire and other emergencies, performance of each loading under the control of the fire team by taking the required measures and precautions in terms of fire
- The implementation of the legislative requirements regarding the Safe Handling of Hazardous Substances on the site

In parallel with the activities carried out, the average OHS training hours increased from 7,007 hours in 2017 to 17,326 hours in 2020. As a result of the EHS practices and training performed in LimakPort, accident frequency rate has been drastically reduced by 38% from 1.39 in 2017 to 0.86 in 2019, while the Company recorded no accidents in 2020.

TRAINING

LimakPort gives great emphasis on training for the purpose of developing and improving the skills of the employees. The Company organizes vocational and personal development training throughout the year within the scope of a training and development plan prepared in accordance with the employee performance evaluation outcomes. The training is provided by means of LimakPort in-house instructors or outsourced instructors.

LimakPort Academy which commenced its operations in 2019, aims to increase the knowledge and skills of the employees, to inspire improved management and leadership qualities and to enhance employee loyalty and motivation. Acting with the motto “My Company is My Future”, the academy initiated its activities with the Executive Development Academy for the supervisors. The first period of the program, which is planned to last for two years, include personal development training, periodic performance review sessions, debates, experience hand-downs from executives and social activities after each training.

ENVIRONMENTAL MANAGEMENT

LimakPort manages its environmental activities and operations in a way to fulfill the requirements of Equator Principles, ISO 14001 Environmental Management System and Green Port Project,

ISO 14001: 2015 Environmental Management System is a management system created with the aim of protecting the environment and natural structure (ISO 14:0001). It was created in order to determine the environmental factors in the process from the raw material purchasing stage to the final product stage of a product and to minimize the damage to the environment by controlling these factors. ISO 14001 is based on the monitoring and continuous improvement of environmental performance. It stipulates compliance with the conditions defined by the relevant legislation and laws regarding environmental factors. It is possible for organizations to keep their interactions with the environment under control with the implementation of the environmental management system.

ISO 14001 model is established on the basis of risk analysis, which aims to reduce the use of natural resources and minimize the damage to the soil, water and air.

LimakPort fulfills all its obligations within the scope of ISO 14001. In this context, the continuity of all plans, risk analyzes, tracking systems and other requirements is ensured.

Direct energy consumption, emissions, waste water, (hazardous/non-hazardous) wastes are monitored on a regular basis. Control of quality of sea, soil and groundwater, pollution load control and follow-up of vessel operations are performed in accordance with the LimakPort standards.

In addition to the environmental indicators followed on a regular basis, environmental goals in 6 topics are available and in place. LimakPort environmental goals are as follows:

- **Reducing the hazardous waste generation**

An effective waste management system was established, and it was aimed to reduce the waste at its source, and by using absorbents with high absorption capacity to reduce the amount of waste, approximately 70% reduction in hazardous waste generation and approximately 60% reduction in the total amount of hazardous waste have been achieved accordingly.

- **Reducing diesel fuel consumption**

Activities have been performed for reducing the consumption of diesel fuel and increasing the use of electric powered cranes and those are stated in the following section in detail.

- **Keeping the environmental awareness of the employees updated and ongoing (by training sessions and drills)**
- **Reducing the time for initiation of waste collection from vessels**
- **Reducing the time of intervention to land spills**
- **Reducing the time of intervention to sea spills**

"Environmental Protection Cleaning Teams" and "Emergency Response Service" are available at the port for preventing and responding to all sorts of environmental accidents and pollution in the port.

Environment Protection and Cleaning Teams: Cleaning teams are available at the port site on 24/7 basis. Thus, the environmental pollution is immediately intervened and the occupational safety risks caused by pollution are mitigated. Moreover, the environment protection team takes the required precautions and performs the required intervention against all sorts of possible environmental accidents at the port side.

Emergency Response Service: An emergency response boat is available at the port on 24/7 basis for the intervention to possible sea pollutions and contaminations.

LimakPort strives to raise environmental awareness not only of its employees but also for the entire stakeholders. Trainings on regulations related to the environment are given to the vessels brokers to enhance their sensitivity and awareness. One-to-one workshops with vessel brokers are performed related to the collection of wastes from ships, providing information on the vessel waste tracking system and waste collection processes from ships.

LimakPort makes periodic analyzes to monitor the sea water quality in the region where it operates. Analysis results are examined by Environmental Engineers. In addition, the discharge criteria of wastewater treatment plants are periodically monitored.

GREEN PORT CERTIFICATE

In addition to that LimakPort has been awarded with the Green Port Certificate. The Green Port is the integration of the development and operations of the port facility as a result of embracing the entire operation employees and stakeholders, based on the voluntary action and aimed at increasing the awareness towards the sustainable environment. This concept refers to the practices carried out by the port and its' stakeholders to eliminate the negative impacts of its operations on environment.

The green port policy aims 6 main components;

- Protection and improvement of natural life and marine ecosystem
- Cleaning the air by reducing harmful emissions stemmed from port activities
- To ensure a clean port environment and coastal waters,
- Ensuring the cleaning of the dirty soils in the port area
- Training of stakeholders in the port regarding port operations and environmental programs,
- To ensure the sustainability of operation, and management practices.

In this context, LimakPort:

- purchased Electric Cranes (STS and RTG) to minimize carbon emissions and protect the environment. The use of fossil fuel vehicles in empty container stacking within the port operations is minimized;
- constructed a wastewater treatment plant to prevent the transfer of ore from the mine stockpile with rainwater;
- carries out continuous training and exercise plans for effective and timely response to possible leaks and spills in the port area. It also maintains a 24/7 Emergency Response Boat to respond to ship-induced leakages/spills;
- built the largest and most modern Waste Reception Facility in the region in order to meet all waste removal demands of vessels;
- improves waste management procedure in order to reduce the waste generated by port itself;
- participates in environmental training with Non-Governmental Organizations in order to create environmental awareness in society;
- follows Equator Principles, IFC Performance Standards, and related Environmental, Health, and Safety Guidelines and ensures compliance to those standards and principles;
- ensures periodic measurement of Air, Sea Water, Wastewater, and Noise in order to monitor Environmental Performance.

WASTE MANAGEMENT

LimakPort waste management systems was established to reduce the waste at its source, and by using absorbents with high absorption capacity to reduce the amount of waste. Approximately 70% reduction in hazardous waste generation and approximately 60% reduction in the total amount of hazardous waste have been achieved accordingly.

The environmental practices performed by LimakPort in this context are as follows.

Waste Reception Facility: The biggest Waste Reception Facility of the region equipped with cutting-edge technology has been built and fulfillment of the requirements of the region in this regard is aimed accordingly.

Mine Stock Waste Water Treatment: LimakPort covered the impermeable floor of 10.000 m2 with wind screens against dust in order to warehouse its Mine ores. Measures are taken by spring system. Before the wastewater treatment plant was built, the rainwater falling in this area was carrying the ore dust to the sea. LimakPort takes the entire precautions and measures not to cause any contamination and pollution in accordance with its environmentalist perspective. In this context, waste water treatment was built and commissioned to avoid the pollution created by the said rainwater.

3. Rationale for Sustainability-Linked Bond Issuance

In order to enhance the power of the Company to address environmental issues where we have the ability to effect positive change, LimakPort intends to issue Sustainability-Linked Securities ("SLSs"), leveraging ambitious timelines to achieve sustainability performance that is relevant, core and material to our business.

For this purpose, we have developed this framework (the "Framework") which demonstrates how the Company intends to enter into Sustainability-Linked Bond ("SLB") transaction(s) to continue to support its sustainability strategy and targets. Sustainable financing, aligned with targets included in the Framework, is a natural next step for us and will help accelerate continuous improvement in areas that are material to our business, suppliers and stakeholders.

Our framework provides a high-level approach to our Sustainability-Linked Securities and investors should refer to relevant documentation for any securities transactions.

4. The Sustainability-Linked Bond Framework

Sustainability is a core priority for LimakPort and it is a natural continuation for us to incorporate our sustainability objectives into our financing requirements.

4.1 Alignment with Sustainability-linked Bond Principles, 2020

The Sustainability-Linked Bond Principles ("SLBP"), as administered by the International Capital Market Association ("ICMA"), are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking sustainability outcomes and promote integrity in the development of the Sustainability-linked Bond market. LimakPort's Sustainability-Linked Bond framework is in alignment with the five core components of the SLBP:

1. Selection of Key Performance Indicators (KPI)
2. Calibration of Sustainability Performance Targets (SPT)
3. Sustainability-Linked Securities Characteristics
4. Reporting
5. Verification

4.2 Selection of a Key Performance Indicator (KPI)

LimakPort has chosen the conversion of select port equipment from the diesel-powered equipment to electric-powered as the KPI, as this is material and relevant for the Company and supports LimakPort's sustainability objectives. Limakport will be converting 32 out of 37 (85%) forklifts to electric as well as converting all the vehicles (32 vehicles) we use in and out of the port (automobiles) and all terminal trucks (36 trucks) to electric. LimakPort's emissions associated with select forklifts, vehicles and trucks account for 50% of Scope 1 and 44% of Scope 1 and 2 emissions as of 2020.[2] LimakPort's targets all vehicles that can be converted to electric under the KPI, and other vehicles/equipment that cannot be converted account for the remaining 50% of Scope 1 emissions. Reducing emissions is strongly related with LimakPort's sustainability priorities and long-term sustainability targets. Selected KPI and SPT are also part of a key strategy of UNDP, addressing sustainability development goals of:

- Affordable and Clean Energy (SDG GOAL 7)
- Industry, Innovation and Infrastructure (SDG GOAL 9)

4.3 Calibration of Sustainability Performance Target (SPT)

LimakPort has selected a Sustainability Performance Target (SPT) that conveys an ambitious goal beyond business as usual commitments, to convert all of its currently diesel-powered vehicles and terminal trucks into EVs and some of its diesel-powered forklifts to electric-powered forklifts starting from 2026 as per the below targets and aims to comlete the conversion by 2031:

- 2026 – 15% of the terminal trucks , 15% of the total forklifts,%15 of the vehicles used by the port personnel
- 2027 – 30% of the terminal trucks, 30% of the total forklifts, 30% of the vehicles used by the port personnel
- 2028 – 45% of the terminal trucks, 45% of the total forklifts, 45% of the vehicles used by the port personnel
- 2029 – 60% of the terminal trucks, 60% of the total forklifts, 60% of the vehicles used by the port personnel
- 2030 – 75% of the terminal trucks, 75% of the total forklifts, 75% of the vehicles used by the port personnel
- 2031 – 100% of the terminal trucks, 85% of the total forklifts, 100% of the vehicles used by the port personnel

Sustainability Performance Target (SPT)	100% conversion of diesel-powered vehicles and terminal trucks to electric vehicles and trucks (EVs) and 85% conversion of diesel-powered forklifts to electric-powered forklifts by 2031
Target Observation Dates	31 December 2028 31 December 2031
Trigger Dates	Should the SPT not have been reached as at respective pre-determined Target Observation Date, the Trigger Date will fall on the first coupon payment date following the annual progress report
Calculation methodology	Ratio of electric-powered versus diesel-powered equipment

[2] LimakPort's Scope 1 and 2 emissions include mobile combustion emissions and emissions from purchased energy.

Factors that support the achievement of the target	- Strong commitment of our Board of Directors on Sustainability Strategy; - Potential technology advancement and regulatory environmental over time that could influence the target; - Climate change is one of the most relevant environmental topic addressed in Sustainability Committees of LimakPort and Limak Group of Companies - Some customers prioritizing suppliers that have the electric vehicles in their fleet
Risks to the target	- Possibility of limitations related to the availability of EVs and electric-powered forklifts - Unprecedented events, such as pandemics or others, which can affect delivery timing or any other supply factors

4.4 Sustainability-Linked Bond Characteristics

The financial characteristics of any notes issued under this framework will be specified in respective terms and conditions.

If the SPT have not been reached at respective Target Observation Date a premium will be payable from the first coupon payment date following the annual progress report, until the maturity of the notes. Our Sustainability-Linked Securities have a sustainability-linked feature that will result in a coupon step-up of 12.5bps in each of the Target Observation Dates if our performance does not achieve the stated Sustainability Performance Target.

If, for any reason, LimakPort does not publish the relevant SPT progress report within the time limit as described in this framework, the coupon step-up of 12.5bps will be applicable.

Our calculation of the relevant KPI or SPT may exclude the effects of certain material acquisitions and/or material changes in laws or regulations applicable or relating to our operations, in each case to be set forth, if applicable, in further detail in the terms and conditions of each our Sustainability-Linked Securities.

4.5 Reporting

LimakPort will publish a progress report on an annual basis as at 31 December, including the issuance year, until after the last SPT trigger event. The progress report will include information on the performance of the selected KPI and SPT as well as any other information deemed material for investors to monitor the level of ambition of the SPT. The report will be publically available on the LimakPort webpage within 90 days from previous year-end.

The published reports may include:

- Up-to-date information on the performance of the selected KPI, including the baseline where relevant;
- A verification assurance report relative to the SPT outlining the performance against the SPT
- Any relevant information enabling investors to monitor the progress of the SPT.

Information may also include when feasible and possible:

- Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis
- Illustration of the positive sustainability impacts of the performance improvement
- Any re-assessments of KPI and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope.

4.6 Verification

LimakPort commits to having an external verifier provide reasonable assurance on the published KPI performance figures for each fiscal year/ on the KPI performance at the SPT deadline, which is aligned with the SLBP on verification.

Both the progress report and verification will be made available on the LimakPort webpage.