ALARKO AGRICULTURE

Geothermal Resource Exploration Drilling and Greenhouse Project

EXTENDED EXECUTIVE SUMMARY





FEBRUARY

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Version	Revision	History	Preparer			Quality control	Control	Approval
Draft	A.0	February 2025	Utku Yazici	Deniz Dirier	Celal Denizli	Esra Okumuşoğlu	Universe Bee Attack	D.Emre Kaya
			Environmental Engineer	Sociologist	Biologist	Geological Engineer	Chemist	Environmental Engineer

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CLIENT:



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Alarko Tarım produces in greenhouse compounds of over 1000 decares in Afyon and Denizli under the roof of Alarko Holding. In order to establish a new campus in Eskişehir, Alarko Tarım acquired Nata Tarım, which has a 193 acre geothermal greenhouse campus located on parcels 131-1, 132-1 and 132-2 in the region. The share transfer took place on 07.05.2024. The project components were initially planned to be gathered under the name Alsera, but this plan was changed and it was decided to be gathered under Nata Tarım (Project Owner). The Project Owner is engaged in Geothermal Resource Exploration Drilling and Greenhouse Farming in İsmetpaşa Neighborhood, Mahmudiye District, Eskişehir Province and plans to establish a total of 850 net acres of greenhouse production area. These 850 acres consist of Eskişehir-20 and Eskişehir-21 greenhouses, of which 775 acres will be new (Greenfield) greenhouse investments. Information on Eskişehir-20 and Eskişehir-21 greenhouse areas is presented below.

Nata Agriculture aims to bring these resources into the economy and increase agricultural productivity in the region through modern greenhouse activities and geothermal resource exploration and utilization. The Project Owner plans to construct 40.8 acres of new greenhouses in addition to the 76.4 acres currently under production. This area is named as Eskisehir-20 greenhouse.

There are 5 production wells and 1 reinjection well for the currently operating greenhouse area in the Nata Agriculture compound. The existing infrastructure of Nata Agriculture will be expanded with the Project infrastructure. In addition, a new greenhouse will be built on 813 decares of land and the net greenhouse production area will be 734 decares. This greenhouse is named Eskişehir-21. With these two greenhouse areas where soilless agriculture will be realized, the net production area will increase to 850 acres. For the realization of the Project, TSKB is requesting potential financing from the Industrial Development Bank of Turkey (TSKB) for the construction of a net 850-acre greenhouse campus, wells to meet the energy needs of the campus, reinjection wells, cold water wells, heat center construction, packaging areas, administrative building construction and Alarko Agriculture Academy construction and other project components related to these areas. Figure 1 shows the greenhouse areas and well locations.

Therefore, the Project Owner commissioned 2U1K to prepare an Environmental and Social Due Diligence (ESDD) report, Stakeholder Engagement Plan (SEP) and Environmental and Social Management Plan (ESMP) in line with national legal requirements, World Bank Operational Policies and TSKB Geothermal Development Project Environmental and Social Management Framework. The Project commenced in February 2024 under the name of Alsera and was revised in December 2025 under the name of Nata Agriculture. This document contains information about the Project and summarizes the potential impacts of the Project on the environment and communities and how these impacts will be managed.

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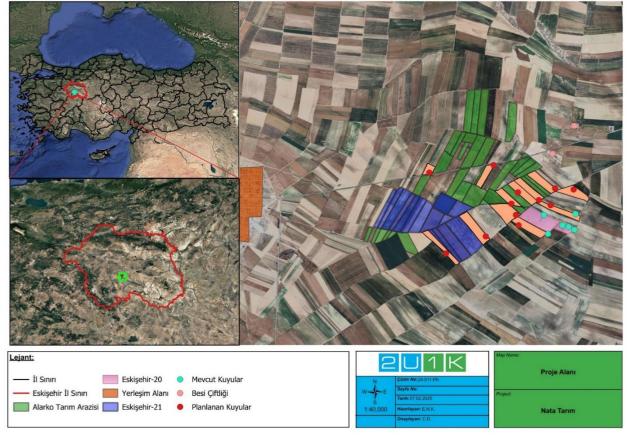


Figure 1. Greenhouse areas and locations of wells

Currently, the land acquisition process for the greenhouse campus has been completed and the ownership of the Project area belongs to Beybur Tarım ve Hayvancılık A.Ş. The shares of Beybur Agriculture and Livestock Inc. are planned to be transferred to Nata Agriculture at a later stage. According to the current data obtained from the project owner, a total area of 2,390,259.96 m2 has been purchased from 20 people. In total, 67 parcels have been acquired and there are no tenants or users on the land. All land acquisition was done through voluntary purchase. In the event of a need for land acquisition, the Project Owner will carry out these land acquisition processes in accordance with World Bank OP 4.12.

The social impact area of the Project has been determined by taking into account land acquisition, workers' accommodation, noise, labor flow, dust and changes in air quality and traffic impacts during construction and operation phases. The nearest settlement, İsmetpaşa neighborhood, is 1.5 km away from the Project area. Figure 2 shows the social and environmental impact area of the Project.

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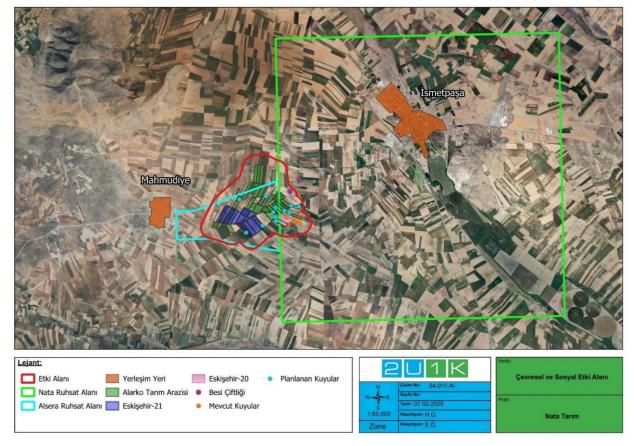


Figure 2. Project and project impact area

In the Project impact area, there are two fattening farms located 200 and 700 meters away from these parcels in the east of 121 block 33,34,35, one of the areas where land acquisition has been completed. These two fattening farms have also been identified as sensitive receptors.

Within the scope of the Project, Dünyaçed Müş.Müh. Environment Dan.Mad.San. and Tic.Ltd.Şti. Gürlük Geothermal Energy Agriculture Greenhouse Food San. And Tic. A.Ş. and submitted it to the Governorship of Eskişehir on 28.03.2024. After the review of the Governorate, the EIA process of the project started on 15.04.2024. On 10.07.2024, the Governorate decided that 'Environmental Impact Assessment is not required' for the Geothermal Resource Exploration Drilling and Greenhouse Activity Project in Site No: IR:2023-02 (ER:3339672) in accordance with Article 17 of the EIA Regulation.

According to World Bank O.P. 4.01, projects are categorized as A, B or C depending on the severity of their potential impacts on the environment. The project plans to utilize the heat energy of the geothermal resource to meet the energy needs of soilless agriculture greenhouses. There are no formal or informal users of the land required for the project and the land was acquired through voluntary purchase. There are also no protected areas in and near the project site. The Project is expected to be classified as Category B+ due to the Project's land size, amount of acquisition and number of wells. The potential adverse environmental and social impacts of the Project are assessed as mostly limited to the Project area, largely reversible and manageable with mitigation measures.

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Within the scope of the ESDD, an environmental and social analysis of the Project has been conducted and potential environmental and social impacts have been identified. Mitigation measures for these impacts have been identified in the ESMP prepared for the Project and a monitoring plan has been prepared for the implementation of the measures.

The SEP prepared for the Project describes stakeholder engagement activities and how Project information will be shared with the public, as well as the grievance mechanism through which stakeholders can submit their concerns and comments.

The main negative impacts of the Project activities have been identified as noise and dust generation during construction and drilling period, generation of geothermal fluid and drilling fluid and impact on groundwater. These impacts will be eliminated and/or minimized by measures to be taken by the Project owner.

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