<table>
<thead>
<tr>
<th><strong>Host Country</strong></th>
<th>Greece (Hellenic Republic)</th>
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</thead>
<tbody>
<tr>
<td><strong>Name of Borrower</strong></td>
<td>ONEX Elefsis Shipyards and Industries S.A. / Greece (Hellenic Republic)</td>
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<tr>
<td><strong>Project Description</strong></td>
<td>The acquisition, rehabilitation, and expansion of a shipyard in Elefsina, Greece that is projected to provide shipping services for energy-sector vessels and other commercial ships (the “Project”)</td>
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<tr>
<td><strong>Proposed DFC Loan/Guaranty</strong></td>
<td>$125,000,000 Direct Loan with a 15-year tenor and 3-year grace period.</td>
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<tr>
<td><strong>All-Source Funding Total</strong></td>
<td>$228,000,000</td>
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**Policy Review**

| **Developmental Objectives** | The DFC investment is expected to have a positive development impact in Greece by supporting the shipping industry, an important driver of the country’s economy. Shipping has a direct contribution of €7.3 billion to the Greek economy per year while sustaining over 160,000 jobs. Revenue from Greek shipyards for repair and maintenance, however, has dropped considerably in the past decades. The DFC investment will support the acquisition, rehabilitation, and upgrade to Elefsis Shipyards, providing a major expansion of the Greek ship repair and maintenance sector at a time of high demand, in particular from Liquefied Natural Gas (LNG) shipping traffic. The shipyard is expected to also help reduce GHG emissions in the global shipping sector, which accounts for 3% of all global emissions, by providing energy efficiency improvements such as ballast water treatment, scrubber installation, emission reduction filters, and advanced hull coatings. |

**Environment and Social Assessment**

| **Environment and Social Categorization and Rationale:** | The Project has been reviewed against the DFC’s categorical prohibitions and determined to be categorically eligible. In accordance with the DFC’s Environmental and Social Policies and Procedures (2020), the Project has been screened as Category A because it has the potential for significant environmental and social impacts. **APPLICABLE STANDARDS:** DFC’s environmental due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following IFC’s 2012 Performance Standards (PS): PS 1: Assessment and Management of Environmental and Social Risks |

and Impacts;
PS 2: Labor and Working Conditions;
PS 3: Resource Efficiency and Pollution Prevention; and
PS 4: Community Health, Safety, and Security.

The Project is a brownfield rehabilitation/expansion of an existing shipyard, no land acquisition, or additional marine restrictions beyond those already established will be necessary, and no dredging will occur as part of the Project. Therefore, the Project will not adversely impact biodiversity. Indigenous Peoples, or cultural heritage and PS 5, 6, 7, and 8 are not triggered by the Project at this time.

In addition to the Performance Standards listed above, the IFC’s Environmental, Health, and Safety (EHS) General Guidelines (April 30, 2007), and the IFC’s EHS Guidelines for Ports, Harbors, and Terminals (February 2, 2017) are applicable to the Project.

The Project’s Greenhouse Gas (GHG) emissions (both Scope 1 and Scope 2) are expected to be less than 10,000 tons of carbon dioxide equivalent per year of which Scope 2 GHGs have been estimated to be less than 9,700 tons of carbon dioxide equivalent per year and Scope 1 have been estimated to be less than 300 tons of carbon dioxide equivalent per year.

**Environmental and Social Risks and Mitigation:**

The primary environmental and social issues associated with shipyard projects are: waste management and wastewater discharges; occupational, health and safety (OHS); and labor management during both construction and operations; life and fire safety; noise; community health, safety, and security; groundwater and marine water quality; hazardous materials and waste management; traffic impacts both during construction and operation of the shipyard; and cumulative impacts. It should be noted that the Project does not involve marine dredging at this time.

The Borrower has developed a draft social and environmental management system whose components will be further updated as the Project progresses. In 2022, the Borrower prepared an Environmental, Social, and Health Impact Assessment (ESHIA) to assess the Project’s potential environmental and social impacts and the ESHIA process complied with the requirements of the Greece’s regulations. The Project has hired an Environmental and Social Manager and is still in the process of appointing additional environmental and social officers to
assist in the management of environmental and social issues. The Borrower has prepared frameworks for monitoring and reporting on the Project’s environmental and social impacts, and these have been summarized in the draft Environmental and Social Management Plan (ESMP).

**Site Remediation and Asbestos Management**

The Project will be required to undertake all site remediation and asbestos management in compliance with both the local and the European Union (EU) regulations. Both the Site Remediation Plan and Asbestos Management Plan will be submitted to DFC for approval.

**Air Emissions and Ambient Air Quality**

The Project’s air emissions and their impacts on ambient air quality will be managed by using the appropriate technology for ensuring compliance with the IFC’s Guidelines. Greenhouse Gas emissions will vary depending on the operating hours of the facility and will be minimized by using one of the most energy efficient technologies available. Under the worst-case scenario, CO\(_{2eq}\) emissions from the Project will be less than 10,000 tons annually which are primarily Scope 2 emissions (associated with the consumption of electricity). The Project’s noise levels are expected to be within the 3 dB(A) increment recommended by the IFC Guidelines.

**Wastewater Discharges, Waste and Hazardous Materials Management, and Occupational Health and Safety Management**

Treated wastewaters complying with the IFC’s Guidelines will be discharged to the sea and are expected to have minimal impacts as the pollutant concentrations would not be significantly different from those in the receiving water body. Municipal or permitted waste disposal facilities will be used for the disposal of solid and hazardous wastes. The Project’s hazardous materials management plan, fire prevention and control plan, occupational health and safety plan (OHSP), and emergency response plans will be used to manage risks associated with the handling of fuel, including the risk of fire. The OHSP will also be used to address other safety risks during both site remediation/construction and operation phases of the Project. The Borrower is committed to providing appropriate personal protective equipment, training of all site personnel, and adoption of standard safety procedures during all stages of the proposed Project.

**Noise**

Noise impacts will need to be properly managed so that the receptors do
not feel the nuisance associated with noise, as the nearest residence is just over 3 kms from the Project site. Noise controls such as the use of mufflers on equipment and vehicles will be used to the extent feasible. The EPC contractor/Site Remediation Contractor will measure noise during construction and adopt additional noise mitigation measures, if needed. All site remediation/construction activities will be undertaken during the day. Similarly, noise mitigation measures (such as provision of enclosures for noisy equipment and installation of sound barriers) will be implemented to ensure that noise is at acceptable levels in compliance with the Environmental and Social Requirements at the nearest receptor sites.

**Biodiversity Impacts**

Construction activities in the Project area are not expected to result in any habitat modification. The Project is implementing the mitigation hierarchy to avoid and minimize impacts on marine ecosystems. Mitigation measures and management plans for these activities incorporate Good Industry Practices. A biodiversity management plan has also been prepared as a part of the ESHIA package to address the few identified potential biodiversity impacts and it will be updated as the Project progresses. An Updated Biodiversity Management Plan (BMP) is being developed to properly manage the few biodiversity impacts.

**Other Impacts**

In order to manage construction impacts to acceptable levels and ensure compliance with the IFC’s Performance Standards and Guidelines, the Borrower will also prepare traffic management and construction management plans. The Engineering, Procurement, and Construction (EPC) Contractor/Site Remediation Contractor will also be required to comply with IFC’s Performance Standards and Guidelines and ensuring that the community impacts are minimized.

**Cumulative Impacts**

The Borrower has developed a plan to manage cumulative impacts. Some of the major cumulative impacts are related to infrastructure impacts management and social impacts management. The Biodiversity Management Plan, Environmental & Social Management Plan, Noise Management Plan, Fire Prevention and Control Plan, and Community Impacts Management Plans are being designed to address the identified cumulative impacts. Other cumulative impacts related to the increase in road traffic and effluent discharges are being addressed in the traffic and effluent discharge management plans designed to specifically address
Environmental and Social Management

The Project’s detailed ESMP will be prepared, and it will present additional information on the monitoring of mitigation measures which will be designed to reduce the Project’s impacts to the IFC Guidelines’ recommended levels. Additionally, the Project will provide DFC with annual reports summarizing the Project’s environmental and social performance. The Project will also be required to conduct an independent third-party audit of its monitoring data to verify compliance with environmental and social covenants in the DFC contract.

Labor Management

The Borrower has corporate level human resources policies and has engaged with and received approval from the local union that will provide staff. Additionally, the ESIA outlines the framework of a human resources management system that aligns with IFC Performance 2. The Borrower will be required to provide a project specific human resources management system for review.

Stakeholder Engagement

The Project has developed a stakeholder engagement plan that aligns with IFC Performance Standard 1. However, in order to address the risks associated with the Ministry of Migration facility that is adjacent to the property, the Project will be required to update its management systems to address potential interactions with this population.

DFC Site Visit: DFC staff undertook physical site visits during December 2022 and January 2023 as a part of the environmental and social due diligence. Discussions took place with the local Project team. Based on DFC’s site visits, the major representations made in the ESHIA have been confirmed.

ESIA Disclosure: The Project ESHIA was disclosed on November 9, 2022, and the comment period closed on January 9, 2023. No comments were received.