

Annex B – Public Information Summary

Host Country	Ecuador
Name of Borrower	Yilport Terminal Operations S.A.
Project Description	The brownfield expansion and modernization of the Puerto Bolivar container port in El Oro province in Ecuador (the “ Project ”), which is being implemented pursuant to a 50-year concession agreement (the “ Concession Agreement ”) will include dredging the approach channel; constructing a new 450-meter berth; constructing a cold-storage warehouse and facilities for handling refrigerated shipping containers; installing new cranes, electric gantries, and other cargo handling equipment; and installing a new security gate and anti-smuggling hardware (e.g., container scanners).
Proposed DFC Loan/Guaranty	Up to 15-year door-to-door tenor loan with a 36-month principal grace period during Project construction for up to \$150 million towards Project costs.
All-Source Funding Total	\$420.7 million
Policy Review	
Developmental Objectives	The Project is expected to be highly impactful for Ecuador through the brownfield expansion and modernization of Puerto Bolivar. The Project will increase Ecuador’s container port traffic by 750,00 TEU, an increase of 34% of Ecuador’s total capacity. In addition, the Project will create over a hundred new formal sector jobs, in an economy where informality is a critical issue, and spur economic growth through gains in overall capacity and productivity at the port.
Environment and Social Assessment	<p>SUMMARY FOR PUBLIC INFORMATION PROFILE</p> <p>SCREENING: The Project has been reviewed against DFC’s categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because it involves the expansion of a deep-water port. The Project is subject to Climate Resiliency Screening per Executive Order 13677.</p> <p>APPLICABLE STANDARDS: DFC’s preliminary environmental and social due diligence indicates that the Project will have impacts that</p>

must be managed in a manner consistent with the following of the International Finance Corporation's (IFC) 2012 Performance Standards:

- 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;
- PS 4: Community Health, Safety, and Security;
- PS 5: Land Acquisition and Involuntary Resettlement; and
- PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Project is located within an existing industrial port area that has been active for 60 years. No land acquisition was required; however, the Project will contribute to additional impacts to already declining fishing activities in the area. Though the Project is not the primary driver to the degradation of fishing productivity, it shall develop a Livelihood Restoration Plan to address its potential contribution. No cultural heritage sites have been identified at the site, and the Project is not anticipated to adversely impact Indigenous Peoples. Therefore, PS 7, and 8 are not triggered by the Project at this time.

In addition to the Performance Standards listed above, the following IFC Environmental, Health and Safety Guidelines are applicable to the Project:

- IFC EHS General Guidelines (April 30, 2007); and
- IFC EHS Guidelines for Ports, Harbors, and Terminals (February 2, 2017)

KEY ENVIRONMENTAL AND SOCIAL ISSUES AND

MITIGATION: Construction activities for the Project commenced in November 2020. Environmental and social due diligence on behalf of the commercial lenders was performed in early 2022 and a draft ESAP was developed. A third-party environmental and social consultant was engaged for due diligence and is now currently monitoring ESAP implementation. Primary environmental and social issues of concern include the need for a robust ESMS, potential water pollution; management of hazardous materials; traffic; labor management including occupational health and safety (OHS); stakeholder engagement; solid waste and wastewater management; emergency preparedness and response; and biodiversity management.

Environmental and Social Management System: Yilport has an ESMS that is applicable to the entire Project, including dredging areas, access canal, expansion of the Port, onshore works, and operation of the entire Puerto Bolívar complex. The ESMS includes E&S policies, management programs and standard operating procedures to aid in implementing the Management Plans, and documentation of ESMS implementation. The ESMS also includes descriptions of each of the elements of an ESMS per IFC PS1.

Water Pollution: The Project sampled the material to be dredged, and it was found to be suitable for disposal at sea. Based on analysis in the ESIA, the plume of sediments from disposal of the dredged material will not adversely impact the aquaculture activities in the region. Water quality will be monitored throughout the dredging activities to ensure no adverse impacts on marine water quality. Ships utilizing the Port will also be required to have pollution prevention equipment that complies with the International Convention for the Prevention of Pollution from Ships (“MARPOL”).

Hazardous Materials: The Waste and Effluent Management Plan in the Project ESIA includes measures to handle hazardous materials and hazardous waste, including the provision of adequate hazardous materials storage facilities with impermeable floors and roofs, adequate ventilation, spill kits, and fire extinguishers. The Project ESIA also includes an Affected Areas Mitigation and Remediation Plan that contains a list of measures to prevent and mitigate environmental pollution caused by leaks or spills, as well as to remediate areas affected by pollution and environmental liabilities.

Traffic: The Project’s Community Health and Safety Plan contains measures for terrestrial and marine traffic control, including pedestrian and vehicle signage and traffic control for vehicles entering and leaving the Port, and marine control of ships, including communication with local fishers.

Labor Management and Occupational Health and Safety: Yilport has developed a Human Resources Policy including a Worker Grievance Mechanism. Further actions are needed to improve broader awareness and dissemination of the grievance mechanism and labor policies.

Yilport has developed an Occupational Health and Safety (OHS) Plan as part of its EHS Management Plan for the Port. The plan has sections on worker accidents and investigations, compliance audits, personal protective equipment (“PPE”) and uniforms, high risk activities, an occupational health program, incentives and certifications, hazardous materials, and an emergency and contingency plan. The plan includes 31 annexes that cover specific OHS protocols and procedures. The Project has developed a contractor management plan and will be required to provide evidence of implementation. The EPC Contractor also has a grievance mechanism in place for workers.

Stakeholder Relations: The Project has in place a Stakeholder Engagement Plan and recently, undertook a socioeconomic baseline of fishers in the surrounding areas. An External Grievance Mechanism which allows for anonymous grievances has been developed but not yet fully disseminated. Since developing the SEP, the Project has not undertaken external stakeholder engagements. The Project will be required to provide evidence of implementation and public dissemination of its SEP and External Grievance Mechanism. It will also be required to have in place adequate community relations staff.

Solid Waste: Yilport has a Non-hazardous Waste Management Procedure that includes the provision of separate waste receptacles throughout the Port to collect recyclable, organic, and non-recyclable waste; and temporary waste storage facilities from which the residues will be handled either by recycling companies or licensed third parties for their final disposal. The procedure also includes measures to reduce plastic waste and to reutilize construction waste. In accordance with Ecuadorian requirements, Yilport is obligated to register the type, amounts, and general characteristics of the waste collected from vessels at the Port and to monitor how third-party waste management companies handle the waste, their compliance with environmental permits, and the adequacy of their treatment and disposal of the waste.

Wastewater: The Project ESIA includes a Waste and Effluent Management Plan that lists the number of each type of hygienic facilities that will be installed on site during construction. The plan also foresees the construction of a temporary wastewater treatment plant on site during construction to complement the Port’s existing wastewater

treatment plant. All wastewater will be treated to comply with Ecuadorian standards before discharge.

Greenhouse Gas Emissions: Between 2019 and 2020 the Port increased its efficiency from 63.79 kg CO₂e per TEU to 57.75 kg CO₂e per TEU. However, these figures are still high compared to other ports in the region. Therefore, the Project will consider the following alternatives to reduce GHG emissions and thereby increase efficiency:

1. Increasing its use of solar energy;
2. Improving refrigerant maintenance;
3. Improving diesel purification and filtration system;
4. Emphasizing preventive maintenance of equipment;
5. Incorporation of electric cranes;
6. Installing electric system in boats; and
7. Fostering waste separation and reduction of plastic.

Emergency Preparedness and Response: Yilport has consolidated its existing Contingency and Emergency Plan and the Emergency Preparedness and Response Plan (EPRP) in the Project ESIA into a Project-specific EPRP that incorporates construction activities and dredging, evaluates emergency risks to nearby communities, has been disclosed to these communities, and includes procedures for notifying these nearby communities in the event of an emergency.

Biodiversity: The Project's terrestrial activities will be confined to the existing Puerto Bolívar, which is a highly modified environment. While there are small areas (0.6 ha in total) with mangroves within the Port, these will not be impacted by the Project. Offshore dredging activities have the potential to impact marine biodiversity. The areas to be dredged, which include the area in front of the Port and the Access Channel, have been dredged multiple times in the past. The seafloor in the area offshore within which the dredged materials will be deposited, however, is relatively undisturbed. The Project ESIA deems impacts to marine fauna from dredging to be moderate, and its ESMP includes a Biodiversity Management and Monitoring Plan to mitigate these impacts.