

Initial Project Summary – Onex Elefsis Shipyards Project

Project Location: Elefsina, Greece

Name of Applicant: - Onex Elefsis Shipyards LLC/Onex Group of Companies

Name of Project: Onex Elefsis Shipyards Project

Project Description: The Project involves the rehabilitation of an existing shipyard, located near Athens, Greece.

ONEX Elefsis Shipyards LLC is planning the acquisition, rehabilitation, and expansion of a shipyard in Elefsina, Greece (the “Project”). The Elefsina shipyard is Greece’s second largest shipyard, and once its rehabilitation and expansion are complete, the shipyard is projected to have the capacity to repair and upgrade up to 200 ships per annum. Approximately 50 percent of Project revenues will derive from servicing ships that are liquified natural gas (“LNG”) carriers. The Project is strategically well placed to service LNG ships given its proximity to Greece’s only existing LNG terminal in Revithoussa, a future LNG port in the Gulf of Corinth, and several key gas trade routes. The rehabilitation is set to take place over the next two years alongside a gradual ramp up of operations. The Sponsor is also funding the installation of a 30 MW solar farm to provide energy to the shipyard and to the local grid, and repurposing part of the shipbuilding infrastructure for the fabrication and assembly of wind turbines. Collectively, these efforts are hoped to transform Elefsina from a defunct shipyard into an energy hub supporting LNG shipping lanes in the Mediterranean and the Aegean Seas and supporting Greece’s renewable energy goals.

It should be noted that the Project does not involve dredging at this time. In addition, the Project does not involve the servicing of defense ships which is being undertaken by the Greek Government at a location that is adjacent to the Project site.

The surrounding areas are primarily industrial and/or commercial areas. There is a temporary immigrant and refugee facility along the western edge of the site.

Environmental and Social Categorization and Rationale: 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 rehabilitation and expansion of an existing large-scale shipyard facility. Primary environmental and social issues of concern include community health and safety, labor management and occupational health and safety, groundwater and marine water quality, waste and hazardous materials management, and cumulative impacts.

Environmental and Social Standards: DFC’s preliminary environmental and social due diligence indicates that the Project will have impacts that 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; and
- PS 4: Community Health, Safety, and Security;

The Project is a brownfield rehabilitation/expansion of an existing shipyard, no land acquisition is necessary, and the Project is not anticipated to adversely impact biodiversity, Indigenous Peoples, or cultural heritage. Therefore, 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.

Location of Local Access to Project Information:

The Project ESIA will be available for review at:

Michalis Drivas, Executive Assistant / CEO's Office

87 Kon. Palaiologou Street

Halandri, 15232, Hellas

t: +30 210 608 3465

m: +30 693 047 8672

e: mdrivas@onexcompany.com