

## **INITIAL PROJECT SUMMARY**

Project Location: Subic Bay, Philippines

Name of Applicant: Agila SPV

Name of Project: Subic Bay Shipyard

Project Description: The Project will entail the acquisition and restoration of an existing, non-operating shipyard formerly owned by Hanjin Heavy Industries and Construction (“HHIC”) of South Korea. Specifically, the Project will include:

- Upgrading site buildings to the latest Philippine building code to minimize the risk from typhoons and earthquakes;
- Ensuring slope protection to reduce the chance of landslides;
- Developing an emergency evacuation procedure in case of typhoons and storm surges, to avoid material damage and ensure safety of personnel working on site;
- Providing adequate secondary containment for all storage areas of hazardous materials;
- Providing adequate facilities and procedures to manage ship waste and ballast water;
- Providing adequate response capabilities for potential spills of hazardous materials (including fuel spills in Subic Bay);
- Improving ventilation of closed chemical/paint storage areas and installing explosion proof lighting;
- Replacing AC units that currently use R22 to comply with Philippine standards relating to the phase-out of R22; and
- Improving fire suppression systems and fire alarms throughout the shipyard.

Environmental and Social Categorization and Rationale: The Project has been reviewed against OPIC’s categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because it is likely to have significant adverse environmental and social impacts that are irreversible, sensitive, diverse, and/or unprecedented. The primary environmental and social issues include occupational health & safety and workforce protections, and management of wastewater, solid wastes, hazardous materials, ship wastes, and ballast water. There are potential legacy issues involving labor management and land acquisition.

Environmental and Social Standards: OPIC’s 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;
- PS 4: Community Health, Safety, and Security; and

PS 5: Land Acquisition and Involuntary Resettlement; PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; PS 7: Indigenous Peoples; and PS 8: Cultural Heritage are not triggered by the Project at this time.

In addition to the Performance Standards listed above, the following IFC Environmental, Health and Safety (EHS) Guidelines are applicable to this project:

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

Location of Local Access to Project Information:

Romulo Mabanta Buenaventura Sayoc & de los Angeles

21st Floor, Philamlife Tower  
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