December 19, 2018 Nippon Export & Investment Insurance

Results of Environmental Review

- (1) Reference Number 17-042
- (2) Project Name Export of transformers & electric rectifiers
- (3) Project SiteSouthern Governorate, Bahrain
- (4) Project OutlineExport of transformers & electric rectifiers for aluminum smelting
- (5) Category A
- (6) Reason of CategorizationThe project is located in or near sensitive areas under the Environmental Guidelines.
- (7) Environmental Permission / Approval by the Environmental Authority The ESIA (Environment Social Impact Assessment) reports were made under environmental laws & regulations in Bahrain. SCE (Supreme Council for Environment) approved the ESIA in June 2015 and the Supplementary ESIA in November 2017.
- (8) Pollution Prevention

Appropriate measures are being taken regarding air quality, water quality, noise and vibration, waste and odor.

(9) Natural Environmental Considerations Tubli bay, situated 8 km north of the port facility, has a unique ecological interaction among mangroves, seagrass and corals. The project is carried out in the existing aluminum factory and no adverse impacts on the ecological zone is expected.

(10) Social Considerations

The project site is located in the existing aluminum factory. No involuntary relocation is required. There is no cultural heritage near the premises. Appropriate measures are being taken for social considerations.

(11) Applied International Standards IFC Performance Standards

(12) Monitoring

The project proponent will conduct monitoring of air quality, water quality noise & vibration and others.

(end)

Q1. Please provide the address of the project site.

Address of the project site : PO Box 570 Manama, Kingdom of Bahrain

Q2. Please provide brief explanation of the project.

The Project, which will consist of a brand new potline ("Line 6") and a power station ("Power Station 5") at Alba's existing aluminium smelter in Bahrain, is expected to begin production in early 2019, will boost the per-annum production by 540,000 metric tonnes upon full ramp-up. This would bring Alba's total production capacity to approximately 1,500,000 metric tonnes per year, making Alba the world's largest single-site aluminium smelter. Line 6 will have 424 pots that will use the proprietary EGA DX+ Ultra technology thus significantly increasing operating efficiencies.

Q3. Will JBIC loan be applied to a new project or an executing project? In case of an executing project, please inform of strong claims by stakeholders such as local residents, as well as improvement guidance or cessation orders for construction work / operations, from environmental authorities.

New Project

Executing Project (without Claim etc.)

Executing Project (with Claim etc.)Others (Please specify

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Q4. In case of this project, is it necessary to execute Environmental and Social Impact Assessment (ESIA) based on the laws or regulations of the country where the project is to be implemented? If necessary, please inform the progress of ESIA.

□ Required (completed)

□ Required (under execution or under planning)

□ Not Required ■ Others (ESIA completed and supplemental assessment being prepared to address ESAP requirements identified in due diligence for the commercial facility)

Q5. In case that ESIA is already completed, please inform whether ESIA report is already approved based on the environmental and social assessment system of the country where the project is to be implemented or not. If ESIA report is already approved, please provide the date and name of authorities of the approval.

Approved (without condition)Under approval process

Approved (conditional)Others (Please specify

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| Date of Approval : Environmental Permit (EL-090-14) of 9 June 2014 |
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| Name of Authorities : Supreme Council on Environment |

Q6. If environmental and social permit(s) other than ESIA is required, please provide the name of required permit(s). Have you obtained required permit(s)?

Obtained

Not required

Required, but not obtained yetOthers (Please specify

Name(s) of required permit(s) : Construction Environmental Management Plans, Industrial Permit.

Q7. Will the loan be used for the undertaking that cannot specify the project at this stage (e.g. export or lease of machinery that has no relation with specific project, or Two Step Loan that cannot specify the project at the time of loan agreement)?

(Yes / No)

If you answered "Yes", it is not necessary to reply to the following questions. If you answered "No", please reply to the following questions.

Q8. Are there any environmentally sensitive area(s) shown below in and around project site(s)?

(<u>Yes</u> / No)

If you answered "Yes", please select applicable items by marking, and reply to the following questions. If you answered "No", please reply to the questions 9 and after.

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous people, and cultural heritage, etc. designated by national governments)
- (2) Forests with important ecological value (including primary forests and natural forests in tropical areas)
 - (3) Habitats with important ecological value (including coral reefs, mangrove, wetland and tidal flats.)
- (4) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- \Box (5) Areas in danger of large-scale salt accumulation or soil erosion
- (6) Areas with a remarkable tendency towards desertification
- (7) Areas with unique archaeological, historical or cultural value
- (8) Areas inhabited by ethnic minorities, indigenous peoples or nomadic peoples with traditional ways of life(including areas which are used for cultural or spiritual purposes) and other areas with special social value

Q9. Does the project involve following characteristics?

(Yes / <u>No</u>) ...

If you answered "Yes", please describe the scale of applicable characteristics, and reply to the questions 10 and after.

If you answered "No", please reply to the questions 11 and after.

| | (1) Involun | 1) Involuntary resettlement and/or loss of means of livelihood | | | | |
|---|-------------|--|------------------------------|-----|-----------------------|---|
| _ | | | (Number of affected people: | , |) | |
| | | g of groundwater | (Scale; | | m ³ /year) | |
| | (3) Land re | clamation, developm | nent and/or clearing (Scale: | × . | ha) | |
| | (4) Defores | tation | (Scale: | | ha) | • |
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Q10. Under the environmental and social impact assessment system of the country where the project is to be implemented, do the applicable characteristics from (1) - (4) of the questions 9 above and their scale serve as basis for executing an ESIA for the project?

□ They do □ They do not □ Others (Please specify)

Q11 May the project involve significant social impacts?

(Yes / <u>No</u>)

If you answered "Yes", please describe the outline of the impacts, and reply to the questions 12 and after. If you answered "No", please reply to the questions 12 and after.

The likelihood of severe project-related human rights impacts

 \Box Others

Q12. Will JBIC share in the project be equal or less than 5% of the total project cost, or the total amount of JBIC loan equal or less than SDR 10 million? (In the case of additional support for a past project, this shall be the accumulated total amount)

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$(\underline{\text{Yes}} / N_0)$

If you answered "Yes", it is not necessary to reply to the following questions. If you answered "No", please reply to the questions 13 and after.

Q13. Does the project belong to either of the sectors that impact on the environment and society is deemed immaterial or is not anticipated under normal conditions (e.g. maintenance of the existing facilities, non-expansionary renovation project, and acquisition of rights and interests without additional capital investment)?

(Yes / No)

If you answered "Yes", it is not necessary to reply to the following questions. If you answered "No", please reply to the questions 14 and after.

Q14. Does the project belong to the following sectors?

(Yes / No)

If you answered "Yes", please specify the sector by marking, and reply to the questions 15 and after. If you answered "No", it is not necessary to reply to the following questions.

- (1)Mining
- (2)Oil and natural gas development
- \Box (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- \Box (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)
- \Box (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- \Box (10) Cement plants (including a greenfield quarry)
- (11) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- (12) Thermal power
- \Box (13) Nuclear power
- (14) Hydropower, dams and reservoirs
- (15) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
- \Box (16) Roads, railways and bridges
- (17) Airports
- (18) Ports and harbors
- (19) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
- П (20) Waste management and disposal
- (21) Agriculture involving large-scale land-clearing or irrigation
- П (22) Forestry

(23) Tourism (construction of hotels, etc.)

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Q15. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, pleased explain whether an execution of ESIA is required on account of the large scale of the project in the country where the project is implemented.

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