

NIPPON EXPORT AND INVESTMENT INSURANCE
GUIDELINES FOR INFORMATION DISCLOSURE CONSIDERATIONS FOR
NUCLEAR SECTOR PROJECTS IN TRADE INSURANCE

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NIPPON EXPORT AND INVESTMENT INSURANCE (NEXI)

GUIDELINES FOR INFORMATION DISCLOSURE CONSIDERATIONS FOR NUCLEAR SECTOR PROJECTS IN TRADE INSURANCE

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Preface

Nippon Export and Investment Insurance (hereinafter referred to as “NEXI”) hereby makes public its “Guidelines for Information Disclosure Considerations for the Nuclear Sector Projects in Trade Insurance” (hereinafter referred to as the “Information Disclosure Guidelines”).

The Information Disclosure Guidelines complement NEXI’s Guidelines on Environmental and Social Considerations in Trade Insurance (hereinafter referred to as the “Guidelines”).

The Information Disclosure Guidelines provide policies and procedures employed by NEXI to confirm information disclosure and public participation consideration of Nuclear Sector Projects (to be defined in Part 1 3. (1)) in trade insurance. NEXI commits itself, in accordance with the policy of the Japanese Government, to contribute to sound development of Japan’s external transactions such as foreign trade by confirming whether the project sponsors and relevant parties (hereinafter referred to as the “project sponsors”) have implemented appropriate consideration of the information disclosure procedures and public participation aspects of Nuclear Sector Projects that are subject to NEXI’s insurance services. (hereinafter referred to as “Information Disclosure Considerations”).

The Information Disclosure Guidelines are intended to allow NEXI to make utmost efforts to secure proper Information Disclosure Considerations, with the understandings that nuclear safety is the foremost priority with respect to the use of nuclear power, taking into consideration the lessons learned from the accident at Tokyo Electric Power Company's Fukushima Daiichi Nuclear Power Station.

The Information Disclosure Guidelines have been formulated on the basis of the international framework for information disclosure and public participation regarding the nuclear sector projects and the Organisation for Economic Co-operation and Development (OECD)’s “Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence” as updated from time to time(hereinafter referred to as the “Common Approaches”).

The Information Disclosure Guidelines will be reviewed as necessary in the future, taking into account future progress made in these areas.

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NB1: Part 2 is inseparable from Part 1

NB2 : If there is any ambiguity in the English version and/or any inconsistency with the Japanese version, the Japanese version prevails.

[Part 1]

1. Basic Policies Regarding Confirmation of Information Disclosure Considerations

NEXI confirms, through various measures, that project sponsors undertake appropriate Information Disclosure Considerations so as to minimize the impact on the environment and local communities and not bring about unacceptable effects which may be caused by Nuclear Sector Projects subject to NEXI's insurance services.

NEXI reiterates its basic policy on the importance of transparent and accountable processes, as well as the participation of stakeholders in those processes, including local residents and local non-governmental organizations potentially impacted by a Nuclear Sector Project (hereinafter collectively referred to as "Stakeholders").

NEXI issues these sector specific Information Disclosure Guidelines in recognition of the foremost importance of appropriate Information Disclosure Considerations for Nuclear Sector Projects due to potential material impacts of Nuclear Sector Projects on Stakeholders including local residents.

NEXI adopts standards from the recommendations of the Common Approaches to confirm the appropriateness of the Information Disclosure Considerations.

NEXI makes clear in its Information Disclosure Guidelines the Information Disclosure Considerations required for Nuclear Sector Projects subject to NEXI's insurance services.

In its decisions on issuance of commitment (or on conclusion of an insurance contract if application for commitment is not made. The same applies hereafter.), NEXI conducts reviews of Information Disclosure Considerations to confirm that the requirements are duly satisfied.

NEXI makes the utmost efforts to ensure that appropriate Information Disclosure Considerations are undertaken.

Even after making a decision on issuance of commitment, when necessary, for a certain period of time, NEXI will monitor or encourage the project sponsors via the applicants for insurance services such as exporters and others (hereinafter referred to as the "Applicants") to ensure that appropriate Information Disclosure Considerations are undertaken.

In cases where it is involved in the planning and preparatory stages of a Nuclear Sector Project, NEXI will encourage the project sponsors via the Applicants to undertake appropriate Information Disclosure Considerations from the earliest stage possible.

2. Objectives and Meaning of Information Disclosure Considerations

The objective of the Information Disclosure Guidelines is to encourage project sponsors of Nuclear Sector Projects to implement appropriate Information Disclosure Considerations in

relation to such projects based on the Information Disclosure Guidelines, by making clear NEXI's 1) procedures (both before and after issuance of commitment), 2) determination standards, and 3) contents to be confirmed for Nuclear Sector Projects that are subject to NEXI's insurance services from the perspectives of Information Disclosure Considerations. In so doing, NEXI endeavors to ensure transparency, predictability and accountability in the confirmation of Information Disclosure Considerations.

3. Basic Principles Regarding Confirmation of Information Disclosure Considerations

(1) Application

The Information Disclosure Guidelines supplement the Guidelines and apply only to the projects in the Guidelines that are subject to confirmation on due considerations of safety measures, etc., by the "Review Session concerning Confirmation on Due Considerations of Safety Measures, etc. Associated with the Official Credit Provision for Export, etc. of Major Materials or Equipment Used in Nuclear Facilities" (Determination of October 6, 2015 by Ministerial Conference on Nuclear Power) (hereinafter referred to as the "Nuclear Sector Projects").

The Information Disclosure Guidelines apply in addition to the Guidelines.

(2) Parties Responsible for Information Disclosure Considerations

In principle, the project sponsors are responsible for Information Disclosure Considerations for Nuclear Sector Projects and NEXI confirms such Information Disclosure Considerations in light of the Information Disclosure Guidelines.

(3) Confirmation of Information Disclosure Considerations by NEXI

NEXI does the following to confirm Information Disclosure Considerations:

- (a) conducts a review of Information Disclosure Considerations when making a decision on issuance of commitment, to confirm that the requirements are duly satisfied (hereinafter referred to as "Review"); and
- (b) conducts monitoring and follow-up after issuance of commitment (hereinafter referred to as "Monitoring").

In light of the Information Disclosure Guidelines and taking into account the characteristics of the relevant Nuclear Sector Project and the particular circumstances of the host country and its location, NEXI confirms in its Reviews whether:

- (a) appropriate and sufficient Information Disclosure Considerations are given before the implementation of the project; and

(b) appropriate Information Disclosure Considerations can be expected after NEXI makes decisions on issuance of commitment in light of factors such as the preparedness and experience of the project sponsors and host government.

NEXI also undertakes Monitoring through Applicants for a certain period of time after the decision has been made on issuance of commitment.

(4) Information Required for Confirmation of Information Disclosure Considerations

NEXI conducts Reviews based principally on information provided by the Applicants. However, NEXI may request additional information from the Applicants when necessary.

Exchanging information with relevant institutions, NEXI conducts Reviews utilizing information provided by Stakeholders.

(5) Standards for Confirmation of Appropriateness of Information Disclosure Considerations

NEXI in principle confirms in its Review that the requirements for Information Disclosure Considerations stated in the Information Disclosure Guidelines are fulfilled by ascertaining the below:

- (a) confirm that Nuclear Sector Projects comply with standards of the relevant host national and local governments regarding the Information Disclosure Considerations;
- (b) confirm that Nuclear Sector Projects meet relevant sections of World Bank Safeguard Policies or International Finance Corporation Performance Standards regarding the Information Disclosure Considerations; and
- (c) confirm that Nuclear Sector Projects meet relevant sections in the Convention on Nuclear Safety, the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, and International Atomic Energy Agency (IAEA) safety standards for nuclear power facilities regarding the Information Disclosure Considerations.

If NEXI believes the Information Disclosure Considerations of the project substantially deviate from these standards, it will confirm the background and rationale for this deviation, and the measures to rectify it if necessary.

(6) Incorporating Reviews into Decision-making

NEXI takes the outcomes of its Review into account for decisions on issuance of commitment. If, as a result of its Review, NEXI judges that appropriate Information Disclosure Considerations are not ensured, it will encourage the project sponsors, through the Applicants, to undertake appropriate Information Disclosure Considerations.

If appropriate Information Disclosure Considerations are not undertaken in accordance with the Information Disclosure Guidelines, there may be cases where a commitment letter is not issued.

4. Procedures for Confirmation of Information Disclosure Considerations

(1) Review

For Nuclear Sector Projects to which the Information Disclosure Guidelines apply, in addition to the environmental review procedures set out in the Guidelines (see Section III. 3. of the Guidelines), NEXI also applies the Information Disclosure Guidelines.

(2) Monitoring

For Nuclear Sector Projects to which the Information Disclosure Guidelines apply, NEXI in principle confirms the results of the material items of the implementation of the Information Disclosure Considerations through the Applicants for a certain period of time after the issuance of commitment.

NEXI also applies the Guidelines (see Section V. of the Guidelines) in relation to Monitoring.

5. Disclosure of Information Regarding Confirmation of Information Disclosure Considerations by NEXI

NEXI applies the principles on disclosure of information as set out in the Guidelines (see Section VI. of the Guidelines).

In addition to the information disclosed in accordance with the Guidelines, of documents disclosed in the host country regarding the Nuclear Sector Project, NEXI will disclose material documents regarding the Information Disclosure Considerations on its website, etc. as promptly as possible after it obtains the documents.

6. Incorporating Reviews into Decision-making

NEXI takes the results of Information Disclosure Considerations Reviews into account when making its decisions on issuance of commitment.

NEXI may include additional requirements in the commitment letters, insurance policies and other accompanying documents (hereinafter referred to as the “Environmental Special Clauses, etc.”) in order to encourage the project sponsors take appropriate actions through Applicants, when it considers it necessary to ensure the implementation of Information Disclosure Considerations. If Applicants violate the Environmental Special Clauses, etc., NEXI may cancel the commitment or the contract after conclusion of the insurance contract.

7. **Ensuring Appropriate Implementation of and Compliance with Information Disclosure** Guidelines

NEXI endeavors to ensure appropriate implementation of and compliance with the Information Disclosure Guidelines in accordance with the principles in Section VII of the Guidelines. In order to ensure its compliance with the Information Disclosure Guidelines, NEXI accepts objections regarding non-compliance with the Information Disclosure Guidelines and takes necessary actions.

Supplemental Provision

These Information Disclosure Guidelines shall come into force on April 1, 2018.

[Part 2]

Contents to be Confirmed Regarding the Information Disclosure Considerations for Nuclear Sector Projects

In principle, appropriate Information Disclosure Considerations are undertaken based on examination of the following items:

(1) Host Country Legal Regime

- **Relevant International Conventions:** With respect to the host country, in relation to (i) the Convention on Nuclear Safety and (ii) the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, 1) its status as a contracting party to the above Conventions, and 2) its implementation of Convention obligations relating to Information Disclosure Considerations into national law.
- **IAEA Safety Standards:** With respect to the host country, 1) its membership of the International Atomic Energy Agency (“IAEA”), and 2) its implementation of IAEA safety standards relating to Information Disclosure Considerations into national law.

(2) Information Disclosure

- **Information Disclosure Procedures:** Proper information disclosure of:
 - 1) Nuclear regulations and policies;
 - 2) Nuclear regulatory procedures; and
 - 3) Nuclear regulatory decision making.
- **Provision of Information for a Nuclear Sector Project:** With respect to a Nuclear Sector Project, provision of information below to related Stakeholders depending on the characteristics of the project. (In principle, the provision of such information is to be reviewed by NEXI prior to making decisions for issuance of commitment. However, the provision of information that is difficult to confirm at the time of decision making such as “notification and evacuation procedures” and “plans for operational safety” is to be monitored. NEXI will respect the sensitivity and confidentiality of information relating to nuclear security and confidential business interests.)

1) Plans to site and build a facility.

Examples of the contents:

- Basic plan of the facilities (including information regarding site boundaries);
- Site-related factors (including information regarding the location of the project site and neighboring areas of high population density);

- The design basis for the safety of nuclear facilities and defence-in-depth for prevention of progression of severe accidents (including information on the assessment of public exposure by the largest expected release of radioactive material in a severe accident);
- Measures for accident management in circumstances of external events, etc.; and
- Construction plans.

2) Spent fuel and radioactive waste management plans.

3) Environmental and social impact assessment.

Examples of the contents:

- Control of radiation exposure (including information on the assessment of public exposure in normal operation. This information may be included in the plans to site and build a facility).

4) Emergency preparedness and emergency response plans.

Examples of the contents:

- Notification and evacuation procedures; and
- Plans for operational safety (including plans for safety of occupational engineers and workers).

(3) Public Participation

- **Public Participation Procedures:** Status of public participation in the licensing and authorization processes for Nuclear Sector Projects. Items (1) to (3) below should be conducted in the language and manner understandable to the residents.

- 1) Provision of information to residents;
- 2) Opportunity to participate, in particular at the local level;
- 3) Proper consultation; and
- 4) Consideration of the results of the consultation.