

Environmental Examination Report

(1) Project Name

Production and sales of petrochemical products

(2) Project Site

Irkutsk, Russia

(3) Project Outline

Construction of an ethylene plant and a polyethylene plant

(4) Category Classification

Category A

(5) Reason for Classification

The project belongs to sensitive sector (petrochemical sector), includes sensitive characteristics under the Environmental Guidelines.

(6) Environmental Permits and Approvals

The Environmental Impact Assessment (EIA) on this project was prepared in compliance with the local laws and regulation, and approved in July 2020 by Federal Service for Supervision of Natural Resource Management.

(7) Pollution Mitigation Measures

It is confirmed that air quality, water quality, waste, noise and vibration are properly managed.

(8) Natural Environment

Appropriate measures are taken to avoid impacts to the natural environment.

(9) Social Environment

The project does not involve involuntary resettlement. Appropriate measures are taken for the protection of the social environment

(10) International Standard

## IFC Performance Standard

### ( 1 1 ) Others, Monitoring

Taking the above environmental review into consideration, JBIC will monitor status of obtaining other relevant permit, compliance of the conditions attached to the EIA report and items such as air quality, water quality, if any.

## Questions

**Q1.** Please provide the address of the project site.

Address of the project site: Usk-Kut district, Irkutsk region, Russia

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**Q2.** Please provide brief explanation of the project.

The proposed Polymer Production Facility (PPF, the Project) is intended for production of polyolefins, namely linear low-density polyethylene (LLDPE) and high-density polyethylene (HDPE) pellets.

**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 (with Claim etc.)  
 Executing Project (without Claim etc.)  Other ( Please specify)

**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 (Please specify)

In accordance with the Russian Federation legislation, Project performs works requires an EIA. The EIA materials of the main and auxiliary facilities of the plant in its turn require state environmental expertise approval. At the beginning of March 2020, public hearings of the EIA materials have been completed and the company is submitting documents for a state environmental review.

**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)  Approved (conditional)  
 Under approval process  Others (Please specify)

**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  Required, but not obtained yet  
 Not required  Others (Please specify )  
Name(s) of required permit(s):

**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)?

(Yes / **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.
- (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** / No)

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) Involuntary resettlement and/or loss of means of livelihood  
(Number of affected people: )
- V (2) Pumping of groundwater (Scale: 113 thousand cubic meters/year – potable water abstraction)**
- V (3) Land reclamation, development and/or clearing (Scale: 295 ha development area, including 29 ha – subject to rehabilitation after construction completion)**
- V (4) Deforestation (Scale: 295 ha)**

**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?

**V** (They do  They do not

Others (Please specify

**Q11** May the project involve significant social impacts?

(Yes / **No**)

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 ( )
- 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)

(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 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.

Explanatory note:

Treated waste water discharge into Lena River during plant’s maintenance period  
Gas flaring at stands during emergencies

**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
- (3) Pipelines
- (4) Iron and steel (projects that include large furnaces)
- (5) Non-ferrous metals smelting and refining
- (6) Petrochemicals (manufacture of raw materials; including complexes)**
- (7) Petroleum refining
- (8) Oil, gas and chemical terminals
- (9) Paper and pulp
- (10) Cement plants (including a greenfield quarry)
- (11) Manufacture and transport of toxic or poisonous substances regulated by international treaties, etc.
- (12) Thermal power
- (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
- (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
- (20) Waste management and disposal
- (21) Agriculture involving large-scale land-clearing or irrigation
- (22) Forestry
- (23) Tourism (construction of hotels, etc.)

**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, please 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.

project area - 113 ha  
area of plants and buildings – 53.5 ha  
production capacity - 650 ktonnes per year (PE)