

Environmental Examination Report

(1) Project Name

Steel Plant Expansion Project

(2) Project Site

Gujarat, India

(3) Project Outline

Expansion of the Integrated Steel Plant

(4) Category Classification

Category A

(5) Reason for Classification

The project belongs to sensitive sector (Iron and Steel sector).

(6) Environmental Permits and Approvals

Regarding the project, the Environmental Impact Assessment (EIA) report was prepared in compliance with the local laws and regulations and approved in October 2022 by Ministry of Environment, Forest and Climate Change, and other permits including the Forest Logging Permit is being prepared. The necessity of the EIA report for the other projects considered to be associated with the Project (Beneficiation plants and pellet plants construction. Hereinafter referred to as “associated projects”) is still being confirmed.

(7) Pollution Mitigation Measures

It is confirmed that pollutions such as air quality, water quality, waste, noise, vibration and land subsidence are properly managed in the project and the associated projects respectively.

(8) Natural Environment

Appropriate measures are taken to avoid impacts to the natural environment in the project and the associated projects respectively.

(9) Social Environment

It is confirmed that there will be no relocation of residents in relation to the project and the associated projects respectively.

(1 0) International Standard
IFC Performance Standards

(1 1) Others, Monitoring

Taking the above environmental reviews into consideration, regarding the project, JBIC will monitor items such as progress of approval of the relevant environmental and social permits, compliance of the conditions attached to the EIA report and comments from local communities.

Regarding the associated projects, JBIC will keep track of progress of approval of EIA reports (if necessary) and comments from local communities.

Questions

Q1. Please provide the address of the project site.

Address of the project site : ArcelorMittal Nippon Steel India Limited, 27km, Surat – Hazira Road, Hazira, Surat, Gujarat, India

Q2. Please provide a brief explanation of the project.

Expansion of the Integrated Steel Plant (ISP) by addition of facilities to produce additional 6.0 MTPA liquid steel and 6 MTPA finished product (hot rolled coils)

- **Coke and Iron making:** Existing BF upgradation to 3.0 MTPA, 2 X 4.0 MTPA (~4500 cu.m) Blast Furnaces, 4 additional batteries of coke oven batteries & 7.0 MTPA Sinter plants.
- **Steel Making and Casting:** Liquid steel BOF shop with 2/3 Converter Operation with twin strand slab casters: 6.0 MTPA
- **Rolling Mill:** 6.0 MTPA Hot Strip Mill with 3 Reheating Furnaces.

Q3. Is it a new project to be implemented or a project that has been implemented? If it has been implemented, has it received a serious complaint from local residents or a directive for improvement, a stop-work order, a project suspension order, etc., from a local environmental authority?

- New project to be implemented
- Project that has been implemented (with a complaint)
- Project that has been implemented (without a complaint)
- Other ()

Q4. Do the laws or regulations of the country where the project will be implemented require the project to conduct environmental and/or social impact assessments (such as an Environmental and Social Impact Assessment (ESIA) and Environmental Impact Assessment (EIA))? If so, have they been conducted or planned?

- Required (Assessments done)
- Required (Assessments in progress or being planned)
- Not Required
- Other ()

Q5. If environmental and/or social impact assessments have been conducted, have they been approved in accordance with the environmental and social impact assessment system of the country where the project will be implemented? If so, please also specify the date of the approvals and the name of the authorities.

- Approved (without condition(s))
- Approved (with condition(s))
- Under approval process
- Other ()

Date of Approvals : Under Process. Tentative approval date would be end of Aug.2022.

Name of Authorities : Ministry of Environment, Forest and Climate Change (MoEF&CC), Govt of India

Q6. Are there any environmental permits required other than environmental and/or social impact assessments? If so, have they been obtained? Also, if required, please specify the name of the permits.

- Obtained
- Required, but not obtained yet
- Not required
- Other ()

Name(s) of required permit(s) :

1. Consent To Establish from State Pollution Control Board (SPCB) – Obtained

2. Consent To Operate from SPCB – To be obtained before commissioning of the projects, i.e. before Oct. 2025.

Q7. Will the project be specified after JBIC made a funding commitment (as in the case of a two-step loan, where sub-projects cannot be specified at the time of a funding commitment)?

(Yes/No)

If “Yes”, please disregard the following questions.
If “No”, please go to Q8.

Q8. Will JBIC’s funding be used to serve as support for international balance of payments or to be used for the provision of goods or services that does not involve installation or implementation in particular sites or regions, as in the case of export/import or lease of machinery or equipment that is not connected with a particular project?

(Yes/No)

If “Yes”, please disregard the following questions.
If “No”, please go to Q9.

Q9. Are there any environmentally sensitive area(s) shown below in or near the project site(s)?

(Yes/No)

If “Yes”, please mark the applicable items and go to Q10.
If “No”, please go to Q10.

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous peoples, 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 wetlands, 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 and spiritual purposes) and other areas with special social value

Q10. Does the project involve the following characteristics?

(Yes/No)

If “Yes”, please specify their scale and go to Q11.
If “No”, please go to Q12.

- (1) Involuntary resettlement or loss of means of livelihood (Number of affected people:)
- (2) Groundwater pumping (Scale: m³/year)
- (3) Land reclamation, land development, and land clearing (Scale: ha)
- (4) Logging (Scale: ha)

Q11. Under the environmental and social impact assessment system of the country where the project will be implemented, do the applicable characteristics (1) – (4) of Q10 above and their scale serve as the basis for executing an ESIA for the project?

- Yes, they do No, they do not
 Other ()

Q12. Is the project likely to have a significant social impact, including human rights?

(Yes No)

If “Yes”, please describe the impacts and go to Q13.

If “No”, please go to Q13.

- Likelihood of a significant impact on human rights ()
 Other ()

Q13. Will JBIC’s funding or NEXI’s insurable value be equal to or less than 5% of the total project cost, or will JBIC’s funding or NEXI’s insurable value be equal to or less than SDR 10 million? (If the funding or insurable value is additional to a project that has been supported by JBIC or NEXI, please add up the previous funding or insurable value and the funding or insurable value being considered to apply for this time.)

(Yes No)

If “Yes”, please disregard the following questions.

If “No”, please go to Q14.

Q14. Is the project for capital investment or working capital in a project that has been implemented and does it involve no material change in output or function (as in the case of maintenance of the existing facilities, non-expansive renovation project, and acquisition of rights and interests without additional capital investment)?

(Yes No)

If “Yes”, please disregard the following questions.

If “No”, please go to Q15.

Q15. Is the project in any of the following sectors?

(Yes) No

If “Yes”, mark the applicable sectors and go to Q16.

If “No”, please disregard the following question.

- (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.)

Q16. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.). In addition, please explain whether an environmental and/or social impact assessment is required on account of the large scale of the project in the country where the project will be implemented.

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Yes, Execution of ESIA is required on account of large scale of the project.