

Project Description	Development of a greenfield integrated petrochemicals facility
Sponsors	Saudi Aramco and Dow Chemical Company
Country	Kingdom of Saudi Arabia (KSA)
Project Category	A
Canadian Exporter(s)	Various
Description of capital goods and/or services	Sale of various Canadian goods and services
EDC Product	Financing
Date of publication on EDC's website (dd/mm/yy)	06/11/12
Date of Signing (dd/mm/yy)	16/06/13

### Project Categorization

The Project will be one of the world's largest petrochemical complexes, processing ethane and naphtha to produce approximately 3.2 million tons of chemical and polymer products per year. The Project is located in the Jubail Industrial City II (JIC II) in the eastern part of the Kingdom of Saudi Arabia, which represents the second phase of the original Jubail Industrial City (JIC I). JIC I and II are industrial areas that include petroleum refining, petrochemical manufacturing, foundries and thermal power plants. The Project will be in close proximity to readily-available feedstock and core infrastructure facilities, including power, water, pipeline corridors and the existing port facilities. The Project was classified as Category A. (Category definitions can be found [here](#), see D3 Environmental & Social Reporting).

### Summary of EDC's Review

EDC reviewed the project in accordance with our *Environmental and Social Review Directive* and the *Equator Principles*, and concluded that the project is designed to meet or exceed internationally recognized good practices, guidelines or standards. To reach this conclusion, EDC reviewed a project Environmental Impact Assessment, which was benchmarked against relevant international environmental and social standards, reviewed for appropriate mitigation measures against the project's potential environmental and social effects and assessed the project's stakeholder engagement activities.

### Key environmental and social issues associated, and related mitigation measures reviewed by EDC include, but are not limited to, the following:

**Air quality:** Atmospheric emissions from the project during construction and operations, including particulate matter, nitrous oxide, sulphur dioxide, and volatile organic compounds

**Mitigation measures include:** During construction, the Project will use dust suppression methods to minimize particulate emissions. During operations the Project will use best available technology, including low-NOx burners, flue gas desulphurization system, a leak detection program, and a continuous emissions monitoring system.

**Greenhouse gases (GHGs):** Emissions of GHGs, primarily carbon dioxide, during operations

**Mitigation measures include:** Use of high-efficiency process equipment which minimizes energy use and the generation of waste heat; process units will require energy conservation reviews in the design and selection process, and the Project will apply other GHG management measures in the future, including further heat recovery from cracking furnaces to allow reduction of prime energy consumption.

**Social and Labour:** Potential social impacts due to the large temporary workforce to the JIC II area during the construction phase

**Mitigation measures include:** Requirement for all contractors to ensure that worker accommodation and labour practices comply with, among others, the Saudi Aramco Sanitary Code, international workers accommodation guidelines, and applicable labour laws; contractors will be monitored and audited against these requirements by the Project sponsors. The Project has also developed a grievance mechanism for workers, which is included as part of the Project's human resources policies and procedures.

**Stakeholder engagement:** Addressing concerns from local industries and communities

**Mitigation measures include:** The Project has developed a Stakeholder Engagement Plan to identify and manage key stakeholders, including government and/or regulatory agencies as well as project-affected communities. Existing host-country frameworks are in place to address any future concerns raised by the public, by way of the Public Communications Register with local authorities. The Project also established a Community Liaison Manager position which is responsible for providing information to affected communities concerning the Project and addressing any complaints or inquiries that are raised.

**Documentation Reviewed:**

- Environmental Impact Assessment (June, 2011);
- Independent Technical & Environmental Review prepared for prospective lenders (May 2012).

**Applicable International Finance Corporation (IFC) Environmental and Social Standards used by EDC (in addition to host country requirements):**

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts;
- Performance Standard 2: Labor and Working Conditions;
- Performance Standard 3: Resource Efficiency and Pollution Prevention;
- Performance Standard 4: Community Health, Safety and Security;
- Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources; and
- Performance Standard 8: Cultural Heritage.