

This Environmental and Social Impact Assessment (ESIA) report has been prepared based on the technical information provided by the Sponsor, existing studies and reports relevant to the Project, site visit, baseline environmental monitoring and the stakeholder engagement.

Through this process an assessment has been conducted of the potential environmental and social impacts attributable to the construction and operation phases of the Project. Environmental and social impacts during decommissioning of the Project have not been considered in the impact assessment, as these will depend on the options available at the time of expiry of the Power Purchase Agreement. Qualitative and quantitative (where possible) assessments of impacts have been presented, significance of each potential impact has been identified, and mitigation measures to minimise and reduce the impacts have been recommended.

Cumulative environmental impacts particularly on air quality and community health and safety have also been assessed taking into consideration the existing Steel Mill facilities. The environmental and social assessment of the Project ascertains that the Project is unlikely to cause any significant environmental and social impacts. Many of the impacts are localised and short-term or temporary in nature and can be readily addressed by some embedded control measures in the engineering design of the Project as well as additional mitigation measures as suggested in the Environmental and Social Management Plan (ESMP).

It is to be noted that the results from baseline air quality monitoring shows that the existing conditions are considered as degraded airshed, this is possibly due to the operation of the existing Steel Mill. However, the built-in dry low NO<sub>x</sub> burners will be installed in order to reduce NO<sub>x</sub> emission at stack to below 25ppm at all times. Therefore, the impacts from the stack emissions at identified air sensitive receivers (ASRs), during normal combined cycle operation or simple cycle operation, is considered negligible as the Project contribution is less than 10% of relevant air quality standards for degraded airshed.

In terms of social aspect, the results from initial stakeholder engagement indicate that the Project has received favourable support from local people and other stakeholders. Stakeholders appreciated that in addition to providing a reliable power supply to the region, the Project will have several other benefits such as supporting economic growth in the region, potential employment (direct and indirect) and improving local infrastructure.

In addition, the ESMP has been prepared as part of this report to manage and mitigate such impacts, a range of measures have been developed to reduce the overall impacts to acceptable levels and as low as reasonably practicable.

The effective implementation of the ESMP and adherence with the ADB SPS and IFC guidelines will assist in minimising the environmental impacts to acceptable levels.