

BGC II (50733)

Project Basic Information

Country: Iraq	Region: Levant, Iraq & Yemen	Project No.: 50733
Project Legal Name: BGC II	Company Legal Name: BASRAH GAS COMPANY	
Project Business Sector: E-BA - Oil and Gas Transport or Pipeline	Owning Department /Division: CN5MI - INF Middle East	
Environment Category: B		

IFC's Disclosure Requirements

Date of initial ESRS disclosure 10/30/2025	Date of revised ESRS disclosure
Date of clearance by client for factual accuracy 10/23/2025	Board Approval Date

Project Description

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IFC is considering a US\$500 million debt financing package to Basrah Gas Company (the “Company” or “BGC”) which will comprise an (i) A loan of up to US\$300 million for IFC’s own account, and (ii) the rest to be mobilized from commercial banks, to finance the refurbishment and upgrade of a liquid gas and condensate refrigeration, stabilization and export terminal in Basrah, Iraq (the Project). The Company was established as a joint venture between Iraq’s South Gas Company (SGC) holding 51%, Shell 44% and Mitsubishi Corporation 5% and was established in 2013 to gather, treat and process natural gas (otherwise flared) associated with the crude oil extracted from three large oil fields in the Basrah region. The Project will enable the Company to unlock additional gas processing capacity upstream of the terminal and further reduce gas flaring from the oil fields of Southern Iraq.

BGC operates an integrated gas gathering, processing, storage, and export system in southern Iraq. The facilities capture and process associated gas from the Rumaila, West Qurna 1, and Zubair oil fields, separating it into propane, butane, and condensate for export. The complex comprises the Khor Al Zubair processing plant, the Umm Qasr Storage Terminal (ST), and the Marine Terminal (MT) located on the Khor Al Zubair waterway. Together these facilities form an approximately 2 km² fenced industrial complex located about 60 km south of Basrah City and 11-12 km north of Umm Qasr, within an established industrial corridor. The surrounding area is largely industrial, with no permanent habitations immediately adjacent to the Project footprint; the nearest residential communities are in and around Umm Qasr and Khor Al Zubair.

The Project footprint is limited to the ST and it entails the refurbishment of two existing process trains where high pressure (HP) Liquid Petroleum Gas (LPG - consisting of butane and propane) is refrigerated and stored under stabilized conditions prior to export. The Project also entails the construction of a new LPG refrigeration train to increase the overall capacity of the upstream facility where LPG and condensate are obtained through processing of the associated natural gas. The Project will require the construction of a new 22km long, 132kV overhead transmission line (OHTL) to meet the energy demand associated with the Project. The OHTL will be constructed within an existing power transmission corridor and will be financed through a cash advance provided by BGC to the Ministry of Electricity of Iraq, who will build and operate the line through its local operating branch, South Region Transmission (SRT). The line will be built solely for the purpose of the Project and is indispensable for the Project. As such, the OHTL is classified as an Associated Facility and the Company will have to exercise its influence on SRT to ensure that the same environmental and social (E&S) standards that are applied to the Project will be applied to the construction and operation of the OHTL. The upstream facilities where the associated natural gas is processed and separated into condensate, butane and propane, as well as upgrades to the marine export terminal, from which the condensate and LPG are sold to end users, are financed as part of an existing loan from IFC (Project No. 39146 - Basrah Gas Co disclosed through the following link: <https://disclosures.ifc.org/project-detail/ESRS/39146/basrah-gas-co>). The E&S performance of this existing investment is currently rated as Environmental and Social Risk Rating (ESRR) 2 - Satisfactory. These components have not been included in the appraisal of the investment that is under review. The Company is undertaking upgrades of existing petroleum condensate storage tanks, to minimize fugitive emissions and reduce safety hazards, and this investment is also not financed with IFC’s proceeds and therefore was not included in the scope of the appraisal.

Overview of IFC’s Scope of Review

IFC’s appraisal of the project took place in July 2025, and included a review of the Company’s environmental, health, safety and social documents, and discussions with company representatives responsible for Health, Safety, and Environment (HSE), procurement, construction and operation of the facilities. As part of the appraisal, IFC also undertook an in-person visit of the storage terminal and the marine terminal. After the site visits, IFC reviewed environmental and social (E&S) documentation provided by BGC relating to the Project, as well as the Company’s policies and procedures.

Identified Applicable Performance Standards

While all Performance Standards are applicable to this investment, IFC’s environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards.

PS1-Assessment and Management of Environmental and Social Risks and Impacts
PS2- Labor and working conditions

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PS3-Resource Efficiency and Pollution Prevention
PS4-Community Health, Safety and Security
PS5-Land Acquisition and Involuntary Resettlement
PS6-Biodiversity Conservation and Sustainable Management of Living Natural Resources

Environmental & Social Categorization and Rationale

This is a Category B project as per IFC's Environmental and Social Sustainability Policy, as the project activities have potential limited adverse E&S risks and impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

Key E&S aspects and potential risks associated with the project are: (i) E&S oversight capacity during the construction phase of the project to be undertaken by external contractors; (ii) potential labor influx; (iii) labor and working conditions during construction; (iv) land acquisition (Associated Facilities); (v) potential biodiversity impacts (Associated Facilities); (vi) cumulative impacts; and (vii) stakeholder engagement and community grievance mechanism.

Environmental & Social Mitigation Measures

(Observations that are not to be disclosed must be recorded in ESG360)

IFC's appraisal considered the environmental and social management planning process and documentation for the project and gaps, if any, between these and IFC's requirements. Where necessary, corrective measures, intended to close these gaps within a reasonable period of time, are summarized in the paragraphs that follow and (if applicable) in an agreed Environmental and Social Action Plan (ESAP). Through the implementation of these measures, the project is expected to be designed and operated in accordance with Performance Standards objectives.

Applicable PSs summary

PS 1 - Assessment and Management of Environmental and Social Risks and Impacts

Policy

The BGC Health, Safety and Environment (HSE) Commitment & Policy defines BGCs expectations for operating safely and in an environmentally responsible manner. This is underpinned by HSE Standards, which set the high-level expectations for managing BGC's key risk areas, whilst the supporting manuals (which include environment and social performance) define the minimum mandatory requirements needed for the identified risk management areas.

Environmental and Social Management Systems

BGC's management systems and supporting procedures have been developed to broadly align with the IFC Performance Standards (IFC PS) and industry sector guidelines, such as the International Association of Oil & Gas Producers' guidelines (IOGP), which include the life-saving rules, HSE management in contracting, environmental performance indicators and other guidance documents. The BGC Health Safety Security and Environment and Social Performance Management System (HSSE & SP MS) applies to all activities associated with BGC work, as well as to contractors and other third parties working on BGC's behalf.

Identification of Risk and Impacts

Environmental, Social, Health Impact Assessment (ESHIA) is BGC's primary tool for the identification, evaluation and mitigation of E&S risks and impacts. In 2018 an ESHIA for the overall Project was prepared in line with Iraqi ESIA regulations, WBG General EHS guidelines (IFC, 2007), WBG EHS Guidelines for Onshore Oil and Gas Development (2007), WBG EHS Guidelines for Liquefied Natural Gas (LNG) Facilities (2007), WBG EHS Guidelines for Waste Management Facilities (2007), IFC PS (IFC, 2012) and IFC cumulative impact assessment and management guidance for the private sector in emerging markets (IFC, 2013). Stakeholder Engagement Plans (SEP) in support of the ESIA were also developed and implemented.

The ESHIA includes a comprehensive Hazards and Effects Register, based on a Quantitative Risk Assessment, covering environmental, health, safety and social risks associated with construction and operation of the Storage and Marine Terminals. The register identifies potential impacts such as emissions to air, wastewater discharges, waste generation, occupational and process safety hazards, and community health and safety risks, and evaluates them in terms of likelihood, consequence, and control measures in

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accordance with BGC's HSSE management framework.

The Project area is part of an existing industrial zone north of Umm Qasr city, and no residential communities are identified within the immediate project footprint.

The Company will develop an addendum to the ESHIA, as per ESAP#1, to address the impacts associated with the construction and operation of the OHTL that will be required to operate the refrigeration trains associated with the Project. The transmission line is classified as an Associated Facility, as per IFC's definition, and therefore the Company will use its influence and leverage with the owner/operator of the transmission line to implement the mitigation measures that may be deemed to be necessary for the facility to be constructed and operated in a manner that is consistent with the IFC PS.

As per ESAP#2, the ESHIA addendum will also assess construction-phase workers' accommodations to ensure potential risks are identified and that appropriate mitigation measures are integrated into project planning and implementation.

BGC relies on a Hazard and Effects Management Process (HEMP) and a Risk Assessment Matrix (RAM) for occupational health and safety (OHS) risks identification. These processes and tools are included in BGC's HSSE & SP MS.

Management programs, Monitoring and Review

As part of the BGC's ESHIA process, a project specific E&S management plan and commitments register have been prepared. Commitments relevant to the design phase are incorporated into a project's Premises and Basis of Design documents. Prior to commencement of the construction phase of a project, contractors will be required to develop Project HSE Plans as well as other relevant supporting E&S plans which include the detailed mitigation measures included in the ESHIA. ESIA commitments relevant to the operational phase of a project are part of BGC corporate and/or site level procedures. This ensures that ESHIA commitments are embedded across BGC and contractor management systems, and evidence of their implementation will be reviewed during supervision.

As part of its HSSE & SP Control Framework, BGC has developed Asset Integrity & Process Safety Manual. The system aims to prevent process safety incidents resulting from the unintentional release of hazardous substances or energy. It applies to all facilities handling flammable or pressurized materials, including pipelines, gas processing and liquefaction units, and product storage and export installations. It ensures that process hazards are systematically identified and assessed using the company's Risk Assessment Matrix (RAM), with risks managed to tolerable levels through design, engineering, and operational controls. Technical integrity is maintained by implementing design and construction standards, conducting regular process safety reviews, and ensuring that HSSE-critical equipment is operated within safe limits, inspected, and maintained according to defined criteria. Formal Management of Change and override procedures govern any modifications or deviations, and each asset has a designated Plant Director accountable for process safety performance, supported by competency management, supervision, and monitoring of leading and lagging process safety indicators.

BGC has an internal audit procedure, which includes three levels of assessment, with the first level consisting of a self-assessment to be performed by a Project team or a contractor, while the second and third audit levels are subject to annual planning and may rely on external support. BGC is in the process of developing an online tracking system in which all self-assessments will be stored, tracked and trended. Level 2 and 3 audit reports are shared with relevant BGC Management and discussed during close-out meetings. The HSE Director also provides briefings during BGC leadership meetings.

BGC monitors compliance with national E&S requirements through an HSE performance monitoring process, which includes a detailed set of procedures. The procedures stipulate the parameters that are subject to monitoring and must be reported as part of the internal HSSE & SP reporting framework. BGC also monitors the project-specific ESHIA commitment registers for projects/assets through its HSSE assurance process.

The HSE and Social Performance teams prepare weekly and monthly reports that are shared with BGC Senior Management, BGC Site Plant Directors, Operations Leads and HSE Site Leads and discussed within the relevant assets' leadership teams. HSE information is also regularly shared with BGC shareholders. BGC carries out an annual management review to assess the validity and application of the HSSE & SP MS. This includes:

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- Assessing the effectiveness and adequacy of the HSSE & SP MS in delivering the policy and objectives and in driving continual improvement.
- Reviewing trends and learnings from:
- HSSE & SP performance using leading and lagging performance indicators.
- Incident investigations; and
- Audits, reviews and self-assessments

The output from the management review provides input to the BGC annual HSE Improvement Plan.

Organizational Capacity and Competency

The Company has a robust team to manage E&S matters across its operations in Southern Iraq. The team includes eight environmental professionals and eight social specialists (covering social performance, social investment & community liaison). In addition, the Company can rely on the wider support of approximately four hundred HSE team members covering issues such as technical safety, occupational health, emergency response, HSE systems and assurance and operational and project HSE. The HSE functions report to the Company's HSE Director, while the social performance team report to the Corporate Affairs Manager. Both the HSE Director and Corporate Affairs Manager are part of the BGC Leadership team, reporting directly to the BGC Managing Director.

The HSE and Social Performance teams prepare weekly and monthly reports that are shared with BGC Senior Management, BGC Site Plant Directors, Operations Leads and HSE Site Leads and discussed within the relevant assets' leadership teams. HSE information is also regularly shared with BGC shareholders.

Emergency Preparedness and Response Plan (EPRP)

The Company has an Emergency Response Plan in place addressing both safety and environmental incidents affecting all BGC locations and /or activities under BGC control including BGC employees, contractors and visitors. The emergencies that are considered in the plan include:

- Process related incidents (Unignited and Ignited releases)
- Pipeline related incidents
- Incidents involving hazardous materials response.
- Limited oil spill response
- Road transport incidents
- Incidents that require rescue of personnel
- Medical emergencies

The emergency response plan clearly defines responsibilities and actions to be taken in the event of an incident and includes provisions for drills and continuous improvement of the plan.

As per ESAP#3, the Company will develop a community emergency response plan that addresses actions that may be taken by community members in the event of a major incident that could extend beyond the Company's facilities. This is further discussed below under PS 4 - Community Health, Safety, and Security.

E&S Contractor Management

BGC has a contractor HSSE Management Procedure in place that sets out in detail BGC's contractor HSSE & SP management process. The procedure entails that minimum E&S requirements for contractors are stipulated in the requests for Expression of Interest documents that BGC sends to pre-qualified contractors. The pre-qualification assessment criteria and tools are incorporated into the invitation to tender and contractors are required to provide evidence related to E&S performance for the previous five years. The HSE technical evaluation includes the above standard/assessment and covers additional requirements for worker welfare, child labor, modern-day slavery, and labor and working conditions. During contractors' mobilization, BGC adopts a Go-No-Go process to verify the contractors' compliance with the E&S requirements. BGC monitors workers' welfare by conducting regular audits and effectiveness surveys.

PS 2 - Labor and Working Conditions

General

The Project's current workforce amounts to approximately 38 BGC full-time employees (all male), supported by about 40 Contractor (EPCm) personnel in Iraq (including four women) and 40 in Dubai (including 10-15 women), as well as around 160 Subcontractor staff (generally male).

The workforce for the Project's construction phase will include expatriate and Iraqi nationals with peak labor demand anticipated at up to 1500 workers. Final workforce figures will be determined upon completion of the contractor tendering process.

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BGC has Human Resources (HR) policies and procedures aligned with Iraqi labor law and IFC PS 2. These cover recruitment, working conditions, compensation and benefits, performance management, training, non-discrimination, grievance handling, termination, and contractor management. A Code of Conduct outlines human rights protections and prohibits harassment. Policies are available in Arabic and English, and a dedicated HR desk supports staff inquiries. An HR Committee provides oversight on HR matters, ensuring alignment with corporate policies, regulatory requirements, and best practices.

BGC has not established a standalone retrenchment policy and instead applies the provisions of Iraqi labor law in cases of workforce reduction. No collective dismissals have occurred over the past five years.

BGC appoints international and national contractors for construction activities. When international contractors are appointed, some workers require on-site accommodation. BGC uses a standardized checklist to audit accommodation against Iraqi legal requirements and international good practice and conducts pre-award and post-award verifications of contractor readiness and welfare provisions. Worker welfare audits, visual inspections, and anonymous worker interviews are part of BGC's oversight strategy.

BGC embeds labor and welfare requirements in contractors' contracts, including minimum standards for accommodation and the right to audit. Contractors' selection includes technical evaluation of E&S performance, and feedback is sought from other operators. Contracts also include provisions to ensure PPE is provided free of charge and that worker welfare standards are budgeted upfront.

As per ESAP#4, BGC will update its HR policies to explicitly address and prohibit Gender-Based Violence and Harassment (GBVH) amongst the workforce, which shall include safeguards to mitigate risks related to unfair treatment, lack of transparency of the terms of employment, and barriers that may restrict access to grievance mechanisms.

Worker's Organizations

BGC's HR policies respect employees' right to form or join trade unions, where permitted by national law. Staff are free to meet, raise concerns, and engage in dialogue with management. In line with the BGC HR Policy Manual, staff are informed of their right to join or not to join a trade union and are encouraged to communicate workplace issues collectively, whether or not a union or formal staff representative body exists. BGC's employees are represented through the Federation of Oil Unions in Iraq (FOUI), a national sectoral union that includes oil and gas workers from across the Basrah region and is affiliated with IndustriAll Global Union.

Non-discrimination and Equal Opportunity

BGC's Code of Conduct explicitly protects the rights of its employees and stakeholders, ensuring a work environment free from harassment, intimidation, bullying, or violence. These principles are reinforced in BGC's HR Manual which prohibits discrimination and promotes equal opportunity for all workers, including contractor staff. The same standards are reflected in the Worker Welfare Procedure, which are also applicable to contractors. Reported breaches of these policies are subject to professional investigation, and appropriate disciplinary measures are applied when violations are substantiated.

Gender-Based Violence and Harassment (GBVH)

BGC employs a total of 207 women across its operations, including 45 direct hires, 152 secondees from Iraq's SGC and Shell/Mitsubishi, and 10 contractors. In 2018, and as an outcome of BGC conducting a Gender Impact Assessment study, BGC established the Gender Diversity Network (GDN) to provide a support forum for all female employees in BGC. This network, now called the Integration Women Empowerment Network (IWEN), has a broad remit including drawing on speakers/experts for raise participants' awareness and provide support, as well as providing a forum to seek contribution to the business activities from the female community. BGC has also embedded mechanisms to monitor workplace culture and staff well-being. Since 2022, the company has conducted an annual survey, which includes an assessment of employees' working conditions and their ability to work in an environment free from violence and harassment. Survey results are disaggregated by gender and shared with senior leadership to inform ongoing improvements. BGC provides training to all workers on harassment prevention and equal opportunity through multiple channels. All employees undergo a mandatory ethics awareness course upon joining the company, and every three years thereafter, which includes modules on harassment and equal opportunity. In addition, recurring harassment awareness sessions are organized with the BGC Women's Network (IWEN) and the Extended Leadership Team.

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As per ESAP#5, upon full mobilization of the construction workforce for the Project, BGC will conduct a GBVH Risk Assessment of BGC's operations. The assessment will apply to the direct and contracted workforce and will also cover GBVH risks both towards workers and within the surrounding communities. Specifically, the assessment will also identify and evaluate potential GBVH risks that could arise in connection with the Client's local community development projects and from interactions between workers (including construction and contractor personnel) and community members during project operations.

Worker's Grievance Mechanism

BGC has a formal worker grievance mechanism available to staff, contractors, and third parties. Workers can raise concerns through their supervisors or anonymously via a third party managed hotline (EthicsPoint), which is managed by an independent third party (NAVEX). The helpline can be accessed via website, telephone, or mobile QR code, and is available 24/7, 365 days a year, in English and Arabic. Reporters may choose to remain anonymous, and reports are handled confidentially by the Ethics and Compliance Department.

BGC's HR policy outlines expected standards of behavior and provides a grievance process for managing concerns related to undesirable interactive conduct including harassment, discrimination, bullying, victimization, and violence. BGC encourages informal resolution of concerns where appropriate and provides a multi-tiered formal grievance procedure for serious or unresolved cases. Individuals may escalate grievances to senior management or the HR Committee, with final decisions taken by the Managing Director. Grievance procedures apply to all staff and emphasize confidentiality, impartiality, and protection from retaliation.

BGC maintains a centralized log of all Code of Conduct incidents reported either through the Compliance Helpline or directly to HR or Ethics and Compliance representatives, ensuring oversight and accountability. Contractors are required to establish their own grievance mechanisms in line with BGC standards. Induction training for contractors' personnel includes guidance on how third parties can raise formal complaints and contact the CLO.

As per ESAP#6, BGC will further enhance its Worker's Grievance Mechanism by:

- Including minimum requirements for all contractors and subcontractors to raise awareness of BGC's worker grievance mechanism amongst their staff and encourage its use to report concerns promptly and anonymously, if required.
- Communicating the availability of multiple channels for contractors' and subcontractors' workers to effectively access and raise workforce concerns, including a separate confidential channel to raise sensitive cases (discrimination, harassment, GBVH).
- Ensuring that grievance procedures are clearly communicated to all workers, and accessible without fear of retaliation.
- Ensuring that staff involved in managing grievances are adequately trained and have relevant experience in the management of GBVH cases and in providing victims of GBVH in the workplace with support using trained personnel and referral pathways, accessible to all employees, including third-party workers.

Supply Chain

BGC manages E&S risks in its supply chain through procedures included in its Contracting Policies and Procedures Manual (CPPM). All potential suppliers are subject to Integrity Due Diligence (IDD) screening prior to engagement, as a mandatory requirement to assess potential reputational, compliance, and ethical risks.

Supply chain risks are evaluated during the contract risk evaluation process, which considers both commercial and E&S risks. This evaluation informs the level of oversight and resource allocation throughout the contract lifecycle. As part of procurement planning, BGC conducts market analysis to identify and profile suppliers and understand market conditions, including high-risk geographies and sectors in terms of geopolitical risks and concerns on labor rights in source countries.

When elevated supply chain risks are identified, BGC implements mitigation measures such as sourcing from alternative suppliers, adjusting inventory levels, and strengthening contract terms. For higher-risk contracts, BGC's Contract HSSE focal points conduct pre-qualification assessments that may include desktop reviews, site visits, and risk-based classification of contractors to determine the required level of HSSE oversight, in line with the Contractor HSSE Management Procedure.

Workers' Accommodation

BGC uses both new and existing contractor camps. A dedicated worker accommodation camp will be built for

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one of the key Project work packages, and existing contractor camps will also be used. BGC verifies worker welfare conditions through technical evaluations and visual inspections and shares a standardized accommodation checklist with contractors during bidding to ensure welfare requirements are included in budgets. Accommodation inspections include spot checks of selected rooms and common facilities. BGC assesses worker welfare risks during contractor pre-qualification and site mobilization. In addition, as part of ESAP#2, the ESHIA addendum will address potential impacts associated with the construction-phase workers' accommodation and describe appropriate mitigation measures that will be adopted.

Occupational health & Safety (OHS)

Company-wide OHS statistics for 2025 year-to-date indicate that BGC employed 4,902 direct employees and 6,036 contractor employees, with a combined total of over 12 million man-hours worked. Fifteen near-miss incidents were reported, along with eight recordable incidents (three for direct employees and five for contractors). No fatalities occurred. Recordable non-fatal injuries with lost workdays totaled five, resulting in 204 lost workdays. The incidence rate for all recordable cases was 0.47 for direct employees and 0.88 for contractors.

BGC has a corporate Health, Safety, Security and Environment (HSSE) Management System and supporting procedures that apply to all projects and contractors. These include a Hazard and Effects Management Process (HEMP), a Risk Assessment Matrix (RAM), a permit-to-work (PTW) system, and Work Management Procedures (WMP) for 22 core activities. These include a Heat Stress and Adverse Weather Management Procedure, which sets requirements for planning, training, and controls to prevent heat-related illnesses, manage work during extreme temperatures and adverse weather, and ensure safe working conditions all year-round.

In addition, BGC has established a Contractor HSE Management Procedure that outlines expectations and minimum requirements for all contractors, covering both the tendering and execution phases. The procedure applies to all BGC-managed projects and is aligned with the Iraqi legal requirements.

Contractors are required to develop and implement project-specific HSE Plans that include risk assessments, safe work procedures, emergency response, training, and supervision. As part of contractor selection, BGC conducts HSE prequalification based on contract risk, which may include desktop reviews, site assessments, and risk-based classification of contractors. HSSE focal points are responsible for verifying HSE capabilities and documentation during pre-award and throughout contract execution.

BGC carries out routine monitoring and verification activities including inspections of work areas and accommodations, interviews with selected workers, and review of contractor performance. Contractors must ensure the provision of adequate personal protective equipment (PPE) at no cost to workers, and BGC monitors compliance with this requirement.

A standardized HSE checklist aligned with Iraqi labor law is provided to contractors prior to bidding, ensuring that compliance requirements are incorporated into contractor planning and budgeting. Contractor performance is monitored using Key Performance Indicators (KPIs), incident reporting, and regular review meetings. High-risk contracts are subject to increased oversight, including audits and intervention if performance is not aligned with BGC's expectations.

Additionally, the BGC Engineering, Procurement, Construction Management (EPCm) HSE Bridging Document provides a joint framework for aligning BGC's and its contractors' management systems, ensuring no gaps in accountability, hazard control, or compliance during the execution phase. The document mandates annual reviews or immediate updates in case of significant operational changes.

PS 3 - Resource Efficiency and Pollution Prevention

BGC's HSE Performance Monitoring Procedure includes provisions for all environmental parameters that need to be monitored and reported through the internal HSE reporting process. These include:

- Energy Use and Intensity
- Greenhouse Gas (GHG) emission (Scope 1, 2 and 3)
- Flaring, Acid Gases and other Emissions
- Water Use
- Waste
- Unintended emissions and discharges

Electrical power is provided to the site by the SRT. As part of the Project, a new, 22km, 132kV transmission line will be built by the Basrah Power Company to reach the site. Electrical consumption is metered by the

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SRT for billing purposes. The Company has recently installed a battery energy storage system (BESS) capable of providing eight hours of uninterrupted power supply in case of grid failure. In addition, emergency diesel generators are available to the Company in case the grid failure extends beyond the capacity of the BESS.

The investment that is currently being considered by IFC will result in absolute GHG emissions of 238 ktCO₂e/year (Scope 1 and 2). GHG emissions from the upstream oil fields will, however, be reduced by approximately 2,330 ktCO₂e/year as a result of the project's utilization of the associated gas produced at the oil fields, which would otherwise be flared and leaked without the proposed investment.

Non GHG emissions include nitrogen oxides associated with non-routine flaring of gas during maintenance or emergency conditions. The ESHIA that was carried out for the Project determined that the emissions are limited in magnitude and contribute less than 10% of the maximum permissible concentrations at ground level, based on the World Health Organization's standard.

Water required for civil and process use (flushing plant equipment and piping, as well as cooling for the instrument air system and for C3/C4/natural gasoline (condensate) product pump seals) is extracted from shallow aquifers and treated to achieve the required sanitary or process standards. Water consumption is monitored and reported on a monthly basis. Wastewater generated at the site is collected in septic tanks and transported to the Company's main facilities where a sewage treatment plant is in operation.

Historical contamination of soil and groundwater associated with spills of hydrocarbon has been identified by BGC and groundwater quality is monitored as part of the Company's general environmental monitoring program.

Waste is managed in accordance with BGC's waste management plan, which covers all requirements for management of waste that are generated at the Project site during construction, pre-commissioning/commissioning and operation. EPC contractor(s) will develop their own construction phase waste management plan aligned with BGC's as well as Iraqi's regulatory requirements. BGC's waste management strategy relies on identification and segregation of all possible recyclable waste streams. In view of the limitations and E&S shortcomings associated with waste management facilities in the region, all but domestic waste is stored at the site in dedicated and secured waste storage areas. Domestic waste is disposed of at a licensed landfill operated by a local municipality.

To overcome the constraints associated with long-term storage of hazardous and recyclable waste streams the Company is actively seeking means of selling scrap steel and other non-hazardous recyclable waste streams (e.g., used office furniture, wood, plastic, tires, etc.). BGC has already identified a suitable contractor that can receive and suitably dispose of medical waste. Waste oils are stored in drums or ISO Bulk Containers (IBCs) and transported to the Basrah oil refinery for reprocessing. Asbestos waste that is being generated as part of the refurbishment works, is temporarily stored in sealed containers within the waste storage area until the Company obtains a license from the Ministry of Environment to develop an engineered landfill for permanently storing asbestos-containing waste within the Project site. As per ESAP#7, to mitigate the risks of domestic waste disposal through use of municipal facilities, the Company will either procure, install and operate a domestic waste incinerator in compliance with WBG EHS Guidelines for Waste Management Facilities, or contract similar incineration services through a suitably licensed third party, subject to due diligence by the Company. In addition, the Company will implement a process for disposal of recyclable or obsolete, scrap or surplus materials.

PS 4 - Community Health, Safety, and Security

The BGC UQ project covers a 2-km² area at the existing BGC UQ facilities, north of Umm Qasr Marine Terminal (UQ MT). The UQ MT is on the Khor Al Zubair (KAZ) waterway about 11 km to the north of Umm Qasr city and 60 km south of Basrah. The ST is about 12 km to the north of Umm Qasr city and about 6 km away from the MT. The project components are located wholly within the existing footprint of the UQ ST facilities.

Traffic Management

BGC has a corporate Road Safety Policy supported by the HSSE & SP Control Framework, which sets requirements for driver competence, journey management, vehicle standards, and incident reporting. All drivers must complete road safety training and meet defined competence standards. Journey management procedures are used to assess route risks, schedule trips to avoid night driving where possible, and ensure

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communications protocols are in place. Vehicle safety is ensured through regular maintenance and inspections, in line with manufacturer guidance and internal standards. Contractors are required to comply with BGC's road safety requirements, and road safety is included in prequalification and ongoing performance monitoring.

As per ESAP#8, BGC will assess potential community road safety risks associated with increased traffic during construction and operations. Based on the findings, BGC will develop and implement a Community Road Safety Management Plan, including mitigation measures such as speed controls near populated areas, driver awareness campaigns, and engagement with local communities and authorities, with specific attention to vulnerable groups.

Security Personnel

BGC's utilizes private security personnel, with all security providers undergoing Integrity Due Diligence (IDD) screening as a prerequisite to employment. Military or police (primarily the Oil Police Force (OPF)) are not formally contracted by BGC but are deployed by the government of Iraq to protect strategic installations such as those operated by BGC.

BGC's Code of Conduct and related contractual clauses include commitments to respect human rights and adhere to the Voluntary Principles on Security and Human Rights (VPSHR) and all security personnel are trained on these requirements which include emphasis on principles such as the right to life, prohibition of torture, and peaceful engagement. Awareness training on the VPSHR is also periodically delivered to the OPF (on a voluntary basis). Security personnel are trained in de-escalation, respectful conduct, and documentation of incidents, including how to manage protests and conflict situations without infringing on human rights. BGC has also implemented a Human Rights Policy aligned with its HSSE&SP commitments.

As per ESAP#9, BGC will develop and implement a Community Security Management Plan aligned with IFC PS4 and the VPSHR including:

- procedures for screening, training, and monitoring of security personnel;
- requirements for addressing risks of GBVH and inappropriate use of force;
- regular refresher training for all security personnel including OPF;
- mechanisms for the public to lodge complaints related to security personnel behavior, including anonymous channels and protections against retaliation.
- periodic audits of security providers to assess compliance with IFC PS4 and VPSHR principles.

Emergency Response

BGC has an Emergency Response Plan including procedures for managing

Stakeholder Engagement

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Stakeholder engagement for the Project has been carried out by BGC's ESHIA consultant during the ESHIA scoping stage. A Stakeholder Engagement Plan (SEP) has been developed as part of the process. The SEP includes stakeholder identification and analysis, with specific attention to potential vulnerable groups and outlines a process for meaningful consultation throughout the project lifecycle.

Consultations have been conducted with a broad range of stakeholders, including national and local government authorities, residents of potentially affected communities, civil society organizations (CSOs), and vulnerable groups in the Project Area of Influence. These consultations have been conducted by BGC's Community Liaison Officers (CLOs) and supported by local consultants. The consultations have focused on disclosing project information, identifying community concerns, and discussing proposed mitigation measures. E&S information has been disclosed at various stages, including the scoping phase, baseline studies, and draft ESHIA disclosure. Topics of discussion have included environmental risks, land acquisition, employment opportunities, and measures to mitigate project-related impacts. Information is primarily communicated verbally through community engagements, with supporting materials such as posters and leaflets used as needed. Feedback from stakeholders has been documented, and BGC maintains records of engagement activities.

BGC has a corporate-level external grievance mechanism established under the HSSE & SP Control Framework. A grievance register is maintained at the site level, and awareness of the mechanism is raised through community meetings and CLO interactions. The mechanism includes provisions for receiving, recording, and addressing complaints.

BGC implements a strategic social investment program focused on initiatives that address business-related risks, deliver measurable community benefits, and remain sustainable beyond BGC's involvement. The program prioritizes education, employment, road safety, and support for vulnerable groups, with activities such as school rehabilitation, youth training, women's livelihoods, and healthcare support. Social investments are reviewed biannually for effectiveness using defined KPIs.

Broad Community Support

Not Applicable

BCS Comment :

Local Access of Project Documentation

Environmental & Social Action Plan (ESAP)

Is there an ESAP to be disclosed for this project?

Yes

Mitigation Measures / Environmental & Social Action Plan (ESAP)

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SNo	Description	Anticipated Completion Date
1	The Company will develop and implement a Community Emergency Response Plan consistent with the requirements of PS4 to ensure effective communication and coordination with potentially affected communities and local authorities. The updated plan will include procedures to disclose relevant emergency response information to local communities, including key risks and available support services; a mechanism for engagement with local authorities and emergency response agencies to clarify roles and align protocols; and provisions to conduct community-level awareness activities and, as appropriate, involve local communities in emergency drills. Communication measures will be tailored to the needs of vulnerable groups, such as the elderly, women, and children, using local languages and culturally appropriate formats.	6/30/2026
2	The Company will assess potential community road safety risks associated with increased traffic during construction and operation of the storage terminal and develop and implement a Community Road Safety Management Plan to address these risks, including procedures for managing speed controls near populated areas, driver awareness, and engagement with local communities and authorities, including vulnerable groups.	6/30/2026
3	The Company will develop and implement a Community Security Management Plan aligned with IFC Performance Standard 4 and the Voluntary Principles on Security and Human Rights (VPSHR). The plan will include procedures for addressing risks of community gender-based violence and harassment (GBVH) and inappropriate use of force. The plan will also include mechanisms for the public to lodge complaints regarding security personnel behavior, anonymously and without retaliation.	6/30/2026
4	The Company will either procure, install and operate a domestic waste incinerator in compliance with WGB EHS Guidelines for Waste Management Facilities, or contract similar incineration services through a suitably licensed third party, subject to due diligence by the Company. In addition, the Company will implement a process for disposal of recyclable or obsolete, scrap or surplus materials.	6/30/2027
5	The Company will develop an addendum to the Environmental, Social, Health Impact Assessment (ESHIA) to address the impacts associated with the construction and operation of the Overhead Transmission Line (OHTL) in line with PS1, and as defined in Guidance Note 1 (GN52) and applicable WBG EHS guidelines.	12/31/2026
6	The ESHIA addendum will address potential impacts associated workers' accommodation during the construction phase of the Project.	12/31/2026
7	Upon full mobilization of the construction workforce for the Project, BGC will conduct a Gender Based Violence and Harassment (GBVH) Risk Assessment of its operations and implement a plan to address these risks. The risk assessment will cover both direct and contracted workforce and gender and GBVH risks associated with interactions between workers and the community, and potential GBVH risks associated with the Company's community development programs.	12/31/2026
8	BGC will update its HR policies consistent with PS2 to explicitly address and prohibit GBVH amongst the workforce. This shall include incorporation of safeguards to mitigate risks related to unfair treatment, lack of transparency in employment terms, and barriers that may restrict worker access to grievance mechanisms.	6/30/2026
9	BGC will further enhance its Worker's Grievance Mechanism by: <ul style="list-style-type: none"> • Including minimum requirements for all contractors and subcontractors to raise awareness of BGC's worker grievance mechanism amongst their staff and encourage its use to report concerns promptly and anonymously, if required. • Communicating the availability of multiple channels for contractors' and subcontractors' workers to effectively access and raise workforce concerns, including a confidential channel to raise sensitive cases (discrimination, harassment, GBVH). • Ensuring that grievance procedures are clearly communicated to all workers, and accessible without fear of retaliation. • Ensuring that all staff involved in managing grievances are adequately trained and have relevant experience in the management of GBVH cases and in providing victims of GBVH in the workplace with support using trained personnel and referral pathways, accessible to all employees, including third-party workers. 	10/31/2026

Activity Log/Comments

Workflow Initiated by Yasmine El Mediouri (Draft Environmental and Social Review Summary) Oct 29, 2025 03:01 PM ET

Comments:

Cleared by Irene Annamaria Angeletti Cipolla (ESRO Clear) Oct 30, 2025 02:09 PM ET

Comments:

CRU Member Approved and Appraisal Disclosure Initiated by Ejura Phoebe Audu Oct 30, 2025 02:45 PM ET

Comments:

Client clearance received on 10/23/2025.

Supporting Documents

S.No.	Document Details
1	BGC UQ ESHIA_final.pdf