# Supplementary Environmental and Social Impact Assessment_Non-Technical Summary

## Morocco Lithium-Ion Anode Battery Materials Project

PREPARED FOR

BTR MEDITERRANEAN ANODE NEW MATERIAL TECHNOLOGY

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## ACRONYMS AND ABBREVIATIONS

| Acronyms | Description |
|---|---|
| AoI | Area of Influence |
| AIIB | Asian Infrastructure Investment Bank |
| AoI | Area of Influence |
| AQIA | Air Quality Impact Assessment |
| ASU | Air Separation Unit |
| BaP | Benzo[a]pyrene |
| BTR | BTR New Material Group Co., Ltd. |
| CCRA | Climate Change Risk Assessment |
| E&S | Environmental and Social |
| EIA | Environmental Impact Assessment |

| Acronyms | Description |
|---|---|
| EPC | Engineering, Procurement and Construction |
| ERM | ERM (Shanghai) Limited |
| ESG | Environmental, Social and Governance |
| ESF | Environmental and Social Framework |
| ESIA | Environmental and Social Impact Assessment |
| ESMP | Environmental and Social Management Plan |
| ESMS | Environmental and Social Management System |
| GHG | Greenhouse Gas |
| GIIP | Good International Industry Practice |
| HCl | Hydrogen Chloride |
| $H_2S$ | Hydrogen Sulphide |
| HR | Human Resources |
| HRIA | Human Rights Impact Assessment |
| IAZ | Industrial Acceleration Zone |
| IAQM | Institute of Air Quality Management |
| IP | Indigenous Peoples |
| LPG | Liquefied Petroleum Gas |
| $NH_3$ | Ammonia |
| $NO_x$ | Nitrogen Oxides |
| NSR | Noise Sensitive Receptor |
| NTS | Non-technical Summary |
| OHS | Occupational Health and Safety |
| PM | Particulate Matter |
| RTO | Regenerative Thermal Oxidiser |
| SATT | Société d'Aménagement Tanger Tech |
| SIBE | Site of Biological and Ecological Interest |
| $SO_2$ | Sulphur Dioxide |
| STD | Sexually Transmitted Disease |
| TL | Transmission Line |

| Acronyms | Description |
|---|---|
| VOC | Volatile Organic Compound |

# 0. NON-TECHNICAL SUMMARY

## 0.1 INTRODUCTION

Founded in 2000, BTR New Material Group Co., Ltd. ("BTR" or the "Headquarters") is a globally recognised provider of integrated battery material solutions with a well-established product and industry chain layout. Its main products include lithium-ion battery anode materials, cathode materials, and other advanced battery materials.

BTR has resolved to establish a lithium-ion battery anode material manufacturing project (the "Project") located in Phase I of the Industrial Acceleration Zone (IAZ) in Tangier-Assilah, Morocco. BTR Mediterranean Anode New Material Technology, a wholly owned subsidiary of BTR, was established (the "Project Company", the "Client" or "BTR Anode") to develop and operate the Project. The Project will produce lithium-ion battery anode material with a planned annual production capacity of 60,000 tonnes. The Project has completed a regulatory Environmental Impact Assessment (the "Regulatory EIA") and obtained approval from the competent authority in January 2026.

ERM (Shanghai) Limited ("ERM") has been engaged by the Client to undertake a Supplementary Environmental and Social Impact Assessment ("Supplementary ESIA") for the Project. The objective of the supplementary ESIA is to ensure that the Project's environmental and social impacts and risks have been adequately identified, assessed, and managed in accordance with Applicable Standards to support the Project's compliance with international lender requirements and facilitate the financing process.

In accordance with the AIIB Environmental and Social Framework (ESF), the Project has been classified as Category B. The Project is located within a planned industrial area and is not expected to result in significant, irreversible, cumulative or unprecedented environmental and social impacts. Anticipated impacts are generally site-specific and can be effectively mitigated through established engineering controls and management measures.

The ESIA Report is structured as follows:

- Chapter 0: Non-Technical Summary
- Chapter 1: Introduction
- Chapter 2: Institutional and Legal Framework
- Chapter 3: Project Description
- Chapter 4: Gap Identification and Screening
- Chapter 5: Environmental and Social Baseline
- Chapter 6: Stakeholder Engagement and Grievance Mechanism
- Chapter 7: Environmental and Social Impacts and Mitigation
- Chapter 8: Cumulative Impact Assessment
- Chapter 9: Unplanned Event Impact Assessment

- Chapter 10: Environmental and Social Management Plan
- Appendices:
  - Appendix A: Stakeholder Engagement Plan
  - Appendix B: Human Rights Impact Assessment
  - Appendix C: Climate Change Risk Assessment
  - Appendix D: Potential Bird List in the Region

## 0.2 PROJECT DESCRIPTION

### 0.2.1 PROJECT OVERVIEW AND LOCATION

The project is located within Phase I of the Industrial Acceleration Zone (Zone d'Accélération Industrielle, IAZ) of the Cité Mohammed VI Tangier Tech, in Tangier-Assilah Prefecture, Tangier-Tétouan-Al Hoceïma Region, Morocco. The Project Site corresponds to Plot No. 59, a serviced vacant land parcel owned by Société d'Aménagement Tangier Tech (SATT). The Project is situated approximately 20 km southeast of Tangier city. The Project location is shown in ***Figure*** 0-1***.***

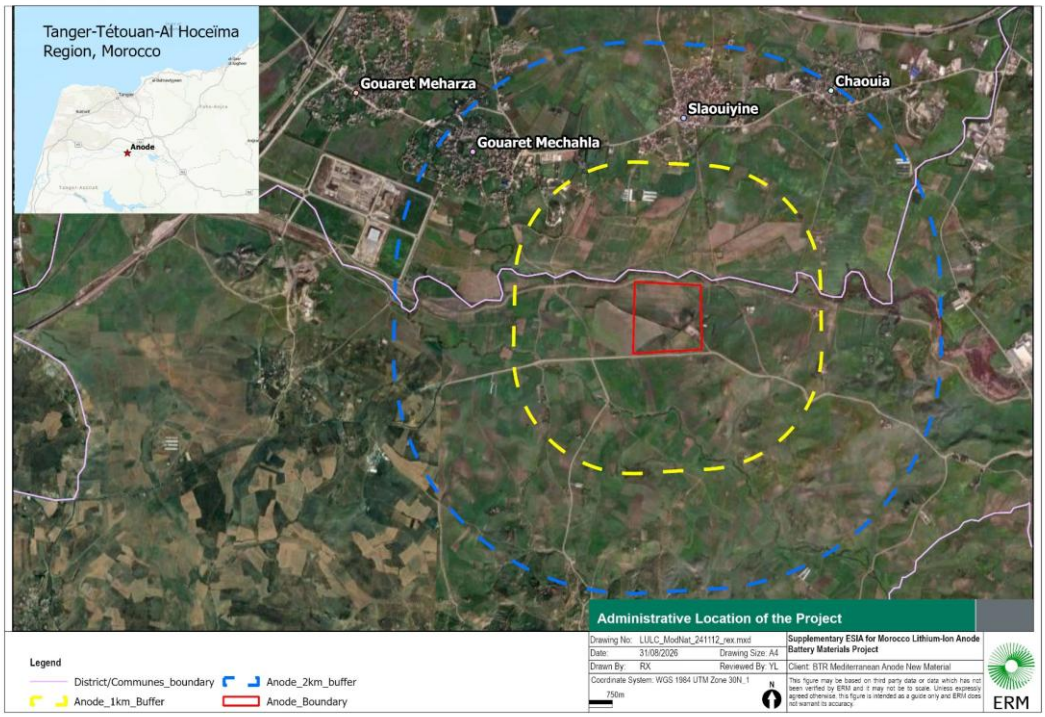
The Project Site can be accessed from Tangier via Provincial Road P4608. The proposed Project is being developed on a 29.9-hectare plot, which forms part of the total land that the Project Company purchased for this Project for the current development as well as future expansion phases. The Project will have a total building area of approximately 153,852 m².

According to Google Earth Pro imagery and ERM's site visit in August 2026, surroundings of the Project are summarised as below and in ***Figure*** 0-2:

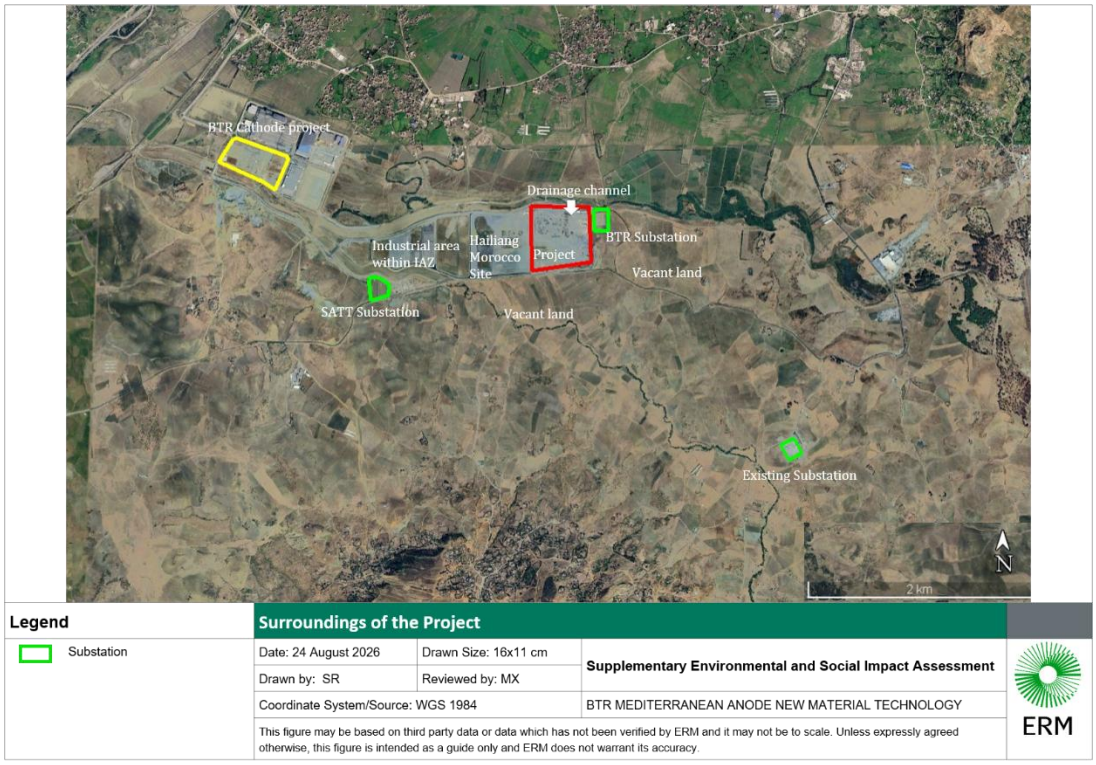
- *North*: Immediately bounded by an access road. Further north is a drainage channel associated with the Industrial Acceleration Zone;
- *South*: Immediately bounded by an access road. Further south, is undeveloped vacant land beyond the Industrial Acceleration Zone boundary;
- *West*: Immediately bounded by an access road and the Hailiang Morocco site (a copper processing and new energy materials manufacturing facility). The surrounding area is characterised by ongoing industrial development within the Industrial Acceleration Zone;
- *East*: Immediately bounded by a hillside area and a substation. Further east is undeveloped bare land beyond the Industrial Acceleration Zone boundary.

The nearest settlements are Gouaret Mechahla, located approximately 1.01 km northwest of the Project Site, Slaouiyine, located approximately 0.97 km north of the Project, Chaouia, located approximately 1.77 km northeast of the Project Site, and Gouaret Meharza, located approximately 2.43 km northwest of the Project Site. Although the Project is located in Sebt Azzinate Commune, all of the above four settlements are located in Laaouama Commune.

## FIGURE 0-1 PROJECT LOCATION




## FIGURE 0-2 PROJECT SURROUNDINGS




Note: The permanent transmission line connecting SATT Substation and BTR Substation has been identified as a potential Associated Facility. However, as the final TL alignment has not yet been confirmed, the route has not been shown in this figure.

### 0.2.2 PROJECT COMPONENTS AND ASSOCIATED FACILITIES

The project components are shown in ***Table*** 0-1.

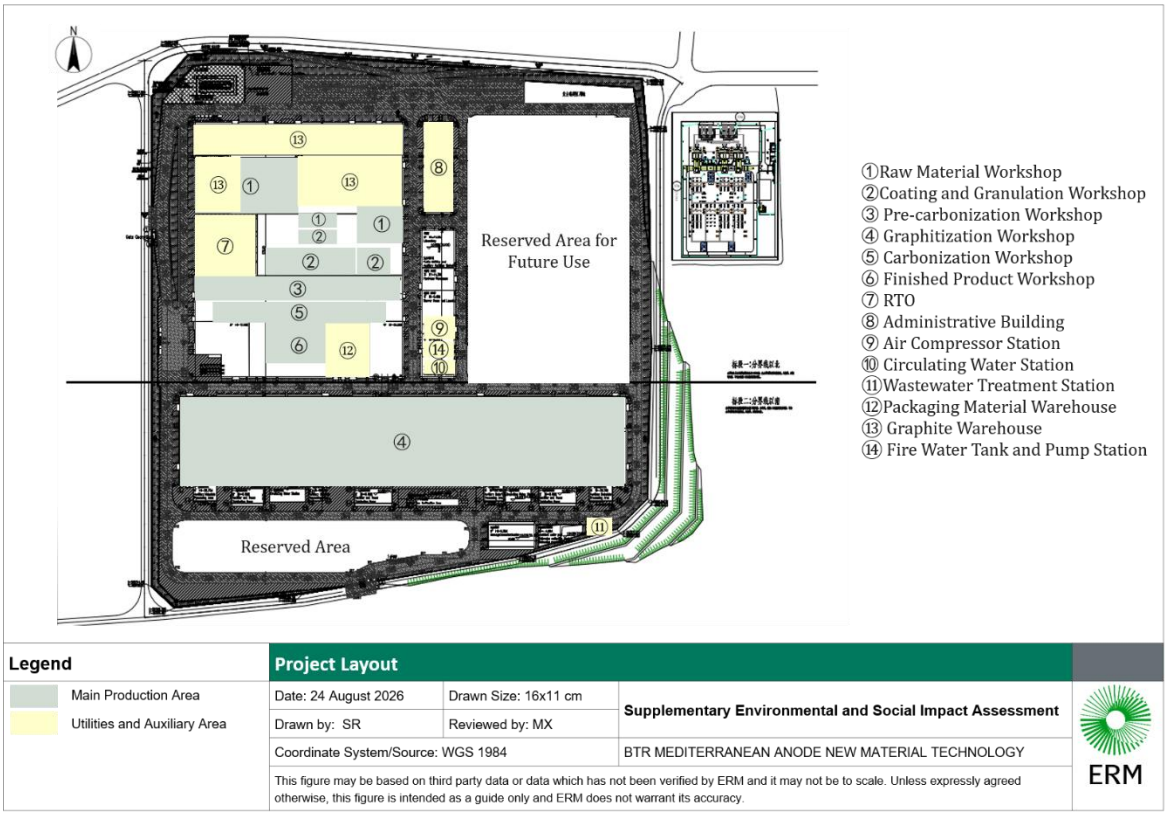
TABLE 0-1 PROJECT COMPONENTS

| Facility Type | Key Components | Building Area(m²) |
|---|---|---|
| Production Facilities | Raw Material Workshop | 4,000 |
| | Coating Workshop | 6,175 |
| | Granulation Workshop | 6,175 |
| | Pre-carbonisation Workshop | 12,900 |
| | Graphitisation Workshop | 64,376 |
| | Carbonisation Workshop | 10,661 |
| | Finished Product Workshop | 14,145 |
| Storage Facilities | Graphite Warehouse | 19,000 |
| | Packaging Material Warehouse | 2,550 |
| | Hazardous Waste Storage Area | 1,600 |
| | LPG Storage Tank | ~3,000 |
| Utilities and Auxiliary Facilities | Substation | 1,800 |
| | Air Compressor Station | 1,000 |
| | Circulating Water Station | 120 |
| | Fire Water Tank and Pump Station | 300 |
| | Wastewater Treatment Station | 600 |
| | Accident Water Pond | 300 |
| | Rainwater Pond | 300 |
| | Administrative Building | 7,850 |

| Facility Type | Key Components | Building Area(m²) |
|---|---|---|
| | Nitrogen supply pipeline | / |
| **Total Building Area** | | **153,852** |

In addition to the facilities listed above, a nitrogen supply pipeline will be constructed to transport nitrogen from the air separation unit (ASU) located within the adjacent industrial facility to the Project Site. Construction of the pipeline is expected to commence in September 2026 and is anticipated to be completed by the end of October 2026. **The nitrogen supply pipeline forms part of the Project scope and has therefore been assessed as a Project Component rather than an Associated Facility.** The project layout is shown in ***Figure*** 0-3.

FIGURE 0-3 PROJECT LAYOUT




Associated facilities are activities that are not included in the description of the Project set out in the Legal Agreements governing the Project, but which, following consultation with the Client, AIIB determines are:

- Directly and materially related to the Project;
- Carried out, or planned to be carried out, contemporaneously with the Project; and
- Necessary for the Project to be viable and would not be carried out if the Project did not exist.

The associated facilities considered for this project are:

- **A permanent overhead transmission line** will connect the planned **SATT substation** within the Industrial Acceleration Zone and the dedicated BTR substation located adjacent to the Project Site. At the time of preparation of this ESIA, the SATT substation had not yet been constructed, and the final transmission line route and construction schedule had not been confirmed. As the permanent transmission line will be located within the IAZ, the biodiversity and social conditions identified for the main Project Site are considered generally applicable. Potential biodiversity and land-use impacts are expected to be limited and have therefore been scoped out on the same basis as those for the main Project Site. Once the final alignment becomes available, BTR will screen the facility through its Environmental and Social Management System (ESMS) and determine whether additional management measures are required.

Pending completion of the permanent power supply infrastructure, **a temporary underground cable** will be established (See ***Figure*** 0-2), connecting to a substation located southeast of the Industrial Acceleration Zone to supply power at the initial stage prior to completion of the permanent power infrastructure. A temporary transformer will also be installed at the substation. The temporary facilities are expected to be completed by October 2026.

### 0.2.3 PROJECT SCHEDULE

The Project construction milestones are listed below:

- Piling and construction: started in May 2025 and scheduled to be completed in October 2026.
- Equipment Installation and Commissioning: started in January 2026 and expected to be completed by December 2026.
- Operations: scheduled to commence in January 2027.

During ERM's site visit in August 2026, the overall construction progress is estimated at 80%.

### 0.2.4 PROJECT ACTIVITY

#### 0.2.4.1 CONSTRUCTION PHASE

The construction phase primarily includes the following activities:

- **Site preparation and earthworks**: Land clearance, site levelling, excavation, backfilling and ground preparation works for the Project facilities. These were completed in April 2025.
- **Civil and structural works**: Construction of production workshops, warehouses, utility buildings, environmental protection facilities, substations, administrative buildings and other supporting facilities. Works include foundations, concrete works, steel structure erection, roofing, cladding and building finishing. Civil works have been completed, and only limited structural works remain ongoing.
- **Equipment installation and commissioning:** Installation and testing of production equipment, environmental protection systems, together with associated

control, monitoring and auxiliary systems. Equipment installation is currently ongoing.

The Project's construction activities are divided between two EPC contractors.

#### 0.2.4.2 OPERATION PHASE

For the purpose of smooth operation, the following events will be planned (as planned events). Besides, countermeasures will be developed for the following contingency scenarios (as unexpected contingency).

**Planned Activities:**

- Production of artificial graphite anode materials.
- Raw material transport, transfer, handling and storage, exhaust and wastewater treatment, and waste management.
- Routine monitoring and operations, including operation of process control systems, environmental monitoring systems, inspection activities and performance monitoring.
- Preventive maintenance, including routine inspection, maintenance and servicing of production equipment, utilities, environmental protection facilities and safety systems.
- Corrective maintenance, including repairing and replacement of equipment, components and utility systems as required to maintain safe and continuous operation.

**Unexpected contingency:**

- Fire and explosion.
- Spills and leaks.

### 0.2.5 AREA OF INFLUENCE

The Project's Area of Influence (AoI) is defined as the area where the planned Project activities will take place (project site and immediate surroundings) and a wider area likely to be vulnerable to direct and indirect impacts on the natural and human environment. The AoI varies according to Project activities and environmental and social subjects. ***Table*** 0-2 describes the Project's area of influence.

TABLE 0-2 PROJECT AREA OF INFLUENCE

| Topic | Area of Influence |
|---|---|
| Ambient Air Environment | Based on guidance from the Institute of Air Quality Management (IAQM, 2024), the AoI for construction phase is:<br><br>For human receptors:<br>• 350 m from the boundary of the site; and/or<br>• 50 m from the route(s) used by construction vehicles on the public highway, up to 350 m from the site entrance(s). |

| Topic | Area of Influence |
|---|---|
| | For ecological receptors:<br>• 50 m from the boundary of the site; and/or<br>• 50 m from the route(s) used by construction vehicles on the public highway, up to 350 m from the site entrance(s).<br><br>For the operation phase, the AoI for the purpose of the supplementary ESIA report, has been taken as 10 km from the boundary of the site considering the potential air emission from the Project. |
| Noise Environment | Noise Impact Assessment for both construction and operation phase will be conducted at the closest representative Noise Sensitive Receptors ("NSRs") identified that may be potentially affected by the Project. |
| Socio-economic Aspects | The Social AoI is characterised as the area potentially affected by the Project through direct, indirect and induced impacts across the construction and operation phases. The delineation of the Social considers spatial proximity and potential interactions with the Project activities.<br>• Direct AoI: Villages/Douars of Gouaret Mcharza, Gouaret Mechahla, Slaouiyine and Chaouia; Communes of Laaouama and Sebt Azzinate<br>• Indirect AoI: Wider Caidat and Prefecture area |

## 0.3 SUMMARY OF GAP ANALYSIS AND SCREENING

***Table*** 0-3 summarizes the contents of the Project regulatory EIA and identifies the gaps between national and international standards. Actions to close gaps are also proposed to be covered in this supplementary ESIA to provide further impact assessment and mitigation where necessary.

TABLE 0-3 GAP ANALYSIS AND SCREENING

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| **Environmental Baseline** | | | |
| Area of Influence (AoI) | AoI of air and noise impact assessment was defined as 500m along project boundary.<br>AoI of noise impact assessment was defined within the Cité Mohammed VI Tangier Tech. | The AoI defined in the regulatory EIA didn't cover any air or noise sensitive receptors around the Project, which might result in the omission of the assessments of air and noise impacts of the Project on the air and noise sensitive receptors. | The environmental AoI was updated to include relevant air- and noise-sensitive receptors, including nearby communities and ecological receptors. |
| Physical Environment | - | The regulatory EIA did not collect any baseline data of ambient air and noise quality. | Supplementary air and noise baseline surveys were conducted. No exceedances of the applicable ambient air quality standards were recorded, while limited exceedances of the applicable residential noise criteria were identified, which may have been primarily associated with existing road traffic and other local activities. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| Biological Environment | - | The regulatory EIA did not collect any baseline data of local habitat and biodiversity. | Following the desktop review, biodiversity baseline surveys were conducted, which indicated that the Project area comprises predominantly modified habitats of relatively low ecological significance, with localized biodiversity value associated mainly with aquatic and riparian features. No potential Critical Habitat features were identified. |
| **Social Baseline** | | | |
| Area of Influence (AoI) | The immediate, broader and wider study areas were defined as the Project site and access, Tangier-Assilah Prefecture and the Tangier-Tétouan-Al Hoceima Region, respectively. | Definition of the social AoI is not sufficiently linked to the potential social impacts from the Project. | The Social AoI was updated to include the nearby communities potentially affected by the Project, together with Laaouama and Sebt Azzinate Communes. |
| Land Use | The Project land status and surrounding land uses were presented. | Current studies are limited in outlining historical land use, previous land users and land-based livelihoods within the AoI. | The land-use review was conducted, which found that the Project Site is located within the IAZ on land previously acquired for the wider |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | | | industrial-zone development. Surrounding land uses are predominantly rural and agricultural. |
| Demographics and vulnerability | Demographic and vulnerability profiles were presented for Sebt Azzinate Commune. | National, regional and prefectural-level comparative data are missing, and the baseline does not adequately characterise potentially affected settlements or define and identify vulnerable groups in the AoI. | The demographic baseline was updated, and vulnerable people were identified in the social AoI, including persons with disabilities, women, elderly etc. |
| Health | - | No baseline information on health conditions, healthcare facilities or access to health services have been covered under the EIA. | The community health baseline was updated and indicated that access to healthcare services varies across the nearby communities, with some residents relying on facilities in larger settlements or urban centres. |
| Education | The school-enrolment rate for children aged 6 to 11 was presented for Sebt Azzinate Commune for 2023–2024, disaggregated by sex and rural residence. | EIA is limited in describing educational attainment, literacy, educational facilities and vocational skills. | The education baseline was updated and integrated data on literacy, educational attainment as well as access to educational and vocational-training facilities within the Social AoI. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| Livelihood and Local Economy | Agriculture and livestock were presented using selected local data. Industry was presented at the Tangier-Tétouan-Al Hoceima regional level. | EIA is limited in characterising economic activities and livelihood patterns within potentially affected settlements. | The livelihood baseline was updated, and indicated that local communities rely mainly on agriculture, livestock rearing, small-scale trade and wage employment. |
| Infrastructure | Water supply, electricity, sanitation, roads and rail infrastructure were presented for Sebt Azzinate Commune. | EIA is limited information is provided on access to and capacity of infrastructure and services within potentially affected settlements. | The infrastructure baseline was updated and identified that access to roads, public transport and public services varies across the nearby communities. Community consultations identified road conditions and transport access as key concerns. |
| Labour and Working Conditions | Project-level employment and occupational health and safety were presented for the construction and operation phases. | Limited information is provided on broader labour and working conditions for direct and contracted workers. | The labour baseline and HRIA present the conditions of direct, contractor, subcontractor and migrant workers. Key considerations include working hours, wage payment, worker welfare, language barriers and access to grievance mechanisms. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| Cultural Heritage | - | No baseline information on cultural heritage or structures / practices of cultural importance has been covered under the EIA. | The cultural heritage baseline review was conducted and did not identify any known cultural heritage resources within or immediately adjacent to the Project Site. Cultural and religious features were identified within the wider Social AoI. |
| Indigenous Peoples (IP) | - | No information on ethnic groups in the project has been provided under the SIA. No vulnerability or IP analysis undertaken. | An Indigenous Peoples screening was conducted and did not identify any communities meeting the applicable definition of Indigenous Peoples within the Project AoI. This topic was therefore scoped out from further assessment. |
| **Environmental Impact Assessment** | | | |
| Ambient air | During construction stage, dust and gaseous pollutants of $NO_x$, $SO_2$, etc., could be generated from the construction activities and construction equipment and diesel generators, etc. | For operation stage, the Project comprises of 38 stacks to emit air pollutants of PMs, HCl, $NH_3$, $H_2S$, $NO_x$, VOCs, $SO_2$, and benzo[a]pyrene (BaP), etc., which may have negative impacts on | Quantitative AQIA using AERMOD model for operation phase will be supplemented in this supplementary ESIA. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | During operation stage, various pollutants will be generated, including particulate matter (PM) from material handling, loading, unloading, crushing, granulation and graphitisation processes; VOCs from granulation process; benzo[a]pyrene (BaP) from granulation, pre-carbonisation and carbonisation process; Hydrogen Chloride (HCl) and nitric acid mist from laboratory testing activities; NOx and $SO_2$ from the combustion of liquefied petroleum gas (LPG); Ammonia ($NH_3$) and hydrogen sulfide ($H_2S$) are generated from the operation of water treatment facilities.<br><br>Per regulatory EIA, all above exhausts will be treated by dust removal, wet scrubbers, activated carbon adsorption and regenerative thermal oxidiser (RTO), etc., respectively, depending on the nature of pollutants. After treatment, the emission will comply with the | regional air quality and surrounding sensitive receptors. Therefore, qualitative AQIA is considered insufficient to support the impact assessments. | |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | applicable national emission standards.<br><br>Qualitative air quality impact assessments ("AQIA") were conducted for construction and operation stage of the Project in the Regulatory EIA, respectively. | | |
| Surface water | During construction stage, there are limited risks of water quality deterioration and water resource depletion associated with construction activities.<br><br>During operation stage, potential impacts on water resources may arise from leaks of hydrocarbons and oils from operational machinery and equipment, leachate from solid wastes, domestic wastes and wastewater, and wastewater leaks resulting from failures, ageing or malfunction of treatment facilities.<br><br>Qualitative surface water impact assessments were conducted for the | - | Given the Project will adopt zero-discharge of industrial wastewater, with all industrial wastewater fully recycled, the impact on surface water quality is considered to be limited. Therefore, no additional assessment will be taken in this supplementary ESIA. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | construction and operation stages of the Project, respectively. | | |
| Ambient noise | The Project could increase ambient noise associated with onsite construction (from the use of construction equipment, material loading and unloading, and transportation, etc.) and operational activities (from the equipment of cooling towers, air compressor, packing machine, magnetic separator, desulphurisation system and RTO etc.).<br>The noise impacts during construction and operation phase were analysed qualitatively. | No quantitative assessments were conducted for the surrounding noise sensitive receptors of Slaouiyine and Gouaret Mechahla. | Quantitative noise modelling for construction and operation phase will be supplemented in this supplementary ESIA. |
| Soil and groundwater | During construction stage, there are risks of soil erosion, soil compaction, and accidental contamination from fuels, oils and hazardous materials that could potentially affect soil and groundwater quality. | - | As the chemicals and hazardous wastes will be stored in each designated area with seepage proof measures, the impacts of the Project on soil/groundwater quality are considered to be limited. Therefore, no additional assessment |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | During operation stage, there are risks of soil and groundwater contamination from accidental spills and leaks of chemicals, oils, wastewater and wastes.<br><br>Qualitative soil and groundwater impact assessments were conducted for the construction and operation stages of the Project, respectively. | | will be taken in this supplementary ESIA. |
| Waste | During construction phase, the Project generates construction waste, scrap metal, scrap wood and domestic waste from construction workers. The waste generated during the construction phase are regulated by construction contractors.<br><br>During the operation phase, the Project generates waste streams including gypsum, residual tar, sludge, spent carbon, etc.<br><br>A dedicated waste storage facility will be constructed for waste storage. This facility will be partitioned into | The Regulatory EIA fails to draw a clear distinction between non-hazardous and hazardous waste. While waste-related impacts have been assessed in the Regulatory EIA, the assessment is relatively high-level. The proposed mitigation measures are insufficient when benchmarked against international good-practice standards. | The Supplementary ESIA will carry out a detailed assessment of waste-related impacts and proposed mitigation measures consistent with applicable international standards. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | separate zones for domestic waste, non-hazardous waste and hazardous waste.<br>The waste will then be collected and treated by certified companies according to their nature. | | |
| Greenhouse Gas (GHG) emission | The Regulatory EIA identifies the Project's consumption of purchased electricity and LPG during operation, together with fuel and electricity use by construction machinery, vehicles and temporary facilities, which will contribute to the GHG emissions.<br>No scope 1 and scope 2 GHG emission accounting and assessment of climate change impacts and effects have been conducted in the regulatory EIA. | In accordance with the AIIB Environmental and Social Framework, the Project should assess climate-related risks and GHG emissions and integrate feasible mitigation and adaptation measures into its design and implementation, taking into account the goals of the Paris Agreement and Morocco's national climate commitments. " | Greenhouse Gas impact assessment on scope 1 and 2 emission will be conducted in this supplementary ESIA |
| Biodiversity | The Regulatory EIA provides a general description of regional biodiversity, as well as the location and ecological importance of the | The Regulatory EIA does not provide a Project-specific biodiversity baseline, including systematic habitat mapping, field survey | ERM team and local experts conducted a two-day biodiversity baseline survey in August 2026, supported by a literature review, |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | nearby Tahaddart Estuary SIBE and Lower Tahaddart Saltwater Wetland. | methods and results, confirmed species records, conservation status screening, or an assessment of ecological connectivity and potential Project impacts on nearby biodiversity-sensitive areas. | habitat mapping and Critical Habitat Screening, to characterise the existing biodiversity conditions and ecological sensitivity of the Project site and its vicinity.<br><br>The literature review and field survey findings indicate that the Project site and its immediate surroundings have generally low biodiversity sensitivity and support predominantly common and disturbance-tolerant species. Potential habitat loss and disturbance impacts are expected to be limited. Therefore, a standalone biodiversity impact assessment is scoped out. Potential cumulative impacts from the drainage channel and downstream receptors will be addressed through the cumulative impact assessment and relevant water-management measures. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| Climate Change | Climate change risk assessment was missing in the regulatory EIA | In accordance with the AIIB Environmental and Social Framework, the Project should assess climate-related risks and impacts and incorporate appropriate mitigation, adaptation and resilience measures into Project design and environmental and social management. | Additional climate change risk assessment ("CCRA") will be conducted, as an appendix of this ESIA |
| **Social Impact Assessment** | | | |
| Community cohesion and social structure | - | The regulatory EIA does not provide an impact assessment. | Scoped in for further assessment in this ESIA<br>- Impacts from labour influx during construction and operation |
| Community Health and Safety | During the construction phase, the Project site may pose risks to local communities in the forms of dust particles, noise, and odours from improperly processed wastewater. | The regulatory EIA does not assess community health and safety risks associated with the Project. | Scoped in for further assessment in this ESIA<br>- Health impacts from environmental emissions during construction and operation |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | | | - Security personnel during construction and operation (HRIA)<br>- Communicable diseases and sexually transmitted diseases (STDs) during construction and operation<br>- Gender-based violence during construction and operation (HRIA)<br>- Road safety and road accidents (under unplanned events) |
| Labour and Working Conditions | During the construction phase, the Project site may pose risks to the Project labour force in the forms of dust particles, noise, and foul smell from improperly processed wastewater.<br>During the operation phase, the Project labour force may expose workers to risks including equipment accidents, contact with hazardous chemicals, heat hazards, waste management, and gas emissions. | The regulatory EIA does not cover the potential impacts on own and third-party labour, as well as labour on the supply chain. It does not cover OHS impacts for associated facilities. | Scoped in for further assessment in this ESIA (HRIA)<br>- Labour conditions and welfare during construction and operation<br>- Supply chain labour impacts during operation<br>- Occupational health and safety, including for associated facilities |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | Project labour may come into contact with fine particles and other pollutants, which may pose risks to health risks, including irritation of the eyes and the respiratory system. More serious health damages may occur in the event of lack of ventilation or lack of OHS protective equipment. | | |
| Public Infrastructure and Services | The EIA assessed increased road traffic on the provincial roads serving the site during construction, operation and dismantling. | Aside from road traffic, the regulatory EIA does not assess pressure on local utilities, resources and healthcare facilities. | Scoped in for further assessment in this ESIA<br>- Pressure on roads during construction and operation<br>- Pressure on utilities and local resources (water and electricity) during construction and operation<br>- Pressure on healthcare facilities during construction and operation |
| Gender and Vulnerable Groups | - | The regulatory EIA does not provide an impact assessment for these topics. | ESIA will assess impacts particularly for vulnerable groups and women under relevant topics. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| Employment and Local Economy | Positive impacts of job creation (200 temporary construction jobs and 996 direct operation jobs), business opportunities for local enterprises, technology transfer and tax revenues were briefly assessed in the EIA. | Potential negative socio-economic impacts were not assessed in the regulatory EIA. | Scoped in for further assessment in this ESIA<br>- Negative economic impacts on local communities during construction and operation, such as price hikes |
| Land Use and Livelihood | - | The regulatory EIA does not assess the Project land use impacts on livelihoods. | The land on which the Project is located was acquired by the Moroccan State from 2015 onwards as part of the broader IAZ development, after which it was sold to the SATT from 2020 onwards. The main land acquisition process therefore took place four to nine years before BTR Anode involvement and the land acquisition was not specifically conducted for the Project. Rather, the expropriation process was done for the broader IAZ development, before specific companies had been identified to develop their operations there. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | | | During social baseline surveys and stakeholder engagement, communities in the AoI raised concerns about the expropriation process carried out for the IAZ, including complaints about significant impacts on livelihoods due to the historical dependency on land for agriculture in the AoI. No physical displacement was reported to have occurred.<br><br>As the expropriation was carried out for the whole IAZ, communities did not associate livelihood impacts directly with the Project. It is noted that the Project site only represents 3.2% of the overall IAZ development[1] and therefore did not significantly contribute to the broader impact reported by communities. |

1 The Project Site covers 29.9 ha of land out of the total 947 ha of land covered by Phase 1 and 2 of the IAZ.

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | | | Considering the expropriation process was conducted four to nine years ago by the Moroccan state, a detailed assessment of land acquisition and displacement impacts is scoped out at this stage. It is recommended that the Project focus on addressing legacy livelihood impacts through targeted training and employment of local communities, as detailed in ***Section 7.3.1***.<br><br>Separately, the temporary underground transmission line for the Project is located partly outside the IAZ and therefore would have required a separate land acquisition process specifically for BTR Anode Project. The land use and livelihood impacts of this component are scoped in for further assessment.<br><br>Other associated facilities identified in ***Section 3.3*** are located within land already acquired as part of the |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | | | IAZ Phase 1 development and the same considerations detailed above for the main Project site apply. |
| Indigenous Peoples | - | The regulatory EIA does not provide an impact assessment for this topic. | Screening for impacts on indigenous peoples was undertaken during the baseline site visit as well as desktop review, and no relevant impacts are expected. Scoped out. |
| Cultural Heritage | - | The regulatory EIA does not provide an impact assessment for this topic. | Screening for impacts on cultural heritage was undertaken during the baseline site visit as well as desktop review, and no relevant impacts are expected. Scoped out. |
| **Cumulative Impact Assessment** | | | |
| Cumulative Impact Assessment | - | The regulatory EIA does not present a cumulative impact assessment, although several other operational, ongoing or planned infrastructure developments have been identified in the area, which is located in close proximity to the site. Neither does | Cumulative impact assessment is supplemented in this ESIA. |

| Topic | Assessed in the Regulatory EIA | Identified Gaps against applicable standards | Actions to Close Gaps |
|---|---|---|---|
| | | the regulatory EIA consider the cumulative impact of the project on the regional water resource availability. | |
| **Unplanned Event Impact Assessment** | | | |
| Unplanned Event Impact Assessment | - | The regulatory EIA does not provide an impact assessment. | Unplanned event impact assessment is supplemented in this ESIA. |
| **Disclosure and Engagement** | | | |
| Information Disclosure and Stakeholder Engagement | - | The regulatory EIA does not provide information disclosure, stakeholder engagement plan or a grievance mechanism. | ESIA will supplement a Stakeholder Engagement Plan including a grievance mechanism. BTR Anode to implement the SEP and to disclose project information, impacts and mitigations described in this supplementary ESIA. |

## 0.4 SUMMARY OF IMPACT SIGNIFICANCE

The ESIA has assessed the potential impacts and proposed additional mitigation measures to reduce the level of the impact where necessary. Significance of impact refers to the impact with existing embedded / in-place measures, while residual impact refers to the impacts after implementing both existing embedded / in-place measures and the additional mitigation, management and monitoring measures identified within this ESIA. These potential impacts are summarized in ***Table*** 0-4.

TABLE 0-4 SUMMARY OF IMPACT MATRIX

| S/N | Impact | Project Phase | | Impact Significance | |
|---|---|---|---|---|---|
| | | C | O | Pre-Mitigation | Post-Mitigation |
| **Environmental** | | | | | |
| E1 | Ambient air impact from project operation | | √ | Negligible | Negligible |
| E2 | Noise impact from project operation | | √ | Negligible | Negligible |
| E3 | Impact from Waste Generation, Collection, Transport and Disposal in Construction Phase | √ | | Minor | Negligible |
| E4 | Impact from Waste Generation, Collection, Transport and Disposal in Operation Phase | | √ | Minor | Negligible |
| E5 | GHG emission | √ | √ | N/A | N/A |
| **Social** | | | | | |
| S1 | Impacts on Community Cohesion from Labour Influx during Construction and Operation | √ | √ | Minor | Negligible |
| S2 | Impacts on Community Health and Safety from Environmental Emissions during Construction and Operation | √ | √ | Negligible | Negligible |

| S/N | Impact | Project Phase | | Impact Significance | |
|---|---|---|---|---|---|
| | | C | O | Pre-Mitigation | Post-Mitigation |
| S3 | Communicable Diseases and Sexually Transmitted Diseases (STDs) during Construction | √ | | Minor | Negligible |
| | Communicable Diseases and Sexually Transmitted Diseases (STDs) during Operation | | √ | Moderate | Minor |
| S4 | Occupational Health and Safety during Construction and Operation | √ | √ | Moderate | Minor |
| S5 | Pressure on Roads during Construction | √ | | Minor | Negligible |
| | Pressure on Roads during Operation | | √ | Moderate | Minor |
| S6 | Pressure on Utilities and Local Resources during Construction and Operation | √ | √ | Moderate | Minor |
| S7 | Pressure on Healthcare Facilities during Construction | √ | | Minor | Negligible |
| | Pressure on Healthcare Facilities during Operation | | √ | Moderate | Minor |
| S8 | Price Hikes during Construction | √ | | Minor | Negligible |
| | Price Hikes during Operation | | √ | Moderate | Minor |
| S9 | Land Acquisition and Loss of Livelihood from the Temporary Project Power Connection | √ | | Negligible | Negligible |
| | | | √ | Minor | Negligible |
| **Unplanned Events** | | | | | |
| U1 | Fire and Explosion | | √ | Minor | Negligible |
| U2 | Spills and Leaks | | √ | Negligible | Negligible |

| S/N | Impact | Project Phase | | Impact Significance | |
|---|---|---|---|---|---|
| | | C | O | Pre-Mitigation | Post-Mitigation |
| U3 | Traffic Accident | √ | √ | Moderate | Minor |

## 0.5 ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN

As part of the Supplementary ESIA, an Environmental and Social Management Plan ("ESMP") has been prepared (Chapter 10 of the ESIA). The ESMP sets out Project-specific mitigation measures arising from the impact assessment process and Good International Industry Practice ("GIIP").

The Project Company is committed to providing resources and establishing the systems and components essential to the implementation and control of the ESMP. These include appropriate human resources and specialized skills, training programmes, communication procedures, documentation control and a procedure for the management of change. The Project Company will support the process and have an ESG team with competent staff based on appropriate education, training and experience.

## 0.6 CONCLUSION

The overall outcome of the Supplementary ESIA is that the Project is an effective and viable project of the electric vehicle value chain that aligns with the national strategy for energy transition of the country.

In general, the E&S impacts are well understood and can generally be managed to acceptable levels by establishing environment, health and safety, labour, social and security management and mitigation measures implemented through a robust environmental and social management system and human resources ("HR") policy.

The Project is considered suitable for development and able to comply with national and Lender requirements. The measures identified in the Supplementary ESIA enable the Project to avoid, or where avoidance is not possible, minimize, mitigate or compensate for adverse environmental or social impacts and issues to workers, affected communities, and the environment. All commitments, obligations and statutory requirements will be monitored over the duration of the Project and reported regularly.

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