

Statement on the Rio Cobre pollution incident

As you are all aware the country was made to witness and endure another devastating pollution incident along the Rio Cobre. The pollution incident caused tremendous impacts and damages to the social and economic fabric of residents, businesses and communities; possibly impacting their health and welfare and certainly impacting on the livelihoods of many residents who depend on the health of the River to support their various residential, commercial and leisure interests.

There was widespread and outright angst and questions demanding answers placed in the public space - and rightly so - as to how, the State could possibly allow this to happen...once again.

Let me state categorically and openly that what occurred over the past eight days is totally unacceptable and that the offending party – UC Rusal Windalco - will be made to answer for breaching the Wild Life Protection (WLP) and the Natural Resources Conservation Authority (NRC) Acts, as well as, its environmental permits and environmental licences.

Further action will be pursued against the company, mandating it to improve its environmental accountability and stewardship to prevent any recurrence of similar pollution incidents, from the Company, and any source whatsoever.

Let me repeat, the impacts have been devastating for residents living and operating in the space along the River; the livelihoods of our farmers, our fisherfolks, persons who utilize the River for leisure and recreational purposes and even for the government, as major government facilities and investments, owned by the National Water Commission and the National Irrigation Commission operate along the river.

We can state with authority and without fear of rebuttal as our investigations and assessments have conclusively determined that the UC Rusal Winalco bauxite refinery, located just outside Ewarton, is the source of the pollution and contaminants that impacted the River.

The findings are that UC Rusal Winalco, in losing control of its processes, has caused the release of thousands of litres of harmful trade effluent, containing sodium hydroxide (caustic soda), from the effluent holding pond (EHP) at the Charlemont Mud Stacking and Drying Facility, more commonly known as the 'red mud lake', into the environment by way of the tributaries of the Rio Cobre. Though the input occurred in the upper region of the river, the entire span of the river which eventually empties into the Kingston Harbour, showed signs of being impacted by the contaminants from the plant.

Regardless of the challenges the Company faces, the Agency is firm that the pollution incident cannot go unpunished, and that UC Rusal Winalco will be held responsible, accountable and prosecuted.

We are chastened and acutely aware that the River is critical in the provisioning of ecosystem services supporting agriculture, aquaculture, artisanal fishing, sightseeing and leisure and other livelihood opportunities.

It is a fact, that the NRCA/NEPA have taken aggressive and decisive regulatory actions against UC Rusal Windalco – some may say not enough - to bring its entire operations: its bauxite mining, the refinery operations and the management of its trade effluent into compliance, being fully aware of the combined potential impacts on the environment and the environment assets occurring with its operating spaces. This has been a challenging process over the years.

We have compelled the Company to improve its environmental accountability and stewardship. One of the many examples includes the instructions issued by the NRCA/NEPA in 2014 to remove permission previously granted elsewhere and enjoyed by the Company, to undertake controlled discharge of trade effluent into water bodies and hence into the environment.

Over the past five years the Company has been actively regulated. This includes being cited for non-compliance and served several regulatory instruments, namely, summons, enforcement notices, warning letters and site warning notices.

NEPA has been proactive.

Prior to this incident, actions were taken and the Company mandated to add additional capacity to the present effluent holding pond which currently has a capacity of 821,000 m³ (217 million US gallons), to contain the trade effluent and storm water run-off from the refinery activities. As required under the special regulatory oversight of this permit, the Company has reported being far advanced with the installation of the additional 660,000 m³ (175 million US gallons) capacity EHP. Construction is expected to be completed before the end of December 2022.

UC Rusal Windalco has been prosecuted for two earlier pollution incidents resulting in breaches of its environmental permits and environmental licences and is presently before the St Catherine Parish Court. We await the decision of the Court.

The facts are that UC Rusal Windalco has been given enough time to comply with the terms and conditions of its operating environmental permits and environmental licences. The NRCA/NEPA is resolute and unwavering in its requirements for the Company to come into full compliance or face the legal consequences.

The Agency will move to implement all enforcement and legal actions at its disposal under the legislative framework against UC Rusal Windalco, namely:

- i. We will serve the Company a Notice of Intention (NOI) to suspend the environmental permit and environmental licence as provided for under section 11 of the NRCA Act.

The NOI will be predicated on:

- a. immediate reduction of the volume of trade effluent being held in the EHP;
 - b. fast-tracking the completion of the EHP;
 - c. replenishment of the EPB to the previous amount;
and
 - d. restriction on the operationalization of existing environmental permits for mining operations at SML 162 (Schwallenburgh) and the recently granted SML 174 (Edinburgh Castle), until the EHP is completed and commissioned;
- ii. We intend to draw-down on the full amount of the EPB, valued at US\$771,558.69. We have already written to the commercial bank holding the environmental performance bond posted by UC Rusal Windalco as a condition for the operation of the refinery and the effluent holding pond, to recover the full amount in favour of the NRCA. The Company must also concurrently replenish the EPB as soon as the draw down is completed to maintain an active EPB and to be in compliance with condition of the environment

permit/environmental licence. In fact, the Agency is considering whether there needs to be a re-evaluation of the EPB and the terms associated with its operation; and

- iii. As previously stated, prosecution will be pursued against the company for the pollution incident and its breach of the Wild Life Protection (WLP) and the NRCA Acts.

UC Rusal Windalco has been called to a meeting to discuss the previously outlined actions. The meeting is scheduled for next Monday.

The NRCA/NEPA reaffirms its commitments to act decisively in enforcing the laws against environmental breaches. Effective today, and going forward, the Agency will adopt an even more aggressive posture against companies, businesses and individuals found in breach of permits and licences or those taking actions we consider deleterious to the environment, and good environmental management and stewardship.

Let me repeat, what occurred over the past eight days is totally unacceptable and that the offending party – UC Rusal Windalco - will be made to answer for the breaches of the laws and stridently regulated until it fully complies with the environmental permits and environmental licences. There is no other option available to the Company.