

The Project has been preliminarily classified as Category B, in accordance with the IDB Invest Environmental and Social Sustainability Policy. Its final categorization will be confirmed after the Environmental and Social Due Diligence (“ESDD”) process is completed.

The main potential negative environmental impacts associated with the construction and operation of the Subprojects are as follows: (i) alteration of air quality due to construction activities; (ii) possible erosion processes due to expected earthworks (especially for the Subprojects located in the north of Chile); (iii) increase in noise levels and vibrations due to the use of heavy machinery during construction and the operation of wind turbines; (iv) loss of vegetation with possible impacts on wildlife, plant life and natural habitats due to activities related to the installation of the wind turbines and the use of land to install solar panels; (v) potential increased risk of soil pollution by hazardous substances used during the construction process; (vi) traffic disruption or diversion in populated areas due to oversized cargo transportation during the construction phase; (vii) increased health risks, especially during the construction and assembly of the wind turbines; (viii) potential impact on flying animals (birds and bats) due to possible collisions with wind turbine blades; and (ix) permanent landscape alteration due to the presence of wind turbines and solar panels.

The Environmental Studies (“ES”) required by Chilean legislation—an Environmental Impact Assessment (“EIA”) for the Puelche Sur Subproject and Environmental Impact Declaration (“DIA”) for the other Subprojects in the Portfolio—have been approved by the competent environmental authorities, which have issued the corresponding Environmental Qualification Resolutions (“RCA” for its Spanish acronym, equivalent to an environmental license) for all Portfolio Subprojects.

The ES entail multiple plans and programs to manage undesired impacts, including the following: (i) environmental and social management plans to prevent, minimize or compensate the impacts of each Subproject; (ii) risk management plans for each Subproject; (iii) contingency and management plans; (iv) solid waste management plans; and (v) non-hazardous industrial solid waste management plans. In addition, the ES include several monitoring plans for the construction, operation and decommissioning phases of the Subprojects.

IDB Invest will carry out an ESDD process to assess the most relevant environmental and social risks and impacts, confirm the Project’s categorization, assess management plans to mitigate said risks, and define an Environmental and Social Action Plan (“ESAP”) to close any compliance gaps detected with the requirements of the IDB Invest Environmental and Social Sustainability Policy. During the ESDD, IDB Invest will: visit each proposed Subproject site and assess the environmental, social, and health and safety systems to be adopted, including their associated plans and procedures; inspect the sites proposed for industrial camps and areas; verify the scope of the public consultation; analyze baseline information and related social and employment matters; and, for the wind farms, assess the risk of birds and bats colliding with the wind turbine blades.

The Project will trigger the following Performance Standards (PS): PS 1: Environmental and Social Assessment and Management System; PS 2: Labor and Working Conditions; PS 3: Pollution Prevention and Abatement; PS 4: Community Health, Safety and Security; PS 6: Biodiversity Conservation and Sustainable Management of Natural Resources; and PS 7: Indigenous Peoples. ESDD will confirm if the Project will trigger PS 5: Land Acquisition and Involuntary Resettlement; and PS 8: Cultural Heritage.

An Environmental and Social Review Summary (“ESRS”) will be prepared and published on the IDB Invest website once the ESDD process has been completed.

Additional Information

For questions and comments to IDB Invest please contact:

Name: IDB Invest Communications Group

Email address: requestinformation@idbinvest.org

Additionally, and as a last resort, affected communities can access the IDB Invest Independent Consultation and Investigation Mechanism (ICIM) as follows:

Phone number: +1 (202) 623-3952

Fax number: +1 (202) 312-4057

Address: 1300 New York Ave. NW Washington, DC. USA. 20577

Email address: mecanismo@iadb.org or MICI@iadb.org