

1. Scope of the IDB Invest Environmental and Social Review

The environmental and social analysis of the proposed operation consisted of a documentary review of the Client's environmental and social performance over time, with emphasis on compliance with the following Performance Standards (PS): PS1: Assessment and Management of Environmental and Social Risks and Impacts; and PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; and PS4: Community Health, Safety and Security.

2. Environmental and Social Categorization and Rationale

According to IDB Invest Environmental and Social Sustainability Policy, the operation has been classified under Category C, given that the incremental impacts it will generate are practically negligible and that the resources obtained from the transaction will be used to provide liquidity to the Client while the exceptional measures taken by the Company are in force and the impacts of the COVID-19 pandemic endure. The funds from the Operation will be used exclusively to acquire accounts receivable.

3. Environmental and Social Risks

3.1 Assessment and Management of Environmental and Social Risks and Impacts

The Company has valid Environmental Qualification Resolutions (RCAs) equivalent to an environmental license that consider plans and actions focused on reducing and mitigating possible environmental impacts generated by the projects. Evaluations of the project's social impact on the neighboring communities are also performed. These prevention, mitigation, or compensation actions are carried out through a robust environmental and social management system (ESMS) that has been implemented in the Company in recent years.

The Environmental Review has verified that the Company's compliance with the requirements of the RCAs is substantial and ongoing, and that it has regularly submitted its Environmental and Social Compliance Reports to the Superintendency of the Environment (SMA) and regional sectoral authorities.

3.2 Labor and Working Conditions

Overall labor aspects and conditions are very well regulated in Chile in terms of working hours, wages, vacations, workers' compensation, and labor regimes, among other aspects.

As Chile is a signatory to ILO Convention 105, Chilean legislation prohibits child labor in general terms, except for children aged 15 to 18, who may perform certain types of light tasks when all of the following conditions are met: (i) the proposed tasks shall not be harmful to their health or physical or mental development; (ii) their parents, family members or guardians must authorize them to work; (iii) the proposed work shall not interfere with their studies; (iv) the number of hours worked may not exceed 30 per week if the minor is still studying, and (v) under no case may the work day exceed 8 hours. It also prohibits forced or unpaid labor, as well as discrimination against workers based on race, skin color, gender or sexual orientation, ancestry, marital status, religion, political participation, and nationality, among others. Likewise, freedom of association and trade unions are constitutional rights in Chile.

The Company complies with the requirements of the Chilean State in matters of labor and working conditions.

3.3 Resource Efficiency and Pollution Prevention

The Company has pollution prevention systems in place and certifications that attest to its good environmental and social management. Since the Operation is a commercial transaction focused on payment deferrals, it will neither generate pollution nor demand the use of natural resources.

3.4 Community Health, Safety, and Security

The Company has valid emergency prevention and response plans in place, duly approved through its RCAs. The review conducted has ascertained that, to date, no situations have arisen that could have endangered the health or safety of the population.

4. Proposed Management Measures

The reports sent by the Company to the SMA indicate that the management measures contained in the plans and programs approved through the RCAs are being implemented as planned.

5. Environmental and Social Action Plan

Given the characteristics of the operation, there is no need for an Environmental and Social Action Plan.

Additional Information

For questions and comments to IDB Invest, please contact:

Name: IDB Invest Communications Group

Email: requestinformation@idbinvest.org

In addition, affected communities can access the IIC's Independent Consultation and Investigation Mechanism (MICI, for the Spanish acronym) as follows:

Phone: +1 (202) 623-3952

Fax: +1 (202) 312-4057

Address: 1350 New York Ave. NW Washington, DC. USA. 20577

Email: mecanismo@iadb.org or <mailto:MICI@iadb.org>