

Public Information Disclosure

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A. Summary of the Environmental and Social Review

1. General information and scope of the IDB Invest environmental and social review

The project components already have their environmental permits, issued by the Environmental Secretariat of the La Rioja province Ministry of Planning and Industry.

On October 25, 2017, staff from IDB Invest's Environmental, Social, and Governance Division (SEG) conducted the environmental and social due diligence for this transaction, together with the environmental and social consultant contracted by IDB Invest, in meetings held with company authorities and contractors, evaluating, via a visual assessment at the project site, the surroundings and environmental and health and safety conditions of the construction.

2. Environmental classification and rationale

Bearing in mind the results of the assessment and taking into account IDB Invest's Environmental and Social Sustainability Policy, the project has been classified as a Category "B" operation. Although the project's potential environmental, social, and health and safety impacts and risks could be significant, it would be feasible to manage them effectively by means of plans, programs, and procedures of known content and widely used in the sector.

Among the potential environmental, social, and health and safety impacts and risks associated with the construction phase, risks to the health and safety of workers during execution of the civil works (wind turbine bases and high-voltage line towers) and assembly of electromechanical components associated with work at height, load hoisting, work in confined spaces, and objects falling from different levels warrant mention. The environmental impacts tied to the civil works that should be noted include possible soil contamination, compacting, and water erosion, harm to vegetation, and, indirectly, to biodiversity, due to the land clearing, and air pollution caused by combustion gases and dust generated by the movement of machinery and trucks. The risk of third party accidents is associated with eventualities in connection with the transport of electromechanical components by truck from the port of Zárata to the project site and with truck traffic to and from the aggregate quarry.

The most significant potential risks in the operation phase are those associated with noise and the shadow flicker of the wind turbines, impacts on biodiversity (especially the collision of birds and bats), and possible impacts on the life and safety of people in connection with emergencies (e.g., fires, blade detachment, etc.). The positive impacts during operation include potential employment of local labor and the positive effects of reductions in greenhouse gas emissions. The most significant occupational risks during the operation include those associated with work at height and electrocution.

3. Environmental and social context

The project is located in the department of Arauco, province of La Rioja, Argentina, on both sides of Provincial route No. 9, approximately 15 kilometers to the southeast of the city of Aimogasta, and some 100 kilometers north of the city of La Rioja, capital of the province of the same name. The high-voltage line (HVL), which will connect the project to the La Rioja Sur substation, will extend over 83 kilometers to the southeast, traversing the so-called Pampas Mountains, and, specifically the Sierra de Velasco. The project is located in an area with a dry climate, with very hot summers and mild winters. Average annual temperature readings range between 12°C and 20°C. Average annual precipitation stands at 400 millimeters.

The department of Arauco's population has been growing steadily. The 2010 census revealed a total population of 15,418 personas (7.7 inhabitants per square kilometer). Most of the population lives in Aimogasta. The rural population is scattered in communities, hamlets, or posts. The closest is the rural community of Udpimango—population 30—located 1.4 kilometers to the west (distance measured from turbine no. 200 of Arauco II – Phase VI).

The department's economy is centered around olive growing; livestock mostly consists of goats, and, to a lesser degree, cattle and sheep. Agriculture requires artificial irrigation water. The pumping of irrigation water accounts for an estimated fifty percent of electricity use. Seismic activity in the area is frequent, though represents only moderate danger.

There are no permanent waterways within the project area. Water table levels are estimated to sit at some 150 to 200 meters deep. The project site does not lie within any national or provincial protected areas. The closest of these are Salar de Pipanaco (60 kilometers to the northeast) and Quebrada de la Cébila (70 kilometers to the east), which are located in the province of Catamarca.

As to wildlife, mammal species that can be found in the project area include the guanaco (*Lama guanicoe*), the culpeo (*Pseudalopex culpaeus*), the South American gray fox (*Pseudalopex griseus*), the southern mountain cavy (*Microcavia australis*), the plains viscacha (*Lagostomus maximus*), the Mendoza tuco-tuco (*Ctenomys mendocinus*), the big hairy armadillo (*Chaetophractus villosus*), the pichi (*Zaedyus pichiy*), the colocolo (*Oncifelis colocolo*), the Geoffroy's cat (*Oncifelis geoffroyi*), the cougar (*Puma concolor*), the European hare (*Lepus europaeus*), and the Humboldt's hog-nosed skunk (*Conepatus humboldtii*). Reptiles include the yarará ñata (*Bothrops ammodytoides*), the Chaco tortoise (*Chelonoidis chilensis*), the serpent (*Phylodryas trilineatus*), the Argentine red tegu (*Tupinambis rufescens*), the longtail whiptail (*Cnemidophorus longicaudus*), and the false tomodon snake (*Pseudotomodon trigonatus*). Birds mainly include the long-winged harrier (*Circus Buffoni*), the cinereous harrier (*Circus cinereus*), the black vulture (*Coragyps atratus*), the turkey vulture (*Cathartes aura*), the Andean condor (*Vultur gryphus*), the rock dove (*Columba livia*), the chimango caracara (*Milvago chimango*), the aplomado falcon (*Falco femoralis*), the American kestrel (*Falco sparverius*), the peregrine falcon (*Falco peregrinus*), the yellow-winged blackbird (*Agelaius thilius*), the chalk-browed mockingbird (*Mimus saturninus*), the burrowing parrot (*Cyanoliseus patagonus*), the elegant crested tinamou (*Eudromia elegans*), and the brushland tinamou (*Nothoprocta cinerascens*).

No threatened species (according to the International Union for the Conservation of Nature's Red List – www.iucnredlist.org) have been identified among those potentially present in the project area. The *Áreas Importantes para la Conservación de Aves* [Important Areas for Bird Conservation] (AICAs) closest to the project area are the two located in the south of Catamarca

province, near the border with La Rioja (Salar de Pipanaco, 60 kilometers to the northeast, and Quebrada de la Cébila, 70 kilometers to the east).

The project is located in an area marked by xeric or halophile shrub steppe, with predominantly arid conditions. The vegetation is primarily chaparral—shrubs ranging between 1.5 and 3 meters in height—with evergreen bushes and thornless branches (*Larrea Divaricata* and *Larrea Cuneifolia*), as well as palo brea (*Cercidium praecox*), thornless Chilean mesquite (*Prosopis chilensis*), cactus (*Opuntia sulphurea*), senna (*Cassia aphylla*), “little cross” (*Trichomania usillo*), hog plum (*Ximenia americana*), jarilla (*Larrea cuneifolia*), chaparral (*Larrea divaricata*), and herbaceous cactus (*Echinopsis leucantha*). According to the environmental impact assessment, no species with endangered status have been identified in the project area.

4. Environmental impacts and risks and proposed mitigation measures and compensation

4.1 Environmental and social risk and impact assessment and management

Parque Arauco is in the process of developing a *Sistema de Gestión Ambiental y de Salud y Seguridad* [environmental and health and safety management system] (hereinafter, SGAS), based on ISO standard 14001; full deployment thereof is expected to occur in late 2018. In the first half of 2018, the project has advanced 80% in the construction of turbine bases; construction of HVL-related works began formally in May 2018. Parque Arauco has reported that the potential impacts and risks associated with the construction of PEAR II – Phases I and II are being managed via the implementation of the contracting companies’ management plans.

Parque Arauco likewise indicated that, until the aforementioned SGAS is up and running, it will be implementing a comprehensive environmental and social management plan.¹ In fulfillment of the requirements of [IFC] Performance Standard 1, Parque Arauco will have to fine tune and deploy the SGAS to replace the comprehensive environmental and social management plan; the SGAS must be honed because implementation thereof must comply with relevant legal requirements as well as the requirements contained in the IFC Performance Standards² applicable to the project and in the IDB Invest Environmental and Social Management Plan. Below is a detailed description of the Environmental and Social Action Plan’s components. The documents Parque Arauco will have to prepare in order to comply with the Environmental and Social Action Plan will be reviewed and approved by IDB Invest.

Parque Arauco will have to articulate an Environmental, Social, and Occupational Health and Safety Policy that meets the requirements of the Performance Standards applicable to the project. Such Policy will have to be signed by the company’s senior authority and adequately disseminated during the construction and operation phases.

Parque Arauco must develop an organizational structure that enables it to deploy and maintain the SGAS during the construction and operation phases. To that end it will have to plan for the creation of an Environmental, Social, and Health and Safety Division that will report directly to the General Manager; that Division should be headed up by a professional (Environmental,

¹ Comprehensive Environmental and Social Management Plan – Arauco Wind Farm II – Scudelati & Asociados – April 2018.

² “Performance Standards” refers to the International Finance Corporation (IFC) Performance Standards, which are part of IDB Invest’s Environmental and Social Sustainability Policy.

Social, and Health and Safety Manager) to be brought on, to the satisfaction of the financing entities, as a member of Parque Arauco's permanent staff. The professional in question must have a college degree and at least 10 years experience in environmental, social, and health and safety management. At a minimum, and for the construction phase, Parque Arauco will have to designate, to the satisfaction of the financial entities, a junior university professional in environmental management and a junior university professional in occupational health and safety, who will report to the aforementioned senior professional.

Parque Arauco will have to systematically and continuously identify and evaluate environmental and social issues and occupational risks during construction and operation through the use of identification and assessment matrices, as laid out in the corresponding SGAS procedure, using criteria contained in both the SGAS and the IDB Invest Environmental and Social Sustainability Policy (including, therefore, the applicable IFC Performance Standards and Operational Guidelines³). Legal aspects (including legal and other requirements) will be identified through the preparation of legal requirement matrices, as specified in the respective SGAS procedure.

Parque Arauco will have to prepare an annual training plan on environmental, social, and health and safety-related matters for its own employees, contractors, and third parties, where applicable. The criteria for preparing annual training plans should include, among others things, the requirements from whichever IFC Performance Standards might apply. One annual training plan is to be prepared for the construction phase and another for the operation phase. The former must include, in addition to basic training, and for purposes of verifying compliance, training and instructional courses for specialized construction companies. During the construction phase, Parque Arauco will oversee compliance with the annual training plan, proceeding to train (or provide training to) all of its own staff or contract employees who demonstrate inadequate levels of education or training. Also during this phase, the annual training plan will have to provide for execution of at least two annual emergency simulations (associated with previously identified emergency scenarios) and the preparation of attendance records and verification of the effectiveness of the training. During the operation phase, Parque Arauco will have to conduct at least one emergency simulation annually.

Parque Arauco must prepare and implement operational procedures that make it possible to effectively manage environmental and social impacts as well as previously identified occupational risks. Where appropriate, contracting companies' environmental and social management procedures will be modified to adapt to the Parque Arauco SGAS.

Parque Arauco will have to prepare and implement, to the satisfaction of IDB Invest, an emergency prevention and response plan for the construction phase, and another plan for the operation phase. Each plan is to be based on specific emergency scenarios that have been identified. Emergency scenarios will be identified on an ongoing basis by the Parque Arauco Environmental, Social, and Health and Safety Division, in cooperation with all staff and contract employees.

Parque Arauco must prepare and implement a specific procedure for managing accidents (environmental and/or personal) applicable to both staff and contract employees (the SGAS

³ The applicable operational guidelines include the General Environmental, Health, and Safety Guidelines (IFC, April 2007) and the Environmental, Health, and Safety Guidelines for Wind Energy (IFC, August 2015)

includes accident management within the emergency management procedure). This specific procedure must, at a minimum, provide for recording the nature and seriousness of accidents, handling legal aspects, accident investigation reports, and preventive and/or corrective measures adopted to avoid repetition.

Parque Arauco will have to manage its contractors by applying the respective SGAS procedure, though with the understanding that contractors are not to be considered third parties, as specified by IFC Performance Standard 1. The management procedure for contractors must specify instructions or make reference to management documents in connection with the following: (i) Organizational aspects – all contractors and subcontractors must have an organizational structure in place as well as adequate professional resources, approved by Parque Arauco; their management plan or system must be framed within the Parque Arauco SGAS, thereby meeting relevant legal requirements, as well as any other requirements arising from implementation of IDB Invest’s Environmental and Social Sustainability Policy; (ii) environmental safety and protection standards, including protection of cultural heritage (potential archeological discoveries); (iii) code of conduct, specifying behavioral standards to be observed among colleagues internally and with members of the community on the outside;⁴ (iv) training – Parque Arauco will review and approve all contracting and subcontracting companies’ training plans; (v) mechanism for receiving and settling grievances and claims; all contracting and subcontracting company management plans must include a procedure for receiving and settling grievances and claims from their employees; (vi) supervision and monitoring – Parque Arauco will specify the content of the environmental, social, and health and safety reports to be prepared monthly by its contracting companies; (vii) contractual matters – Parque Arauco will have to specify, to the satisfaction of IDB Invest, the environmental, social, and health and safety requirements to be included in contracts concluded between Parque Arauco and the main contractors, aimed at ensuring compliance with existing laws and the environmental and social contractual commitments undertaken by Parque Arauco with IDB Invest (very especially those associated with the Environmental and Social Plan of Action and IFC Performance Standards and Sector Guidelines applicable to the project). Where necessary, addenda will be adjoined to existing contracts.

Parque Arauco will have to prepare a monitoring and follow-up plan for environmental and social aspects and health and safety risks, applying the respective SGAS procedure (Monitoring and Measurement). Parque Arauco must also prepare a plan for the construction phase, and a similar plan for the operation phase, that take into account the activities of both its own staff and contract employees. The limit values of the parameters to be monitored will be determined based on existing legal requirements and the applicable IFC operational guidelines, with the most exigent limit value being adopted for the cases in question. Preventive and/or corrective measures will be specified for any significant or repeated departure identified.

Parque Arauco must prepare and implement, to the satisfaction of IDB Invest, a community engagement plan⁵ for the area of influence of the entire project (wind farm and HVL), bearing in

⁴ For engagement with members of the community, use of the information contained in the Social Management Plan – Arauco Wind Farm II – PGS Arauco 0001-18 Report – Scudelati & Asociados – April 2018, is recommended.

⁵ Consultation of the following document is recommended for preparation of the community engagement plan: https://www.ifc.org/wps/wcm/connect/b7fe528048855c5a8ba4db6a6515bb18/IFC_StakeholderEngagement_Spanish.pdf?MOD=AJPERES

mind the results of the social survey already conducted (the results of which are included in the Arauco Wind Farm II Social Management Plan) and the relevant SGAS documents. At a minimum, the community engagement plan will include the following components: (i) Identification of social actors; (ii) mechanisms for publicizing the project in the community; (iii) creation of informed participation and consultation mechanisms; (iv) procedure for receiving and settling grievances and claims by social actors; (v) specific requirements for social conduct by project contractors (requirements to be included in the contractor management procedure as well). Parque Arauco will have to document all activity associated with implementation of the community engagement plan.

Specifically, with respect to potential impacts on superficiaries affected by the installation of the HVL, Parque Arauco will have to expand the social characterization done in the social baseline and must prepare and submit a report to IDB Invest that includes: (i) Specific information regarding potentially affected groups, including names, family group composition, livelihood (permanent or temporary residence), occupation, etc.; (ii) characteristics of homes and/or facilities affected; (iii) map showing the location of affected properties; (iv) description of potential impacts during the construction and operation of the HVL on the community identified; (v) results of any consultations held, indicating whether any of the owners has submitted a request for compensation or whether any agreement has been reached regarding administrative easement in exchange for payment, with the attendant corroborating documentation attached; (vi) actions to be undertaken by Parque Arauco to prevent, mitigate and/or offset the impacts identified, including possible involuntary resettlement.

While the EIA indicates that no indigenous peoples that might be affected exist in the project area, Parque Arauco must submit a note describing the project and its location and area of influence to the National Institute for Indigenous Affairs so that the Institute may report on the presence of indigenous peoples in that area. Where applicable, management of social matters having to do with indigenous peoples will be handled as stipulated in the SGAS, meeting the requirements of IFC Performance Standard 7.

Parque Arauco must prepare and implement a specific procedure within the SGAS to effectively manage any potential archeological and/or paleontological discoveries, adopting preventive and response measures for chance discoveries using IFC Performance Standard 8 as a benchmark.

4.2 Labor and working conditions

During the due diligence visit, construction-related working conditions were observed to be acceptable in general terms. The company BGCONS had a specialist in occupational health and safety in charge of managing staff and contract employees. In addition, the existence of both a first aid room and ambulance service (from the city of Aimogasta) was verified.

The Aimogasta hospital was found to be limited in terms of its ability to handle complex emergencies inasmuch as it is unable to treat extremely serious cases. Accordingly, Parque Arauco must have, in the case of all tasks that entail operators working on wind generator turbines, an ambulance available that is properly equipped, in the opinion of an emergency physician, to treat an operator who might have fallen from the turbine or suffered an electrical shock. The presence of an ambulance of this kind at the work or repair sites can only be dispensed with if the time it takes to get to a medical facility that is adequately equipped to

treat the kind of injuries described above were acceptable to an emergency doctor (such determination will be made during an emergency simulation). All medical opinions must be documented.

During the construction phase, Parque Arauco will use the monitoring and follow-up plan to monitor and supervise, at a minimum, drinking water quality, the ground connection resistance of electric panels, and accident rates for its own staff and contract employees (degree of severity, rate of occurrence, and frequency) and must keep consistent records of accidents and medical exam results for all employees. The monitoring and follow-up plan for the operation phase must include monitoring of accident rates and of any significant occupational risks opportunistically identified.

Parque Arauco must implement a documented mechanism for receiving and settling grievances from its own staff and contract employees.

4.3 Resource efficiency and pollution prevention

The following observations were made during the visit: (i) The main contractor for the civil works project (BGCONS) was planning to recycle waste; (ii) used oil and tires were being hauled away by a company authorized to do so in the province of Cordoba for use as fuel for the cement industry.

Parque Arauco will include planning for the recycling and/or reuse of waste in the waste management procedures included in the SGAS and in the monitoring and follow-up plan for both the construction and operations phases.

4.4 Community health, safety, and security

Parque Arauco must amend its plan for transporting electromechanical components from the port of Zárate to the project site, above all bearing in mind social matters related to the route that could entail risks to people's safety, such as the potential concentration of school age children due to the presence of schools along the routes; the presence of older persons or convalescing patients because of hospitals or nursing homes; or the presence of crowds in the case of sporting events or religious celebrations in the area of influence of the road, etc. Once these have been identified, Parque Arauco will have to incorporate into the transportation plan preventive safety measures to be implemented by the contracting company, in coordination with the National Roads Authority and the corresponding municipalities. Effective management of the risks indicated will require, *inter alia*, adoption and implementation of preventive measures by the drivers of the transportation company hired.

Parque Arauco must prepare and implement a traffic plan for the trucks that will be traveling to and from the aggregate quarry. This plan will have to be followed by the drivers from the companies hired and must take into account potential impacts on the health, safety, and security of the people who attend the Señor de la Peña church. To that end, actions will be coordinated with the municipality and with the corresponding religious authorities.

The PEAR I and PEAR II noise studies found that, outside the project site, noise levels would not exceed 35 decibel A-weighting (dBA), which corresponds to the background noise estimated for

a receiver located outdoors in a rural residential area during the night, pursuant to IRAM standard 4062-2016 (Neighborhood Disturbing Noise). This notwithstanding, such findings must be verified by Parque Arauco at the start of each PEAR II phase.

The shadow flicker produced by the wind turbines has been studied by Parque Arauco and the findings indicate that it does not affect the inhabited areas near the project. In the “worst case scenario,” the zones in which the effects could potentially exceed 30 hours annually (internationally recommended limit) all lie within the PEAR area. Such findings must be verified and potentially mitigated by Parque Arauco once the project begins operation.

4.5 Biodiversity conservation and sustainable management of living natural resources

Given that the HVL layout, according to the Native Forest Land Use map (Law 9.711 on the protection, conservation, sustainable management, and restoration of native forests – La Rioja province) falls under category I (red) because it affects carob and white quebracho species that have to be extracted from the sites where the HVL will be extended, the environmental authority has approved the corresponding EIA (Resolution 230/17), though with precise requirements. Parque Arauco must develop a specific SGAS procedure to plan, implement, supervise, and document the results of whatever clearing activities are needed, for purposes of fully complying with legal requirements.

Among the impacts on biodiversity during the operation phase, the death of birds and bats from collisions with the wind turbine blades is one of the most significant. Parque Arauco has developed a one-year avifauna-monitoring program that uses the count-point methodology to obtain data about abundance, richness, diversity, equitability, migratory routes, and nesting sites. During the operation phase, the program will monitor effects on avifauna caused by impacts and electrocution, including identification of cadaveric remains by combing through the areas. Parque Arauco must continue to monitor avifauna and make changes to the program if applicable legal requirements change. Special attention will have to be paid to the possible presence of the Andean condor (*Vultur gryphus*) because it is currently listed as “near threatened” (according to the IUCN 2014.2). Parque Arauco must also consider as a potentially significant impact all actions that might affect the colocolo (*Oncifelis colocolo*) and the Geoffroy’s cat (*Oncifelis geoffroyi*), species also classified as “near threatened” (according to the IUCN 2014.2), especially as it prepares its contractor conduct requirements.

5. Environmental and Social Plan of Action

Item	Action	Deliverables	Deadline
PS 1: Assessment and Management of Environmental and Social Risks and Impacts			
1	Articulate an Environmental, Social, and Health and Safety Policy that reflects the adoption of values and principles consistent with the requirements of the IFC Performance Standards applicable to the project. Such Policy will have to be signed by the company's senior authorities.	Parque Arauco Environmental, Social, and Health and Safety Policy	Before the contract is signed
2	Create an Environmental, Social, and Health and Safety Division that will report directly to the General Manager; the Division should be headed up by a university professional with at least 10 years experience who will be brought on as a manager and member of Parque Arauco's permanent staff. For the construction phase, Parque Arauco will hire a junior university professional in environmental management and a junior university professional in occupational health and safety who will report to the Division chief. IDB Invest will have to give prior approval for the hiring of the aforementioned professionals.	Environmental, Social, and Health and Safety Manager contract	Before the contract is signed
3	Prepare matrices to identify and assess environmental, social, and legal aspects and occupational risks; matrices will be prepared for both the construction and the operation phases. These matrices must take into account the aspect and risk identification and assessment specifications indicated in IFC Performance Standard 1 and must make it possible to identify significant risks and aspects.	Environmental aspect identification and assessment matrix Occupational risk identification and assessment matrix Legal aspect identification and assessment matrix	Up to six months after the contract is signed
4	Prepare an annual training plan for environmental, social, and health and safety-related matters for its own staff and contract employees for the construction phase and a similar plan for the operation phase. Preparation of the annual training plans must take into account, among others things, legal requirements, the requirements stemming from the applicable IFC Performance Standards and Guidelines, the requirements from the Environmental and Social Action Plan, and specialized contracting companies' training plans. The training plan for the construction phase must include at least two annual emergency simulations based on previously identified emergency scenarios. The training plan for the operation phase must include at least one emergency simulation annually.	i) Annual training plan for the construction phase ii) Annual training plan for the operation phase	i) Up to three months after the contract is signed ii) Up to one month before operation begins
5	Prepare, to the satisfaction of IDB Invest, of an emergency prevention and response plan for the construction phase, and another for the operation phase. Each plan must take into account specific emergency scenarios and indicate the prevention and response actions for emergency events associated with those scenarios.	i) Emergency prevention and response plan for the construction phase ii) Emergency prevention and response plan for the operation phase	i) Before the contract is signed ii) Up to one month before operation begins
6	Parque Arauco must develop a procedure for managing work-related and/or environmental accidents applicable to both its own staff and to contract employees. This specific procedure must, at a minimum, provide for recording the nature and seriousness of accidents, handling legal aspects, accident investigation reports,	Accident management procedure	Up to three months after the contract is signed

Item	Action	Deliverables	Deadline
	and preventive and/or corrective measures adopted to avoid repetition.		
7	Prepare a documented procedure for managing contractors that specifies instructions or makes reference to management documents in connection with the following: (i) Organizational aspects – all contractors and subcontractors must have an organizational structure in place as well as adequate professional resources, approved by Parque Arauco; their management plan or system must be framed within the Parque Arauco SGAS, thereby meeting relevant legal requirements, as well as any other requirements arising from the implementation of IDB Invest's Environmental and Social Sustainability Policy; (ii) environmental safety and protection standards, including protection of cultural heritage (potential archeological discoveries); (iii) code of conduct, specifying behavioral standards to be observed among colleagues internally and with members of the community on the outside; ⁶ (iv) training – Parque Arauco will review and approve all contracting and subcontracting companies' training plans; (v) mechanism for receiving and settling grievances and claims; all contracting and subcontracting company management plans must include a procedure for receiving and settling grievances and claims from their employees; (vi) supervision and monitoring – Parque Arauco will have to specify the content of the environmental, social, and health and safety reports to be prepared monthly by its contracting companies; (vii) contractual matters – Parque Arauco will have to specify, to the satisfaction of IDB Invest, the environmental, social, and health and safety requirements to be included in contracts concluded between Parque Arauco and the main contractors, aimed at ensuring compliance with existing laws and the environmental and social contractual commitments undertaken by Parque Arauco with IDB Invest (very especially those associated with the Environmental and Social Plan of Action and IFC Performance Standards and Sector Guidelines applicable to the project). Where necessary, addenda will be adjoined to the existing contracts.	Contractor management procedure	Up to three months after the contract is signed
8	Prepare a plan to monitor and follow-up on significant social and environmental issues as well as health and safety risks for both the construction and operation phases. The limit values of the parameters to be monitored will be determined based on existing legal requirements and the applicable IFC operational guidelines, with the most demanding limit value being adopted for the cases in question. Preventive and/or corrective measures will be specified for any significant or repeated departure identified.	i) Environmental, social, and health and safety monitoring and follow-up plan for the construction phase ii) Environmental, social, and health and safety monitoring and follow-up plan for the operation phase	i) Up to three months after the contract is signed ii) Up to one month before operation begins
9	Prepare and implement, to the satisfaction of IDB Invest, a community engagement plan, which must, at a minimum, include: (i) Identification of social actors; (ii) mechanisms for publicizing the project in the community; (iii) creation of informed participation and consultation mechanisms; (iv) procedure for receiving and settling grievances and claims by social actors; (v) specific requirements for social conduct by project contractors (requirements to be included in the contractor management procedure as well).	Community engagement plan	Up to three months after the contract is signed

⁶ For engagement with the community, use of information from the Social Management Plan – Arauco Wind Farm II – PGS Arauco 0001-18 Report – Scudelati & Asociados – April 2018 is recommended.

Item	Action	Deliverables	Deadline
10	Prepare and submit a report to IDB Invest that includes: (i) Specific information regarding the potentially affected groups, including names, family group composition, livelihood (permanent or temporary residence), occupation, etc.; (ii) characteristics of homes and/or facilities affected; (iii) map showing the location of affected properties; (iv) description of potential impacts during the construction and operation of the HVL on the community identified; (v) results of any consultations held, indicating whether any of the owners has submitted a request for compensation or whether an agreement has been reached regarding administrative easement in exchange for payment, with the attendant corroborating documentation attached; (vi) actions to be undertaken by Parque Arauco to prevent, mitigate and/or offset the impacts identified, including possible involuntary resettlement.	Report on the social management of superficiaries affected by the HVL installation	Up to three months after the contract is signed
11	Submit, to the National Institute for Indigenous Affairs (INAI), a note describing the project and its location and area of influence so that the Institute may report on the possible presence of indigenous peoples in that area.	Note to the INAI	Before the contract is signed
12	Prepare a specific procedure to manage any potential archeological and/or paleontological discoveries.	Specific procedure for managing archeological and/or paleontological discoveries	Up to three months after the contract is signed
PS 2: Labor and Working Conditions			
13	<p>i) Conduct, during the construction phase, an emergency simulation to determine how long it would take an ambulance to arrive from a facility that, in the opinion of an emergency physician, is properly equipped to treat a serious accident (fall from a wind generator or an electrical shock). The report will have to be signed by an emergency physician.</p> <p>ii) During the construction phase, monitor and record, at a minimum and semiannually, drinking water quality, the ground connection resistance of electric panels, and accident rates (frequency and degree of severity) for its own staff and contract employees.</p> <p>iii) During the operation phase, Parque Arauco must monitor and record, at a minimum, accident rates and previously identified serious occupational risks.</p> <p>Adoption of admissible parameter limit values will take into account the provisions of existing laws and the IFC operational guidelines, with the most exigent criterion being adopted.</p>	<p>i) Emergency simulation report</p> <p>ii) Results from the monitoring of working conditions during the construction phase</p> <p>iii) Results from the monitoring of working conditions during the operation phase</p>	<p>i) Before three months have elapsed since the contract was signed</p> <p>ii) – iii) Delivery of environmental and social compliance reports</p>
PS 4: Community Health, Safety, and Security			
14	Develop a new version of the plan for transporting electromechanical components that includes the handling of social-related matters across the entire route.	Amended transportation plan	Up to three months after the contract is signed
15	Develop a traffic plan for trucks traveling to and from the aggregate quarry to be followed by the contracting companies' drivers.	Traffic plan	Up to three months after the contract is signed
16	Noise study during implementation of each PEAR II phase for purposes of verifying the findings of previous noise studies.	Environmental noise studies	Within three months of the

Item	Action	Deliverables	Deadline
			start of each PEAR II phase
PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources			
17	Prepare a specific SGAS procedure for planning, implementation, supervision, and documentation of the results of any clearing activities needed for installation of the HVL. All records will be provided to IDB Invest in the environmental and social compliance reports.	Procedure for monitoring native vegetation during construction of the HVL	Delivery of environmental and social compliance reports

B. Contact Information

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For project inquiries, including environmental and social questions related to an IDB Invest investment, please contact the client using the information provided above. In addition, and as a last resort, project affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism.

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