

Classification and Environmental and Social Strategy (ESS) Fertil Pampa Urea Project Finance– ARGENTINA

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1. Project Scope and Objective and IDB Invest's Participation

This transaction consists of a loan to Fertil Pampa S.A.U. ("Fertil Pampa" or the "Company")¹, for the design, construction, operation, and maintenance of a fertilizer plant (the "Plant"), to be located in Bahía Blanca, Province of Buenos Aires, Argentina, for the production of granular urea (the "Project").

The Project comprises the following components: i) an ammonia and carbon dioxide production plant (required as raw materials for urea production); (ii) two twin urea plants, each with its own granulation unit; (iii) auxiliary units for seawater treatment (water treatment plant), compressed gas, steam, and nitrogen; (iv) an ammonia storage tank; and (v) the facilities required for the shipment of urea by truck and of ammonia and urea by ship.

The Project will be located on a property of approximately 80 hectares in the port area of Bahía Blanca. The plant will consist of an ammonia and carbon dioxide production train, which will supply two urea production trains, each with a capacity of 3,000 metric tons per day (MTPD). For its operation, the Project calls for: i) the supply of natural gas via a gas pipeline; ii) the provision of electricity through a connection to the SADI²; iii) the use of pre-desalinated seawater for the plant's consumption; and iv) the use of the Comandante Luis Piedrabuena pier for product shipment. To meet these requirements, the Project will require the construction of: i) a natural gas pipeline to the future Fertilizer Plant; ii) the ET PEUREA transformer substation and the connection to the SADI; iii) a 230-meter-long viaduct over the Bahía Blanca estuary to connect the Plant to the Comandante Luis Piedrabuena pier; and iv) a water supply pipeline from the pump room of the Piedra Buena Thermoelectric Power Plant to the Project site.

The Project will be constructed under an Engineering, Procurement, and Construction ("EPC") contract and is expected to take between 3.5 and 4 years to complete. The operation and maintenance phase will last 30 years, with a scheduled shutdown cycle every 4 years.

2. Environmental and Social Classification and Strategy

The Project has been pre-classified as Category A, in accordance with BID Invest's Environmental and Social Sustainability Policy ("PSAS"), as it may give rise to, among others, the following risks and impacts: i) deterioration of air quality due to air emissions and dust during construction; ii) increased noise and vibration levels during construction; iii) potential occupational accidents associated with the Project's implementation; iv) changes in land morphology due to grading, compaction, and sealing; v) generation of solid waste and effluents; vi) resuspension of sediments and the resulting increase in suspended solids during viaduct construction; vii) the potential effect of increased salinity that could result from the discharge of effluent into the waters of the final section of the Napostá Creek tidal channel, impacting

¹ A special-purpose vehicle established and wholly owned by Pampa Energía S.A. for the structuring of this financing.

² Argentine Interconnection System.

water quality and aquatic communities; and viii) traffic risks due to increased vehicle and heavy machinery traffic. These impacts are expected to be of medium-high to high intensity and will be managed through the implementation of prevention, mitigation, and compensation measures.

To date, as part of the process to obtain its environmental license, the Project has submitted an Environmental Impact Assessment (“EIA”) for the Fertilizer Plant and its associated works to the Ministry of the Environment of the Province of Buenos Aires.

During the Environmental and Social Due Diligence (“ESDD”) process, IDB Invest will visit the Project site; interview the personnel responsible for managing the environmental and social risks and impacts the Project may cause; review its environmental and social management system and management plans; interview key stakeholders; confirm the Project’s categorization; identify potential compliance gaps with respect to the PSAS; define an Environmental and Social Action Plan (“ESAP”) to address the identified gaps; and produce an Environmental and Social Review Summary (“ESRS”) documenting the process. Both the ESRS and the ESAP will be published on this website.

Based on the information received and reviewed to date, the Performance Standards (“PS”) that the Project would trigger are: PS1: Assessment and management of environmental and social risks and impacts; PS2: Labor and working conditions; PS3: Resource efficiency and pollution prevention; PS4: Community health and safety; and PS6: Biodiversity conservation and sustainable management of living natural resources. The final determination of the PSs that the Project would implement will be made upon completion of the ESIA process.

3. Additional Information

For questions about the Project, please contact Fertil Pampa S.A.U. at the following email address:

Email: investor@pampa.com

For questions and comments regarding IDB Invest, please contact:

Name: IDB Invest Communications Group
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In addition, affected communities can access the IDB Invest Independent Consultation and Investigation Mechanism (MICI) as follows:

Phone number: +1 (202) 623-3952
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