

Environmental and Social Review Summary (ESRS)

Ruta PY 10 Consortium Route 10 Lote 1 - PARAGUAY

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1. General Information on the Project and the Scope of the Environmental and Social Review of IDB Invest

In 2025, Paraguay's Ministry of Public Works and Communications ("MOPC") awarded the Ruta 10 Consortium (the "Concessionaire," the "Company," or the "Client"), comprising Concret-Mix S.A. and Toca S.A., a 24-month contract for the rehabilitation and paving of the San Cristóbal-Tuna section (Lot 1) of National Route PY10, located between the departments of Alto Paraná, Caazapá, and Guairá (the "Project"). The Project involves the optimization and expansion of 36.76 km of existing infrastructure through the lateral widening of embankments to achieve a cross-section of 13 meters. The engineering design calls for the asphalt paving of the roadway and shoulders, the construction of two new bridges, and the widening of five existing bridges from 8 to 12 meters.

For construction purposes, the Project has been divided into the following subsections: i) Rural Zone 1 (0+000 to 10+220); ii) Tuparendá Bypass (10+220 to 14+640); iii) Rural Zone 2 (14+640 to 27+720); iv) Tuna Bypass (27+720 to 29+900); v) Tuparendá Crossing (0+000 to 4+910); and vi) Tuna Crossing (0+000 to 1+950).

The Project will generate significant economic and social benefits by improving connectivity, logistics efficiency, and road safety along a strategic regional corridor in eastern Paraguay, reducing travel times and vehicle operation costs, and enhancing the profitability of agricultural and industrial production in the departments of Guairá, Caazapá, and Alto Paraná.

The Project is currently in the final design and construction preparation phase, with significant technical progress in engineering, adjusted environmental assessment, and socio-environmental planning.

The environmental and social due diligence ("ESDD") process included, among other aspects, a site visit to the Project; interviews and meetings with the Company's environmental, social, and land management officials; and a review of the environmental and social ("E&S") and occupational health and safety ("OHS") information provided by the Client, including: i) the Preliminary Environmental Impact Study ("EIAP") for the Asphalt Paving Works on the Paso Yobái-San Agustín-Tuna section, approved by Environmental Impact Statement ("DIA") DGCCARN No. 2652 of 2016; ii) the Socio-Environmental Action Plan ("PASA") for the Project; iii) the rapid ecological assessment; and iv) the Matrix of Environmental Licenses and Permits.

To ensure the Project's commitment to respecting and protecting human rights, its zero-tolerance policy toward retaliation, and its dedication to providing and guaranteeing a safe environment in which stakeholders can express their concerns without fear of retaliation, the DDAS process also

included a review of the following documents: i) the Program for Handling Claims, Complaints, and Citizen Participation; and ii) Program for the Hiring of Local Labor for the Project.

2. Environmental and Social Classification and Justification

In accordance with the IDB Invest Environmental and Social Sustainability Policy, the Project has been classified as Category B, as it may generate, among others, the following impacts and risks: i) noise; ii) particulate matter emissions; iii) increased vehicular traffic; iv) temporary disruptions to access; v) property impacts; vi) alteration of vegetation cover; and v) economic displacement. These impacts and risks are estimated to be of low-to-medium intensity.

The Performance Standards (“PS”) triggered by the Project are: i) PS1: Assessment and management of environmental and Social risks and impacts; ii) PS2: Labor and working conditions; iii) PS3: Resource efficiency and pollution prevention; iv) PN4: Community health and safety; and v) PN5: Land acquisition and involuntary resettlement.

3. Environmental and Social Context

3.1 General Characteristics of the Project Site

The project area is located in the Upper Paraná Atlantic Forest Ecoregion (“BAAPA”). The area is characterized by a predominance of agricultural activities (soybeans, corn, and wheat), pastures, existing roads, urban corridors, water bodies, remnant forests, and secondary vegetation. The prevailing climatic conditions correspond to a warm and humid environment, characterized by high temperatures for much of the year and relatively evenly distributed rainfall.

The project’s area of influence includes rural communities, agricultural producers, property owners along the route, regular road users, educational institutions, public services, formal and informal businesses, and residents along urban thoroughfares.

3.2 Contextual Risks

The major contextual risk is associated with violence and insecurity in areas far from urban centers, which may endanger workers or result in theft or damage to equipment and machinery.

In terms of gender, notable gaps exist in women’s representation, inclusion, and health. In the context of the Project, these risks result in lower female participation in local decision-making processes, in employment related to the project, and in promotion opportunities, as well as greater exposure to differentiated social impacts. According to data from the Gender Atlas of Paraguay’s National Institute of Statistics, nationwide in 2023, 31.20% of women over the age of 15 had no income of their own, compared to 11.50% of men, maintaining a gap of 19.70%.

4. Environmental Risks and Impacts, and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental and Social Risks and Impacts

4.1.a Environmental and Social Management System

The Client has an Environmental Study, a contractual Socio-Environmental Action Plan (“PASA”), and a Rapid Environmental Assessment (“EER”) that includes specific plans, procedures, compliance matrices, indicators, records, and processes for monitoring, auditing, and controlling contractors and subcontractors. However, the Client will develop and implement an Environmental and Social Management System (“ESMS”) consisting of: i) a policy; ii) procedures for identifying risks and impacts; iii) management programs; iv) required organizational capacities and competencies; v) emergency preparedness and response protocols; vi) a stakeholder engagement plan; vii) protocols for external communication and complaint mechanisms; viii) requirements for ongoing information sharing with affected communities; and ix) monitoring and review procedures.

4.1.b Policy

The Client shall develop and adopt an Environmental and Social policy that ensures compliance with all applicable laws and regulations, both locally as well as internationally. It shall also implement an effective communication plan to publicize its Environmental and Social policy at all levels of the organization, including contractors, subcontractors, suppliers, and other internal and external stakeholders of the Project.

4.1.c Identification of Direct and Indirect Environmental and Social Risks and Impacts

The Client is finalizing a Preliminary Environmental Impact Assessment (“EIA-p”), which identifies, for the design and construction phases of the Project: i) its direct, indirect, and cumulative environmental and social risks and impacts; ii) the risks and impacts of auxiliary facilities (quarries, soil borrow areas, access roads to borrow areas, camps, storage yards, and workshops); and iii) existing environmental liabilities within its area of influence.

4.1.c.i Analysis of Alternatives

The Project involves a linear road improvement along an existing corridor and the construction of bypasses and urban crossings in the towns of Tuparendá and Tuna. The Environmental Study includes an analysis of alternatives focused on sectoral planning scenarios.

The Client is currently analyzing alternative locations for the bypasses; the results of this study will be included in the Project’s EIA-p.

4.1.c.ii Cumulative Impacts

The Project's EIA-p presents a limited assessment of cumulative impacts; therefore, the Client will prepare and incorporate a Rapid Cumulative Impact Assessment ("RCIA")¹.

4.1.c.iii Gender Risks

The major gender risks identified in the Project's area of influence are associated with the presence of external workers and the establishment of camps in rural areas. The Client will prepare a Gender Risk Analysis for the Project's construction phase.

4.1.c.iv Gender Programs

Based on the gender risk assessment, the Client will develop a Gender Risk Management Plan that will include: i) specific actions to manage the identified risks; ii) the implementation of a Code of Conduct for workers and contractors, with an express prohibition against discrimination, violence, and harassment based on gender; iii) training requirements regarding the content and implementation of the plan; and iv) measures aimed at expanding the Project's benefits for women, as well as their participation as workers and suppliers.

4.1.c.v Exposure to Climate Change

The project faces physical risks related to climate and future climate changes, specifically associated with droughts and heat waves, which will exacerbate water scarcity. For Paraguay, average monthly temperatures are projected to increase by 2°C by the 2050s and by 4°C by the end of the century under a high-emissions scenario (RCP8.5), with the greatest impact in the northeast of the country, along the Paraguay River basin.

The intensification of climate phenomena, as well as heat waves, has a long-term impact on the durability and maintenance of structures and pavement. Additionally, the health of workers involved in construction and Operations and Maintenance operations may be affected by extreme temperatures. The Client will update the Project Contingency Plan, including a climate risk analysis and appropriate adaptation measures.

4.1.d Management Programs

The PASA, which establishes measures for managing the Project's environmental and Social risks and impacts during the construction phase (which will be supplemented in the EIA-p), consists of the following programs: i) Social Management; ii) Biodiversity Management; iii) Environmental Management during the construction phase; iv) Industrial Safety and Occupational Health; and v) Contingency and Emergency Plan.

¹ Following the methodology set forth in the IDB Invest Practical Guide for the Assessment and Management of Cumulative Impacts in Latin America and the Caribbean (2023) or a similar guide

4.1.e Organizational Capacities and Competencies

The Client's organizational structure is defined in the PASA and consists of a Construction Superintendent, a Site Manager, an Administrator, a Social Specialist, an Occupational Health and Safety Specialist, an Environmental Specialist, and field technicians. The land-related component of the Project is managed by the firm ICASA, which is conducting the cadastral survey and the socioeconomic registry of those potentially affected by the Project.

4.1.f Emergency Preparedness and Response

The Project's PASA includes a Contingency and Emergency Plan that defines the structure for prevention, control, and response to unforeseen events.

4.1.g Monitoring and Evaluation

The Client has an organizational structure that includes managers in the areas of Environment, Occupational Safety and Health, and Social Management; these staff members are currently preparing the socio-environmental documents that will accompany the final designs.

External oversight, as well as monitoring of the Project's socio-environmental implementation, is the responsibility of an external audit firm contracted by the MOPC, whose performance in Environmental and Social matters is supervised by the MOPC's Directorate of Socio-Environmental Management ("DGSA"). The Client will submit monthly socio-environmental reports to the Audit Firm that underscore progress in the implementation of the Project's PASA.

4.1.h Participation of Social Stakeholders

The PASA includes a Program for Handling Claims, Complaints, and Citizen Participation that encompasses actions as well as: i) visits to homes and establishments in the area of influence; ii) community meetings; iii) identification of local leaders; iv) distribution of informational materials; v) use of institutional channels; and vi) systematization of contacts, inquiries, complaints, and claims.

The main social stakeholders in the Project's area of influence are: i) the Pindó Cooperative, an organization representing more than 850 farmers in the area; and ii) the PY10 Route Management Commission—Integration between Guairá, Caazapá, and Alto Paraná—composed of representatives from private companies, cooperatives, and local government. The Client has established a dynamic engagement process with both institutions, which has facilitated the dissemination of information and the advancement of community participation processes.

4.1.h.i Information Dissemination

The Client disseminates information through: i) outreach meetings; ii) local radio stations; iii) training and orientation workshops for community leaders, producers, and neighborhood committees; and iv) informational materials and brochures.

4.1.h.ii Informed Consultation and Participation

As part of the preparation of environmental documents and the start of the detailed design phase, the Client has held several public hearings. It is worth noting that the Project responds to a request made by residents of the area of influence to the local government to improve transportation routes for their agricultural products to Asunción.

During the participation and consultation processes, the main concern expressed by residents has related to issues of land titling and documentation for the potentially affected lands.

4.1.h.iii Indigenous Peoples

The Client did not identify any indigenous communities within the Projects' direct and indirect areas of influence that could be materially and negatively affected.

4.1.i External Communications and Grievance Mechanism

4.1.i.i External Communications

The Client has in-person, telephone, digital, and institutional communication channels, as well as a procedure that defines response times based on priority, the opening of an individual case file with an identification number, the recording of needs in a tracking form, forwarding them to the responsible departments, and their periodic inclusion in monthly social reports.

4.1.i.ii Complaint Mechanism for Affected Communities

The Project's Program for Handling Claims, Complaints, and Citizen Participation includes: i) channels for receiving and logging claims; ii) processes for classifying claims by priority tier; iii) response deadlines; and iv) processes for internally routing requests. The Project will have electronic channels and telephone hotlines for receiving complaints and claims, as well as in-person service centers at the Obrero Camp and at municipal offices.

The Client will specify the procedure for handling reports of sexual harassment filed by the community against subcontractor employees, in order to ensure the Consortium's joint and several liability.

4.1.i.iii Provisions for Addressing Complaints from Vulnerable Groups

The Project's Program for Handling Claims, Complaints, and Citizen Participation provides for the availability of printed forms and in-person service centers at the municipal offices in San Cristóbal and Abaí, to ensure that groups with limited access to technology can address their needs.

4.1.i.iv Reports to Affected Communities

The Client will ensure that the communities of San Cristóbal and Abaí receive clear, detailed, and timely information regarding the scope of the project, its construction phases, and the implementation schedule.

4.2 Employment and Working Conditions

4.2.a Working Conditions and Management of Labor Relations

4.2.a.i Human Resources Policies and Procedures

The Project complies with the provisions of the Paraguayan Labor Code. The Local Workforce Engagement and Hiring Program prioritizes the hiring of residents of the districts of San Cristóbal and Abaí, requires mandatory registration of personnel with the Social Security Institute (“IPS”), and expressly prohibits child labor. Currently, there are no workers on construction sites, as the Client is in the detailed design phase of the project.

4.2.a.ii Working Conditions and Terms of Employment

The PASA contains an Occupational Health and Safety Plan applicable to the Contractor’s personnel, subcontractors, and individuals entering operational areas, which includes: i) the use of personal protective equipment (“PPE”); ii) risk assessment procedures; iii) emergency response protocols; iv) fire prevention and suppression procedures; v) signage requirements; vi) protocols for controlling unsafe conditions; vii) an analysis of safe practices; viii) training, orientation, and workshop requirements; ix) protocols for monitoring safety and hygiene conditions; x) obligations to provide, free of charge, adequate safety, hygiene, and, where applicable, lodging conditions, as well as first aid; and xi) traffic control procedures at construction sites.

4.2.a.iii Labor Organizations

The Client recognizes workers’ right to freedom of association and to form organizations aimed at defending their professional interests. Currently, there are no unionized workers on the Projects.

4.2.a.iv Non-Discrimination and Equal Opportunity

The Client, in compliance with the Ministry of Public Works and Communications’ (MOPC) General Environmental Technical Specifications (“ETAG”), strictly prohibits any discrimination based on race, color, sex, religion, or political opinion. The Project’s PASA Local Workforce Engagement and Hiring Program establishes guidelines for the inclusion of women, youth, and members of indigenous communities in Alto Paraná and Caazapá.

4.2.a.v Workforce Reduction

During the construction phase, the project anticipates the creation of temporary jobs, with an estimated peak of approximately 200 workers. The Client will develop and formalize a Workforce Demobilization Plan for the gradual reduction of both in-house and subcontracted workers as the works are completed.

4.2.a.vi Complaint Handling Mechanism

The Program for Handling Claims, Complaints, and Citizen Participation is designed to ensure the timely, transparent, and effective management of any complaints or claims the community may have regarding the Project. This mechanism, applicable to all individuals involved in the project—regardless of their contractual relationship—includes multiple channels for submitting complaints: the In-Person Service Center at the construction camp, the municipal offices in San Cristóbal and Abaí, a dedicated hotline, and electronic channels available 24/7.

The Client will define and adopt a specific protocol within the Project's complaint mechanism for receiving, addressing, and following up on reports related to harassment, discrimination, gender-based violence, and other conduct inconsistent with the Code of Conduct.

4.2.a.vii Child Labor and Forced Labor

The Client complies with local regulations prohibiting child labor and any type of unpaid work.

4.2.b Occupational Health and Safety

As part of the PASA, the Project has an Occupational Health and Safety Program ("PSSO") that: i) establishes preventive and control measures aimed at reducing the occurrence of accidents and occupational illnesses; ii) is mandatory for employees of the Contractor and subcontractors; iii) is based on the provisions of the General Technical Regulations on Occupational Safety, Hygiene, and Medicine in force in the Republic of Paraguay; and iv) incorporates guidelines for (a) the proper use of personal protective equipment ("PPE"), (b) risk assessment, (c) the organization of emergency response, (d) fire prevention and firefighting, (e) signage, and (f) the control of unsafe conditions and safe work practices.

The Client shall supplement the PSSO by including: i) a detailed risk matrix by activity, front, and auxiliary facility; ii) specific procedures for critical activities; iii) an Organizational Structure for Occupational Health and Safety; iv) a differentiated labor complaint mechanism; v) protocols for managing subcontractors and suppliers; vi) the use of indicators; and vi) requirements for audits and periodic performance reports.

4.2.c Provisions for People with Disabilities

The Project's Local Workforce Engagement and Hiring Program seeks to promote the labor inclusion of vulnerable groups in the districts of San Cristóbal and Abaí. Additionally, the Client organizes job fairs, informational meetings with community leaders, and radio awareness campaigns to ensure

equitable access to employment opportunities and technical training programs that strengthen local employability.

4.2.d Workers Hired by Third Parties

The Client will develop and implement a procedure for the management and supervision of third parties, including hiring criteria, mechanisms for monitoring work performance, and contractual provisions establishing obligations regarding working conditions, Occupational Health and Safety, and the prevention of child and forced labor.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

The Client will prepare a Program for the Promotion of the Efficient Use of Natural Resources, which: (i) will promote the reuse of construction materials and water, and the reduction of emissions from the transportation of materials and fuel consumption, among other measures; and (ii) will apply to contractors and subcontractors.

The Client will source construction materials from a quarry currently in operation, located in the Buena Vista Sector and licensed by the Environmental Authority.

4.3.a.i Greenhouse Gas

The Client will submit an estimate of Greenhouse Gas (“GHG”) emissions associated with fuel consumption, earthmoving, material transportation, the operation of industrial plants, heavy machinery, and asphalt mix production.

4.3.a.ii Water Consumption

The Project calls for the direct collection of surface water from streams for construction activities. The Client will submit a water efficiency plan that will include: (i) identification of the water source; (ii) quantification of the volume of water required; (iii) a breakdown of current users; (iv) a summary of existing uses; (v) requirements for entering into formal water use agreements; and (vi) measures for efficient use and pollution prevention.

To supply water to the camp, the construction of underground wells is planned, duly authorized by the competent authority.

4.3.b Pollution Prevention

The Project’s Environmental and Social Action Plan (PASA) defines management measures to control the generation of particulate matter, dust, noise, and vibrations. The measures include: i) periodic watering of construction sites; ii) frequent cleaning of access and exit roads; iii) speed control for vehicles and machinery; iv) protection of stockpiles from wind; v) preventive and corrective maintenance of equipment; vi) operator training; and vii) noise monitoring with a sound level meter.

Within its camp or worksite, which will be located on leased rural land, the Project will install an asphalt plant and fuel storage facilities. Since no information is currently available regarding the environmental quality of the site, the Client will conduct an air and soil quality monitoring campaign prior to the start of activities, which will continue throughout the Project's construction phase.

The Project calls for the demolition and construction of two existing bridges over the Guazú and Ypety Guazú streams. This involves construction activities near or within the stream channels, earthwork, the demolition of structures, debris management, excavation and foundation work, the use of concrete, and the movement of heavy machinery in areas near bodies of water. Consequently, the Client will implement a program to prevent water pollution and adverse effects on downstream users, which will include a monitoring program.

Wastewater from toilets will be collected and disposed of by authorized companies.

4.3.b.i Waste

The PASA includes measures for the segregation, storage, and disposal of non-hazardous and hazardous waste. To this end, the Project will have secure temporary storage facilities, qualified operators, odor controls, disposal certificates, and contingency measures in case of overflows or spills.

The Client will update the PASA to include information on: i) reduction, reuse, and recycling targets; ii) traceability from generation to final disposal; iii) authorized waste management operators and final disposal sites; iv) specific procedures by type of hazardous waste; v) procedures for handling surplus materials; vi) performance indicators; and vii) procedures for monitoring subcontractors, carriers, waste management operators, and suppliers.

4.3.b.ii Hazardous Materials Management

Measures for the management of fuels, oils, lubricants, and chemicals are described in the PASA's Program for the Management of Liquid Waste, Fuels, Oils, and Chemicals. These include storage in closed, labeled tanks and containers located at least six meters from buildings, and the use of drip pans or trays to contain spills.

4.3.b.iii Pesticide Management and Use

The project does not call for the use of pesticides.

4.4 Community Health and Safety

4.4.a Community Health and Safety

The Project will be carried out primarily in rural and semi-urban areas, with the exception of the Tuparendá and Tuna bypasses, which will be constructed in urban areas. The identified socio-environmental risks and impacts are mainly associated with: the implementation of temporary

detours; increased freight and heavy equipment traffic; the generation of particulate matter, noise, and vibrations; restrictions on access to properties and businesses; an increase in traffic accidents (pedestrian strikes); and alterations to surface water flows associated with critical interventions on bridge structures and drainage systems.

The Client will prepare a Community Health and Safety Plan that will include: i) traffic management measures by section; and ii) the identification of (a) sensitive recipients, (b) the exposed population, (c) haulage routes, (d) accident-prone areas, (e) school zones, and (f) access points to corn and soybean collection facilities.

4.4.a.i Infrastructure and Equipment Design and Safety

The PASA includes measures for road safety, signage, access management, adaptation of urban crossings, pedestrian safety measures, coordination with local authorities, and traffic control devices. Additionally, the Communication Program contains protocols for informing the community about detours, temporary closures, active work sites, and road safety recommendations.

However, the Client will develop a Community Traffic Management and Road Safety Plan that includes: i) georeferenced mapping of critical points; ii) sensitive receptors; iii) haulage routes; iv) detours, temporary access points, speed limits, flaggers, lighting, physical barriers, and safe pedestrian crossings; and v) incident monitoring.

4.4.a.ii Hazardous Materials Management and Safety

The PASA includes a Program for the Management of Liquid Waste, Fuels, Oils, and Chemicals, as well as a Program for the Use and Handling of Explosives, should the use of the latter be required. However, the focus is primarily on preventing pollution and protecting site personnel, without sufficiently addressing risks to third parties. That said, the Client will include in the Community Health and Safety Plan community-focused operational procedures for managing hazardous materials, including authorized routes, schedules, signage, advance notice, exclusion zones, training for transporters, coordination with authorities, emergency kits, response protocols, and notification to communities.

4.4.a.iii Ecosystem Services

The Project does not anticipate any significant negative impacts on ecosystem services.

4.4.a.iv Community Exposure to Disease

The risk of community exposure to disease is preliminarily considered low to moderate, given that the workers' camp will be located outside of towns or populated centers and that its establishment will be subject to the corresponding environmental approval.

4.4.a.v Emergency Preparedness and Response

The Project has a Contingency and Emergency Plan that: (i) identifies measures to address fires, explosions, spills, air emissions, and improper waste disposal; and (ii) establishes principles for prevention, response, and recovery in the event of unforeseen incidents.

The Client will update the Plan to include: i) an assessment of potential risks and impacts on local communities; ii) procedures for notifying communities in the event of an actual emergency; iii) protocols for coordination with local, regional, and national authorities responsible for managing emergencies; iv) the location of evacuation routes and assembly points; v) protocols for forming emergency response teams; and vi) training requirements.

4.4.b Security Personnel

Security companies hired by the Client to perform basic surveillance tasks will be trained and licensed by the relevant authorities. These personnel will not be armed and will adhere to a Code of Conduct governing their behavior toward surrounding communities.

The Client shall develop a Security Personnel Management Procedure that: i) includes protocols for (a) background checks on security guards, (b) their training on human rights and the proportional use of force, (c) enforcement of the code of conduct, and (d) incident reporting; ii) prohibit any form of intimidation; and iii) include an accessible complaints mechanism.

4.5 Land Acquisition and Involuntary Resettlement

4.5.a General Aspects

4.5.a.i Project Design

The Project will be implemented using existing infrastructure, which minimizes the number of properties to be expropriated. However, the Client anticipates potential impacts on homes, businesses, and production facilities in the urban bypass areas (Tuparendá and Tuna) and along the road's geometric realignments.

The Project's Compensation or Replacement Program for Affected Properties provides for the prior identification of properties and infrastructure potentially affected within a 60-meter radius on either side of the project axis, including detour routes and connecting streets. This process involves the preparation of Pre-Construction Condition Reports, the creation of georeferenced photographic records, and joint technical site visits between the Client and the Supervising Authority. These measures help prevent and document potential damage resulting from activities such as the movement of heavy machinery, excavations, and vibrations.

4.5.a.ii Compensation and Benefits for Displaced Persons

The registration of families and economic units affected by road projects is the responsibility of the MOPC, but it may be carried out by technical teams, contractors, or consulting firms formally

associated with the project. In the case of properties subject to expropriation for right-of-way purposes, the process is formalized by notifying the affected party (specifying the area to be expropriated), conducting an assessment, and providing the opportunity to comment, reconsider, or challenge the decision, in accordance with the procedure set forth in local regulations.

Compensation is determined based on fair market value, through a valuation of the property and any improvements at market price (plus 10% if the owner accepts the compensation offer for the affected property). The affected area is determined through a cadastral survey in accordance with the alignment of the right-of-way.

4.5.a.iii Community Participation

The Client, in collaboration with the Project's stakeholders, will prepare a Livelihood Restoration Plan ("LRP") for the population affected by the right-of-way acquisition. This plan includes a process for disseminating relevant information and ensuring the participation of affected communities and individuals during the planning, implementation, monitoring, and evaluation of compensation payments.

4.5.a.iv Complaint Handling Mechanism

The Client will include in the PRMV a mechanism to receive, record, evaluate, and respond in a timely manner to concerns related to compensation measures, income restoration, relocation, or the resumption of economic activities for affected individuals. This mechanism will be accessible to displaced persons, occupants, tenants, affected economic units, and, where applicable, host communities.

4.5.a.v Planning and Implementation of Resettlement and Livelihood Restoration

The Project does not require the involuntary physical resettlement of people. However, it is likely to affect productive areas and may result in potential economic displacement due to the acquisition of right-of-way. In this regard, the Client will prepare and implement a PRMV.

4.5.b Displacement

4.5.b.i Physical Displacement

The Project does not require the involuntary physical resettlement of people.

4.5.b.ii Economic displacement

The Program for the Restitution or Replacement of Affected Assets provides for the establishment of a Baseline survey of potentially affected individuals within a 60-meter strip on either side of the project axis. The Client will prepare and implement a PRMV for productive areas that may be affected by economic displacement.

4.5.c Private Sector Responsibilities in a Government-Managed Resettlement

The MOPC has the legal responsibility to acquire the right-of-way for the Project, and the Client is responsible for the technical execution of the registration of affected families and the survey of improvements and infrastructure.

The Client assumes responsibility for monitoring and evaluating the implementation of the Plan for Restitution or Replacement of Affected Assets, ensuring that field activities and communication with affected persons are carried out in accordance with the Project's socio-environmental guidelines and international safeguard requirements.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

4.6.a General Requirements

The characterization of the biotic environment was conducted through a contractual Environmental Study, which provides secondary information on the territory, and a Rapid Ecological Assessment ("REA"). The results of the REA indicate that the region exhibits characteristics typical of an anthropized environment, with a predominance of generalist species adapted to modified conditions. The identified risks include loss of vegetation cover, impacts on wildlife, fragmentation of habitats and ecological corridors, as well as the spread of invasive alien species.

4.6.b Biodiversity Protection and Conservation

The Project will be carried out primarily in modified habitats, on sections where only improvement works will be performed on the existing road infrastructure. Interventions involving native vegetation will be limited to tree removal and clearing of vegetation near the road.

4.6.b.i Modified Habitat

The Tuparendá and Tuna variants primarily traverse modified habitats, characterized by areas where soybeans, corn, and wheat are grown.

4.6.b.ii Natural Habitat

Although the Tuna variant passes through some natural habitats that are highly degraded, the Project will not have any significant impacts on them.

4.6.b.iii Critical habitat

The Project will not have any significant impacts on critical habitat.

4.6.b.iv Legally Protected and Internationally Recognized Areas

The Project does not overlap with protected wilderness areas, and none of these areas are located within its direct or indirect area of influence.

4.6.b.v Invasive alien species

The Project will not use invasive alien species in its forest compensation activities.

4.6.c Ecosystem service management

The Project will not materially affect any ecosystem services, given that most of the expected works will be carried out along the existing road and the bypasses will be constructed on extensive areas of farmland.

4.6.d Sustainable Management of Living Natural Resources

The Project does not involve the primary production of living natural resources.

4.6.e Supply Chain

The Project does not involve the purchase of primary production (fibers, timber, animals and animal products, as well as other raw materials for subsequent processing or marketing).

4.7 Indigenous Peoples

4.7.a General Aspects

There is no evidence of the presence of indigenous communities within the Project's direct or indirect area of influence that could be materially and negatively affected by the proposed works.

4.8 Cultural Heritage

4.8.a Protection of cultural heritage in the Project design

There are no records of sites or infrastructure of high cultural value within the Project's area of influence.

4.8.a.i Procedures in the Event of Unplanned Discoveries

Although the probability of encountering accidental discoveries during the Project's construction is low, the Client will prepare and implement a protocol for responding to accidental discoveries, which will be available on-site and communicated to both in-house and contracted field personnel through specific training sessions.

5. Local Access to Project Documentation

Documentation related to the project can be accessed at the following link:
<https://mopc.gov.py/seamoo9eib8eefou3ooze4y/PY10>