

Environmental and Social Review Summary (ESRS) WOM Handset Financing - CHILE

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1. Transaction Overview

The proposed transaction is an accounts payable purchase facility (the "Transaction", the "Credit Line" or the "Project") to be used to discount invoices originated under the program carried out by WOM ("WOM", the "Client" or the "Company") that will involve financing individual and corporate subscribers for the purchase of mobile devices and telco services in Chile. The Credit Line will be available for up to 48 months and the invoices will have a settlement period of up to 24 months.

2. Scope of the Environmental and Social Review of IDB Invest

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

3. Environmental and Social Classification and Rationale

As per IDB Invest's Environmental and Social Sustainability Policy, the Project has been classified as Category C because the incremental impacts it will generate are almost negligible, as it is a financial transaction to support the program of telephone sale in installments the Company offers to its subscribers.

4. Environmental and Social Risks

4.1 Assessment and Management of Environmental and Social Risks

The Company does not need an Environmental Suitability Resolution (ESR, equivalent to an environmental license) to operate, as the activities it performs do not represent any risk to the health of the population, do not generate any adverse effects on the quantity and quality of renewable natural resources, and do not involve human resettlement or significant disruption of the livelihood and customs of the human groups, among others. Instead, the Company needs a permit to operate issued by the Under-Department of Telecommunications (SUBTEL, for its acronym in Spanish) that contains requirements to prevent, mitigate or compensate any undesired effects.

Even though, Chilean law does not require any environmental authorization, WOM maintains an Occupational, Health and Safety Management System ("OHSMS"), and an Environmental Management System including: (i) provisions to manage and reduce the environmental impacts related to air pollution, waste water and waste; (ii) the need to comply with the Producer Extended Responsibility Act (*Ley de Responsabilidad Extendida del Productor*), an economic waste management instrument that requires

companies to organize and finance the management of the waste generated by their products; and iii) its commitment to reporting its emissions.

The environmental review has confirmed that the Company has substantially complied with environmental legislation and periodically submitted information as required by the Registry of Emissions and Transfers of Pollutants (“RETC”, for its acronym in Spanish) to the Ministry of Environment.

4.2 Labor and Working Conditions

The general working conditions and aspects are very well regulated in Chile, in terms of working schedules, salary, vacation, benefits and labor systems, among others.

As Chile is a signatory of Convention 105 of the International Labor Organization (“ILO”), Chilean law prohibits child labor in general, except for minors between 15 and 18 employed in lightweight when all the following conditions are met: i) the proposed tasks will not harm their health or physical or mental development; ii) their parents, relatives or caretakers must have authorized them to work; iii) the proposed work will not interfere with their studies; iv) the number of hours to be worked does not exceed 30 hours per week if the minor is still studying; and v) the work time does not exceed 8 hours in any case. It also prohibits unpaid or forced labor, as well as discrimination of workers because of race, color of the skin, sex or sexual inclination, ancestry, marital status, religion, political involvement, and nationality, among others. Also, freedom of association and worker unions are constitutional rights in Chile.

The Company complies with all of Chile’s requirements in terms of labor and working conditions.

4.3 Resource Efficiency and Pollution Prevention

The Company has in place pollution prevention systems and practices that account for their effective environmental and social management. Additionally, as this is a commercial transaction for invoice discount, the Transaction will not pollute or use natural resources.

4.4 Community Health and Safety

The review performed has revealed that to date there have not been any situations that may have endangered the health or safety and security of the population.

5. Proposed Management Measures

The client will comply with all applicable environmental, health and safety regulations in Chile, and the applicable IDB Invest sustainability policy.

6. Additional Information

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In addition, affected communities have access to the IIC Independent Consultation and Investigation Mechanism via:

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