# Environmental and Social Review Summary (ESRS)
# ENERTUR – DOMINICAN REPÚBLIC

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## 1. General Information of the Project and Scope of IDB Invest's Environmental and Social Review

Energía Turística S.A. ("ENERTUR", the "Client", or the "Company"), a special purpose company incorporated under the laws of the Dominican Republic that belongs to InterEnergy Group Ltd., which in turn has as a related company Consorcio Energético Punta Cana Macao S.A. ("CEPM"), is promoting the design, development, construction, operation and maintenance of: (i) a solar photovoltaic ("PV") power plant with an installed capacity of 50 MW, whose fixed structure photovoltaic panels have been designed to withstand the hurricane winds that usually occur in the region; (ii) a battery energy storage system ("BESS") with a 50 MW capacity, which will guarantee the quality and continuity of energy supply in the grid; (iii) the associated infrastructure (cell house, control room for operations, and internal roads for the construction and maintenance of the plant); and (iv) a 138 kV elevating substation, together with a power evacuation point to an existing line located approximately 60 m away from the plant (the "Project" or "FV6"). This Project, which will be implemented in the eastern province of La Romana in the Dominican Republic, aims to sell 100% of its energy production to CEPM.

The Project will consist of approximately 99,850 620/625 watt direct current ("Wdc") photovoltaic modules, 8 transformer stations of up to 6,400 kilowatts ("KW"), and 160 string inverters that will convert the direct current generated by the panels to alternating current, which will then be supplied to the transformer station.

The BESS system, with an installed capacity of 50 MW, will be distributed as follows: a first system of 30 MW, directly within the FV6 area; a second one of 10 MW, in the transformer station located at the Moon Palace hotel; and the third one of 10 MW in the CEPM photovoltaic plant, located in Bávaro.

Pursuant to national regulations, since the installed capacity of the Project exceeds 25 MW, the Project will require an Environmental Impact Assessment ("EIAS"). In mid-October of this year, the Ministry of the Environment and Natural Resources ("MIMARENA") approved the terms of reference for this study. To date, the Client has completed the baseline, identified the environmental and social impacts associated with the works to be carried out and has identified the corresponding management measures, which have been grouped in an Environmental and Social Management Program ("ESMP"). In November, ENETUR will submit the EIA for MIMARENA's review to obtain the environmental license for the Project.

The Project's environmental and social due diligence ("ESDD") included, among other activities: i) a review of the technical, environmental, health and safety, and social documentation provided by ENERTUR; ii) a field visit to the FV6 sites, the Moon Palace Hotel substation where the 10 MW BESS system will be located, and CEPM's photovoltaic plant area, located in Bávaro, where the 10 MW BESS system will be installed.

## 2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according with IDB Invest´s Environmental and Social Sustainability Policy since it will likely generate the following impacts and risks among others: i) labor risks in the supply chain; ii) risks to the occupational health and safety of workers and communities; iii) soil erosion; iv) waste generation; and v) localized loss of plant cover. These impacts and risks are deemed to be of low to medium-low 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; and iv) PS4: Community Health, Safety, and Security.

## 3. Environmental and Social Context

### 3.1 General Characteristics of the Project's site

The Project site is located in a large area dedicated to sugarcane cultivation and harvesting. The area has the typical characteristics of a long history of sugarcane cultivation in the Dominican Republic. The first sugarcane plantations were introduced in the Dominican Republic by the Spanish colonizers in the early 16th century. Agriculture is currently one of the most important sectors of the national economy, with sugarcane being the main product. Three companies control 75% of the sugarcane plantations: the State Sugar Council ("CEA"), which controls 50% of production, Casa Vicini, a national company, and Central de la Romana, a foreign company. The Project area produces sugarcane that is transported to the La Romana sugar mill.

Migration has resulted in the labor force in the sugarcane fields in this area comprising Haitians residing in Dominican territory. The access road in the Project area includes a freight train line that serves the sugar mills and two adjoining bateyes[1] (Lalon and Tocones).

### 3.2 Contextual Risks

During the first two years in office of President Luis Abinader of the Partido Revolucionario Moderno ("PRM"), the political stability of the Dominican Republic has remained solid. The election results highlighted discontent with the previous Partido de la Liberación Dominicana ("PLD") administration, which had been repeatedly accused of corruption, favoritism, and lack of investment in key sectors, particularly infrastructure and energy, since 2017.

[1] A rural community whose population works in sugarcane harvesting: planting, cutting, loading, weighing, and transporting.

Abinader and the PRM are in favor of private investment; they have effectively contained the COVID-19 pandemic, and have ensured a strong economic recovery, after the country's economy (heavily based on tourism) was affected by the pandemic.

The country reported solid growth of 10.3% in 2021[2]. Nevertheless, the government has proposed to maintain similar growth levels for the coming years, through a series of reforms discussed since August 2021. These include, among other aspects, an increase in private participation and foreign investment in the energy sector.

The Dominican Republic's COVID-19 vaccination program is among the strongest in Latin America. This made the country one of the first in the Americas to lift all COVID-19 restrictions. Thus, its tourism sector has displayed one of the best recoveries in the region, which will undoubtedly foster growth and stability for the remainder of 2022. The country's dependence on oil and rising commodity prices, however, will likely remain an obstacle to the nation's economic growth.

According to the last census[3], 50% of households experience interruptions in basic services due to infrastructure deficiencies. In particular, the energy sector has suffered from a persistent lack of investment and inefficient infrastructure, resulting in frequent blackouts. In addition, the country is exposed to natural disasters, mainly earthquakes and hurricanes, with the latter posing the highest physical risk. Thus, in recent years, category 5 hurricanes Irma and Maria (2017) and category 3 Fiona (2022) have had the most impact on the country of late.

## 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

CEPM has ISO 9001:2015[4], 14001:2015[5], and ISO 45001:2018[6] certifications, and an Environmental and a Social Management System in place for the Project's execution. It also has centralized systems for managing socio-environmental risks and general procedures, including emergency response, hurricane preparedness and contractor management manuals. CEPM makes use of a Safety, Health, and Environment information management system called ISOTools to report incidents at each of the sites.

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2 https://eleconomista.com.ar/economia/el-pib-cerro-2021-mayor-suba-2004-tuvo-crecimiento-promedio-anual-103-n51722

3 https://dominicana.gob.do/index.php/component/k2/item/90-censos

4 Certification granted by the International Organization for Standardization ("ISO") to quality systems that meet certain pre-established requirements (https://www.isotools.cl/que-necesito-iso-9001-iso-9002-iso-9003-o-iso-9004/)

5 Certification granted by the ISO to environmental quality systems that meet certain pre-established requirements (https://www.nueva-iso-14001.com/2019/02/diferencias-entre-iso-14000-e-iso-14001/#:~:text=La%20ISO%2014000%20hace%20referencia,se%20encuentra%20la%20ISO%2014001)

6 Certification granted by the ISO to occupational health and safety systems that meet certain pre-established requirements (https://revista.une.org/2/todo-lo-que-hay-que-saber-sobre-la-iso-45001.html)

### 4.1.b Policy

The Client has a Code of Ethics (the "Code") in place, designed to promote an organizational culture that fosters ethical conduct, with specific guidelines for business decision-making and behavior. The Code applies to all directors, officers, employees, and temporary workers, as well as suppliers, contractors, third-party service providers, consultants, and any other person or entity that provides services to it.

The Client also has a policy that sets the basis and ratifies its commitment to fostering an inclusive culture, promoting equity, diversity, inclusion, and respect for human rights. The policy explicitly addresses the need to ensure that all individuals or social groups have equal possibilities and opportunities to fulfill themselves as individuals, regardless of their characteristics, disability, gender, sexual identity or orientation, culture, or beliefs. The rules and regulations contained in the policy are mandatory for all employees. The Client also has a termination policy that defines the steps to be followed before an employee leaves the company.

### 4.1.c Identification of Risks and Impacts

The impacts identified for the Project are those typical of a construction project. These include minor impacts to air, soil, noise, and the occupational health and safety of workers as well as adjacent communities.

Since the site where the Project will be implemented is an area characterized by a sugarcane monoculture (a highly modified habitat), impacts to biodiversity and archaeological resources are ruled out.

#### 4.1.c.i Direct and Indirect Impacts and Risks

The EIA identifies as main negative impacts alterations to the landscape, soil, air quality, noise, traffic, and local roads. Of these, all were rated as of low importance with the exception of the issues of landscape change from solar panels and traffic management, which are of medium importance.

#### 4.1.c.ii Analysis of Alternatives

The analysis of alternatives performed for the Project considered the following aspects: i) availability of the solar resource; ii) existence of interconnection facilities; iii) site characteristics, which included aspects related to land availability (60 to 100 hectares), land tenure (single owner), average slopes (3 to 5%), site accessibility from main roads, daily photovoltaic potential (“PVOUT”), and preliminary land use, among other factors; and iv) environmental and social considerations such as: the presence of protected areas, mining concessions, or strategic or sensitive ecosystems (mangroves, wetlands, dunes, estuaries); the presence of populations to avoid any form of involuntary physical or economic displacement; archaeological records; and the vulnerability of the site to extreme weather events (floods, fires, etc.).

#### 4.1.c.iii Cumulative Impact Analysis

The incremental effects generated by past projects (sugarcane plantations, construction of the railroad line serving the sugar mills, 138 kV transmission line, and access roads to the area) have been factored into the baseline Project's EIA. Additionally, no other projects are currently underway in the area where the solar farm will be located, nor are there any other projects planned. Thus, since there are no ongoing or future projects in the analyzed area, and the effect of past projects has been incorporated into the Project's baseline, the aggregate impact of past, present, and future projects is equal to the Project's ecological footprint. As such, no cumulative impact mitigation plan is required.

#### 4.1.c.iv Gender Risks

There is a significant gender gap in the Latin American and Caribbean region. This gap, defined as differential and unequal access to economic resources, political participation, and educational and occupational opportunities based on sex or gender, is reinforced by widespread cultural norms regarding what is considered acceptable in terms of gender roles, and exacerbated by inadequate implementation of the legal framework.

The gender gap leads to discrimination, unequal access to public services and education, wage and employment differences between men and women, and lagging rates of political participation.

The gender gap in the Dominican Republic is 70%[7]. This means that, on average, women have 30% fewer opportunities than men in education, access to health, the economy, and politics.

Gender-based violence and harassment is also a problem in Latin America and the Caribbean. The Dominican Republic ranked seventh in femicides in 2020, with 132 cases reported[8].

Nevertheless, due to the characteristics of the Project, no material gender risks or impacts have been identified. In this regard, the Client's policies encourage the participation of women, and although there is no explicit plan in the EMP to ensure that women participate in the FV6 Project either as workers or potential suppliers of goods or services, the Project will seek to eliminate barriers to the hiring of women during its construction, and will strive to ensure that at least 25% of the people working in its operation are women.

#### 4.1.c.v Gender Programs

Although the Client, in its policies and on its website, establishes gender equity as one of its values to align with the United Nations Sustainable Development Goals[9], it will develop a specific program to encourage equal participation of men and women.

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7 https://www.statista.com/statistics/803494/latin-america-gender-gap-index-country/

8 https://www.statista.com/statistics/827170/number-femicide-victims-latin-america-by-country/

9 https://cepm.com.do/valor-compartido/areas-de-accion/igualdad-de-genero/

#### 4.1.c.vi Climate Change Exposure

The implementation of the Project contributes to the energy transition of the Dominican Republic through the decarbonization of its energy matrix.

The Project is located in an area prone to hurricanes. According to the Global Assessment Report on Disaster Risk Reduction[10], 95.3% of losses associated with a disaster in the Dominican Republic are attributed to floods (46.5%) and storms (48.8%).

The Client has established an Emergency Response Plan ("ERP"), which applies to all employees, visitors, and contractors, with the following objectives: (i) to safeguard the safety of employees; (ii) to reduce possible damages caused by hurricanes; (iii) to identify the actions necessary, after the impact of a hurricane, to resume operations in the shortest possible time; (iv) to define key operations to ensure the safety of facilities, equipment, and transmission lines, minimizing to the maximum the possible damages during the event; (v) to establish initial actions that can reduce the effects of the damages caused by the storm; and (vi) to establish management responsibilities before, during, and after the occurrence of a hurricane.

To implement the above, the ERP considers the following alert levels: i) Green or tropical storm/hurricane warning, which is issued between 72 and 48 hours in advance, when there is evidence that a tropical storm or hurricane has formed approximately 1,300 miles (2,000 km) east of the Dominican Republic; ii) Yellow or tropical storm/hurricane watch, which is issued between 48 and 24 hours in advance when the eye of the hurricane is approximately 1,000 miles (1,600 km) east of the country and represents a potential threat; and iii) Red or tropical storm/hurricane watch, which is issued between 24 and 12 hours in advance when the eye of the hurricane is approximately 500 to 700 miles (800 km to 1,100 km) east of the island of Hispaniola.

### 4.1.d Management Programs

The Project has an Environmental and Social Management Program ("ESMP"), which contains indicators, targets, costs, and management measures for both the construction and operation stages to prevent, mitigate, or offset the adverse impacts identified in the Project's impact matrix.

### 4.1.e Organizational Capacity and Competency

The Client's General Renewable Energy Division ("DGER"), which leads project construction, operation, and maintenance, has formed a dedicated team to oversee environmental and social issues and ensure compliance with its policies and standards. This department is supported by the Sustainability Management, which, in turn, is supported by a Senior Environmental and Occupational Health Supervisor, a Superintendent of Social Management, Communications, and Shared Value, and a Senior Environmental and Social Management Coordinator. The latter are advised by a team of environmental and social consultants provided by a specialized company.

[10] https://www.preventionweb.net/english/hyogo/gar/2015/en/home/data.html, Global Assessment Report on Disaster Risk Reduction 2015.

The DGER, to which a Renewable Construction Director and a Renewable Construction Engineer report directly, is also in charge of supervising the environmental and social aspects of the construction contractors[11] responsible for the construction of the solar farm and the substation.

### 4.1.f Emergency Preparedness and Response

The Client has prepared a General Emergency Plan and a Hurricane Contingency Management Plan. As part of the implementation of these plans, the Client will hold training events (to be monitored through a matrix) that will be mandatory for all employees and contractors; and daily kick-off meetings at the various construction sites, which will emphasize the hurricane plan during the cyclone season (June to November).

The Client has formed a Hurricane Emergency Management Committee, which meets with all teams at the beginning of the cyclone season.

The Project's ERP, prepared as part of its EIA, identifies two types of hazards: i) natural, which include earthquakes, hurricanes, floods, and lightning strikes; and ii) anthropogenic, which are associated with the operation of the Project and include fires, accidents due to contact with energized elements, occupational accidents, community-related accidents, and risk of explosion in the BESS. The risks associated with this type of hazard are of medium-low intensity.

The ERP: (i) provides guidelines for the formation of an emergency brigade; (ii) establishes warning and evacuation levels if necessary; (iii) outlines the disaster prevention and response training courses that should be provided; (iv) requires drills; (v) establishes the need to train personnel in risk prevention, occupational safety and first aid in different situations (heat stroke, cardiopulmonary resuscitation, injuries, etc.); (vi) includes a list of specific procedures in case of natural disasters that may pose a potential risk to the projects (earthquakes, hurricanes and electrical shocks, and disasters associated with technology); and vii) includes a list of contacts for external communications to be activated in case of emergency.

### 4.1.g Monitoring and review

In addition to oversight of the environmental and social performance of the Project by the competent environmental authority, its environmental and social performance will be verified by: (i) the Client's Environmental and Social Management System; (ii) the environmental and social teams of the main contractors; and (iii) IDB Invest, either through its specialists, or with the support of an Independent Environmental and Social Consultant ("IESC").

### 4.1.h Stakeholder Engagement

The Project has a Stakeholder Engagement Plan ("SEP"). The Client will make the first public visit to the Project in the first half of November 2023. Since the Company received approval of the terms of

[11] Contractors, for their part, shall adopt an environmental and social management system that enables them to comply with the requirements of local legislation and those of the Client.

reference for the EIA in mid-October 2023, this activity should be coordinated at least 15 working days (3 weeks) in advance with MIMARENA's Department of Consultation and Social Participation.

All stakeholders identified in the EIA evaluation process will be invited to this activity, including, among others, representatives of: (i) neighboring companies, especially agribusiness; (ii) potentially affected parties; (iii) traders; (iv) non-governmental organizations (NGOs); (v) religious organizations; (vi) local and national authorities (municipal, relief, Fire Department, etc.); and (vii) educational institutions.

#### 4.1.h.i Disclosure of Information

The first public hearing of the Project, to be held in mid-November 2023, will be attended by the main stakeholders, who will be invited through the Company's formal mechanisms. These stakeholders include: (i) Project beneficiaries; (ii) local companies; (iii) sugar settlers; (iv) stakeholders (business associations, cultural groups, unions); (v) local and national civil society (NGOs, community organizations, and other civil society organizations), as well as religious groups; (vi) local authorities; and (vii) state institutions with authority over the Project (National Energy Commission, Superintendence of Electricity, MIMARENA).

#### 4.1.h.ii Informed Consultation and Participation

The first round of community consultation and participation is scheduled to take place in mid-November.

#### 4.1.h.iii Indigenous Peoples

The Project will not affect any Indigenous communities.

#### 4.1.h.iv Private Sector Responsibilities Under Government-Led Stakeholder Engagement

Community relations are the responsibility of the Client. In this regard, there have not been any public consultation events led by governmental entities, nor are any expected to take place.

### 4.1.i External Communication and Grievance Mechanisms

#### 4.1.i.i External Communication

The Project's external communications will basically consist of meetings with stakeholders. They will also be conducted using the Company's website, a dedicated telephone line, and a customer service office for in-person consultations. The Superintendency of Social Management and Shared Value of the Company in the Dominican Republic periodically carries out socialization activities to maintain a close relationship with the communities.

#### 4.1.i.ii Grievance Mechanisms for Affected Communities

The Project has a complaints and grievance mechanism that is part of its SEP. It allows complaints to be received explicitly or anonymously via a physical mailbox, by telephone, e-mail, through the CEPM website or directly at CEPM's offices. The procedure details how the complaint is to be captured, the procedure for registering it, its relation to the Project, the measures to be taken to remedy it, and how the complainant is to be informed of the treatment given to the complaint filed. The results of implementing the mechanism will be included in the compliance reports.

#### 4.1.i.iii Provisions for addressing vulnerable groups' grievances

Given that, with the exception of two "*bateyes*" (groups of people living in sugarcane plantations), there are no structured settlements in the vicinity of the Project, there are no vulnerable groups that could be affected by the works to be performed.

#### 4.1.i.iv Reporting to Affected Communities

To date, the Client has not shared Project information with the community, except for general details. External communication will be carried out through the community relations actions foreseen in its SEP.

### 4.2 Labor and Working Conditions

#### 4.2.a Working Conditions and Management of Worker Relationships

The Project is in its pre-construction phase. All unskilled labor to be contracted will be locally sourced. The maximum number of workers required at the peak of its construction phase will be around 250. This number is expected to be reduced to a maximum of 5 workers when the Project becomes operational.

#### 4.2.a.i Human Resources Policies and Procedures

The Client has a Corporate Policy on Human Resources, Hiring, Termination of Employment, Non-Discrimination, and Gender Equity.

#### 4.2.a.ii Working Conditions and Terms of Employment

Recruitment of labor required for the Project will follow the provisions of Dominican labor laws. The Project will ensure adequate working conditions for all its employees, including people with disabilities.

#### 4.2.a.iii Workers' Organizations

As required by Dominican law, the Project will permit the free association of its employees, the formation of labor unions, and membership in existing labor unions. To date, however, given that the Project is in its pre-construction phase, no labor union has been formed.

#### 4.2.a.iv Non-discrimination and Equal Opportunity

The Project's Human Rights Policy promotes equal opportunities for all professionals, regardless of sexual orientation, social class, race, or gender.

#### 4.2.a.v Retrenchment

Employees will be linked to the Project through written contracts, and terminated, when applicable, following the guidelines established by the labor regulations of the Dominican Republic. Given that the workforce for the entire Project will be around 200 employees during construction and 10 employees during the operation phase, no massive workforce reduction plans are being considered.

#### 4.2.a.vi Grievance Mechanism

The Project has an internal grievance mechanism that allows capturing and processing employee complaints and grievances, guaranteeing complete confidentiality for the complainant and avoiding any type of harassment or discrimination for having filed the complaint. Complaints may be anonymous.

### 4.2.b Protecting the Workforce

Dominican laws prohibit child and forced labor; therefore, the Project has established policies and mechanisms to ensure compliance with such laws. All contractors are required to have their personnel registered with the Social Security Treasury.

### 4.2.c Occupational Health and Safety

The Project's Health and Safety Plan lists the personal protective equipment ("PPE") requirements for workers, details the number and type of inductions required, contains compliance indicators, includes a detail of the safety measures to be applied, presents a detail of the types of signage required during construction, and details a set of general rules to avoid accidents during on-site work. During the tender process, all bidders are required to have a Health and Safety program approved by the corresponding institutions.

### 4.2.d Provisions for People with Disabilities

As part of its values, the Client includes the provision of conditions for the employment of people with disabilities. Despite this, no workers with disabilities have been registered to date.

### 4.2.e Workers Engaged by Third Parties

Contractors' and subcontractors' workers enjoy the same benefits and have the same duties as those hired directly by the Project.

#### 4.2.f Supply Chain

Project suppliers will be chosen through an open tender process that will allow them to comply with legal requirements and apply their Code of Ethics. This includes, but is not limited to, cases such as forced labor, child labor and human trafficking. Consequently, each supplier shall declare and guarantee that: (i) it will comply, and will ensure that its related companies comply, with all laws applicable to the supply of products or performance of services to be rendered, including, among others, laws regulating labor conditions, health and safety of suppliers' collaborators, environmental protection, and ethical practices; and (ii) it will develop policies and practices to respect and maintain good relations with local communities, ethnic communities, and stakeholders. This ensures their validation to mitigate the risk of forced labor in the solar panel supply chain.

Specifically, the potential solar panel supplier[12] shows, for the last two years, a level 2exposure[13] to human rights and forced labor issues along its supply chain[14]. It should also be noted that this supplier: i) is one of the largest producers of solar panels in the world; ii) produces part of the poly silicon used in the manufacture of its solar modules; and iii) although it is based in China, it has no facilities or direct investments in the Xinjiang region[15].

The solar panels and components procurement contract requires the supplier to comply (and to require its suppliers to comply) with all applicable labor laws and regulations, and with, among others, the following provisions: i) the non-use of child labor or forced labor in the production of the photovoltaic products; ii) due diligence of its supply chain, using child labor and forced labor indicators of the International Labor Organization ("ILO"); iii) not having purchased photovoltaic products from any other supplier that have been or are being produced using child or forced labor; iv) a commitment to monitor its supply chain on an ongoing basis to identify any significant changes in its supply chain; and v) a commitment to take appropriate measures and to immediately inform the Project when new risks or incidents of child or forced labor have been detected[16]. This document allows the Client to unilaterally terminate the contract if the supplier fails to comply with the above provisions[17].

### 4.3 Resource Efficiency and Pollution Prevention

#### 4.3.a Resource Efficiency

##### 4.3.a.i Greenhouse Gases

The Project has a Gaseous and Particulate Air Emissions Control Program and a Sound Pollution Control Program. Its ESMP, which requires it to comply with applicable regulations on air quality

[12] The tender process has not yet closed, for which reason the name of the supplier cannot be provided.

[13] Four levels of exposure: 1 = low; 2 = medium; 3 = high; and 4 = very high.

[14] https://www.reprisk.com/solutions#reporting-and-monitoring

[15] There are several allegations of forced labor in connection with the production of solar modules and panels produced in this region.

[16] Section 9.1 (b) of the contract for the supply of solar components for the Project.

[17] Section 18.1 (j) of the contract for the supply of solar components for the Project.

and noise levels, also requires it to determine the amount of $CO_2$ avoided through energy generation (kg $CO_2$ avoided/kWh generated).

The volume of greenhouse gases ("GHG") that will be generated by the Project during its construction phase is estimated to be less than 25,000 tons of $CO_2$ equivalent per year. This amount will be even lower (almost zero) during its operation since the Project's objective is precisely to contribute to the decarbonization of the Dominican Republic's energy matrix, thanks to the incorporation of clean energies.

#### 4.3.a.ii Alignment with the Paris Agreement

Based on the analysis conducted using the IDB Group's Implementation Approach for Alignment with the Paris Agreement[18], the Project is considered to be aligned with the Paris Agreement.

#### 4.3.a.iii Water Consumption

The volume of water to be used by the Project during its construction phase is extremely low, mainly because most of the works to be undertaken include the assembly of prefabricated parts (in the case of the solar panels) and minor civil construction (control offices). Nevertheless, the Client will record its water consumption, which will be supplied through duly authorized wells.

During the operation phase, the solar panels will mainly be cleaned using rainwater, thus minimizing the extraction or transport of additional water for this purpose. To clean up the ashes produced in the surrounding fields when sugarcane is burned after the harvest, however, it may have to hire tanker services, especially during the dry season. This additional water will be accounted for.

### 4.3.b Pollution Prevention

#### 4.3.b.i Waste

Project contractors will be responsible for coordinating the collection, temporary storage, on-site classification, transportation and final disposal of hazardous waste (rags contaminated with oils and lubricants, oil and air filters, contaminated gravel, batteries, lamps, chemical containers, biomedical waste, printer toners and solar panels, among others) and non-hazardous waste (paper, cardboard, plastic, debris, wood, organic waste, metal, and glass, among others), through a company authorized by MIMARENA.

Most of the liquid waste generated by the Project will be sanitary. It will be treated using septic tanks, the sludge from which will be managed by authorized companies.

#### 4.3.b.ii Hazardous Materials Management

The Project has developed a Hazardous Materials Management Plan, which includes procedures for the management, storage, and handling of these hazardous materials (rags contaminated with oils

[18] Document GN-3142-1.

and lubricants, oil and air filters, contaminated gravel, batteries, lamps, chemical containers, biomedical waste, printer toners and solar panels, among others).

#### 4.3.b.iii Pesticide Use and Management

The Project does not foresee the use of pesticides, except for extreme cases for rodent or insect control. For this purpose, the Client will use pesticides that do not fall into the categories 1a (extremely hazardous) or 1b (highly hazardous) of the World Health Organization (WHO). Weed control in the solar farm will be done manually.

### 4.4 Community Health, Safety and Security

#### 4.4.a Community Health and Safety

The two bateyes closest to the Project (Lalon and Tocones) have a combined population of about 200 people. The main potential problems that the Project may generate for these communities are related to: i) increased vehicular traffic and possible accidents; ii) dust production; iii) generation of vehicle fumes; and iv) noise from construction activities. To mitigate the effect of the first two, the Project has developed a Traffic Management Plan, which contains measures to streamline the use of nearby roads and the emission of particulate matter into the atmosphere. To manage the latter two impacts, the Project will require that all machinery and vehicles powered by combustion engines have their respective mufflers and be maintained according to their manufacturers' specifications.

#### 4.4.a.i Infrastructure and Equipment Design and Safety

The Project designs include measures to ensure its resilience, even in the face of possible extreme events. For example, to reduce the probability of damage to the infrastructure from hurricanes, the anchors of the solar panels will be embedded in cement blocks, and they will be cleaned with rainwater.

The Client will engage qualified life and fire safety ("L&FS") professionals to certify[19] that all Project facilities and plants, especially the BESS, meet national L&FS standards[20] and the international L&FS codes of the National Fire Protection Association ("NFPA"). In this regard, upon completion of construction of the Project and prior to commissioning, the Company will submit a certification issued by qualified L&FS professionals indicating: (i) that all Project facilities and buildings were constructed in accordance with the approved L&FS designs; (ii) that all equipment was installed according to the L&FS design; and (iii) that all L&FS equipment was tested in accordance with international requirements.

[19] These certifications include the inspection of the installation and distribution of all L&FS equipment, as designed, and the performance of the equipment, according to international requirements.

[20] Life and Fire Safety Regulations. Decree No.85-11, as amended by Decrees No. 365-16 and 347-19.

#### 4.4.a.ii Hazardous Materials Management and Safety

The Project is expected to use or generate small quantities of hazardous materials (basically lubricants and fuels for construction machinery). These will be managed as provided for in Dominican law.

#### 4.4.a.iii Ecosystem Services

The Project will not produce any material impact on ecosystem services.

#### 4.4.a.iv Community Exposure to Disease

The Project will follow the guidelines and directives issued by the government of the Dominican Republic to limit the transmission of COVID-19 and other contagious diseases.

Given that most workers will be of local origin, no increase in the community's exposure to disease due to the presence of foreign personnel is foreseen.

#### 4.4.a.v Emergency Preparedness and Response

The Project's ERP, which contains the procedures for responding to these events, also describes the guidelines for dissemination and socialization of this plan to local authorities and communities.

### 4.4.b Security Personnel

All of the Project's physical facilities will have perimeter fencing, closed-circuit television and surveillance screens to guarantee the physical integrity of the works and the safety of the personnel who will work there. The Client will hire a specialized security service provider whose guards: i) may be armed, for which they will have the respective authorization granted by the corresponding authorities; ii) will receive the necessary training for the proportional use of force when required; and iii) will be trained in issues related to the respect of human rights.

## 4.5 Land Acquisition and Involuntary Resettlement

### 4.5.a General

The Project, which will require an area of approximately 75 hectares for its implementation, will be located on a 120-hectare lot that has been transferred by its owner to the Client through a long-term lease agreement (free use agreement).

The Project will not cause involuntary physical or economic displacement of the population, given that the land is currently being used for extensive sugarcane production.

### 4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The area studied has two types of vegetation: i) a sugarcane plantation (*Saccharum officinarum*), which covers almost the entire area to be intervened; and ii) a portion of the territory (less than one hectare) with fruit and ornamental crops.

The ESDD did not find any endangered or critically endangered species. The solar farm site does not intercept any critical habitat.

### 4.7 Indigenous Peoples

The Project does not intersect areas of Indigenous peoples and will not cause any impacts to these communities.

### 4.8 Cultural Heritage

The probability of cultural or archaeological finds in the areas surrounding the Project's implementation sites is very low, because this area has been used for decades for sugarcane cultivation and harvesting.

## 5. Local Access of Project Documentation

The documentation relating to the Project can be accessed at the following link:
https://interenergy.com/
https://cepm.com.do/