

Environmental and Social Review Summary (ESRS) AES Warehouse Facility – DOMINICAN REPUBLIC

Original language of the document: English
Issuance date: August 2023

1. General Information of the Project and Overview of Scope of IDB Invest’s Review

AES Dominicana Renewable Energy S.A. (“ADRE” or the “Company”), a special purpose company organized under the laws of the Dominican Republic, and its shareholder AES España B.V. (“AES España”), are planning the design, construction, operation, and maintenance of non-conventional renewable energy projects in the Dominican Republic (the “Project” or the “Facility”). The Facility will initially include a mix of three operating and three greenfield assets. The first group includes Bayasol Solar Power Project (50 MW_{AC}), Agua Clara Wind Power Project (50 MW_{AC}), and Santanasol Solar Power Project (50 MW_{AC}), while the second comprises Mirasol Solar Power Project (100 MW_{AC}), and the Peravia I and Peravia II Solar Power Projects (75 MW_{AC} each). All the assets are in the surroundings of Santo Domingo except for the Agua Clara Wind Power Project, which is situated in the northwest of the country near Hatillo Palma in the province of Monte Cristi.

The Project’s environmental and social due diligence (“ESDD”) included: i) a review of the technical, environmental, health and safety, and social documentation provided by ADRE; and ii) site visits to the Company’s three operating assets and three greenfield projects with the assistance of a specialized environmental and social consulting firm.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category A, according to the IDB Invest Environmental and Social Sustainability Policy, given that it could generate the following environmental and social risks and impacts: i) conversion of natural and critical habitats from vegetation clearing and installation of solar panel arrays; ii) generation of domestic and hazardous solid and liquid wastes during construction, operation and maintenance, including from the replacement of used solar panels; iii) generation of noise, dust and air emissions during construction; iv) potential risks to the safety of local communities from construction-related traffic; v) risks to the health and safety of workers during construction and maintenance activities; and vi) potential impacts to birds and bats from collisions with wind turbine blades. These risks and impacts are expected to be of medium to high 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) PS4: Community Health, Safety, and Security; and v) PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

3. Environmental and Social Context

3.1 General characteristics of the Project's site

Bayasol contains 149,769 solar modules and 832 inverters. The farm, located in a 132.6-hectare (“ha”) concession area (construction area of 94.7 ha) in the province of Bani, commenced operations in April 2021. Agua Clara, with an actual footprint (construction area) of 56.7 ha, is situated in a 28,000-ha concession area in the province Monte Cristi. It includes 25 wind turbines and commenced operation in 2022. Santanasol, located in a 123.9 ha concession area (construction area of 80.5 ha) in the Bani province, comprises 149,916 solar modules and 13 inverters and commenced operation in 2022. The energy generated by these projects is transferred to the Interconnected National Electric System of the Dominican Republic.

The anticipated construction completion date of Mirasol is August 2024. This farm, located in the province of Guerra, has a construction area of 90 ha in a plot of roughly 107.1 ha. Peravia I and Peravia II, both located in the province of Bani, are expected to complete construction in October 2024. Peravia I has a planned construction area of 171.7 ha, where 122,807 solar modules and 378 inverters will be installed in a 186.6 ha concession. Peravia II, located adjacent to Peravia I, will have 122,807 solar modules and 378 inverters that will be installed in a 128.8 ha concession area within a planned construction area of 128.1 ha.

3.2 Contextual risks

Citizens of the Dominican Republic continue to need improved access to basic services including education, health, water, and electricity.¹ Approximately 50 percent of households experience interruptions in basic services due to infrastructure impairment.² The energy sector, in particular, 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. In recent years, category 5 hurricanes Irma and Maria (2017) and category 3 Fiona (2022) have impacted the country significantly.

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

4.1 Assessment and Management of Environmental and Social Risks

4.1.a E&S Assessment and Management System

ADRE has a corporate-level Integrated Management System aligned with ISO 9001:2008, ISO 14001:2015, and OHSAS 18001:2007. In addition, each site has an environmental and social management plan to manage the impacts identified in each project's environmental impact assessment (“EIA”). These plans cover E&S aspects typical of construction projects, such as air emissions, waste generation, liquid effluents, biodiversity impacts, and occupational health and safety (“OHS”) risks. Each project has been granted an environmental license from the Ministry of the Environment and Natural Resources (“MIMARENA”).

¹ [Dominican Republic Overview: Development news, research, data | World Bank](#)

² [gob.do \(www.gob.do\)](#)

4.1.b Policy

ADRE's policies, publicly available on the Company's website, include: i) an anti-corruption policy; ii) a code of conduct; iii) an environmental sustainability policy; and iv) a human rights policy. All policies have been approved and signed by ADRE's president.

4.1.c Identification of Risks and Impacts

The EIAs for each project define a biophysical direct area of influence including a thousand-meter buffer zone around the site's construction footprint, and a social direct area of influence inclusive of local communities. Risks and impacts identified within those areas are typical to the construction and operation of solar and wind power projects.

4.1.c.i Direct and indirect impacts and risks

Environmental risks and impacts are primarily low magnitude and temporary. They include air emissions for the operation of machinery and vehicles, soil erosion, runoff, and potential soil and water contamination from unintended spills or leaks. Particularly during construction, the greenfield projects could generate noise, increased traffic, and OHS risks. The construction of the greenfield projects poses risks to endangered and range restricted flora and fauna, particularly for the Peravia projects, which will impact natural and critical habitats.

Positive social impacts include the creation of jobs and businesses, and introduction of economic activities, as well as improvements in the public electric power service during project operation. Negative impacts include the effects on local communities of increased traffic, altered views, and restrictions informal grazing activities at the Peravia project sites.

4.1.c.ii Analysis of alternatives

An alternative analysis was presented in the EIA for each project in accordance with the requirements of MIMARENA. The alternatives presented include a no-project scenario and various configurations of Project components (i.e., solar panels vs wind turbines, crystalline vs hydrogenated silicon modules).

The analysis of alternatives included three main key topics: i) solar/wind resource of the area; ii) presence of interconnection facilities; iii) characteristics of the site, which included aspects related to land availability (from 100 to 150 hectares), land tenure (single or few landowners), average slopes (3% to 5%), number of cadastral plots within the land, land accessibility from main roads, daily photovoltaic potential (PVOUT), and preliminary land use, among other factors; and iii) environmental and social considerations that included: the avoidance of overlapping of protected areas and/or mining concessions, or strategic and/or sensitive ecosystems (mangroves, wetlands, dunes, estuaries); the avoidance of sites that might generate any forms of involuntary physical or economical displacement of the population; the avoidance of well-known archeological sites or inland watercourses, floodplains or lagoons; the vegetation density (less than 40% of the surface); and the site's vulnerability to extreme weather events (floodings, wildfires, hurricanes, etc.)

4.1.c.iii Cumulative impact analysis

Given the existence of other operational wind projects near Agua Clara, and the proximity of the Peravia projects to Bayasol and to another existing solar park, ADRE will conduct a cumulative impact assessment for each site. The assessments will consider the aggregated impacts of existing and reasonably foreseeable future infrastructure projects.

4.1.c.iv Gender risks

Women in the Dominican Republic have significantly fewer opportunities than men in terms of access to education and health care, and participation in the economy, and politics.³ This is consistent with the significant gender gap observed in Latin America and the Caribbean (“LAC”), defined as differential and unequal access to economic resources, political participation, and educational and occupational opportunities based on sex or gender. The gap is reinforced by widespread cultural norms regarding what is considered acceptable in terms of gender roles and exacerbated by inadequate enforcement of the legal framework. Gender-based violence and harassment is also a problem in LAC. The Dominican Republic ranked sixth in femicides in 2021, reporting 150 cases.⁴ Pregnancy in women ages 15 to 19 is well above the LAC average.⁵

4.1.c.v Gender Programs

ADRE’s Environmental and Social Policy promotes non-discrimination in the workplace. The Company, however, will prepare and implement a gender equity policy including commitments to achieve equal compensation for equal work, promote the hiring, promotion and professional development of women, and measure performance against pre-determined indicators.

4.1.c.vi Climate change exposure

The Project will contribute to the decarbonization of the Dominican Republic’s energy matrix, supporting the country’s transition to a clean energy economy. The overall climate change risk is considered moderate. Risks relate mostly to the country’s high exposure to hurricanes and include potential damage to infrastructure from high wind or flying debris, flooding, soil instability due to oversaturation, and site inaccessibility during storm or extreme weather events which can hamper response and recovery times. The Project is also exposed to elevated risks of experiencing heatwaves and earthquakes. A climate change risk assessment will be conducted for the Project, and ADRE will implement measures to mitigate any material project risks identified.

4.1.d Management Programs

Each project has an environmental management program (“EMP”) that outlines general management (mitigation and compensation) measures for the environmental and social risks and impacts of the project. The EMPs includes the following components: an environmental, health and safety plan; a contingency plan; a noise and air quality monitoring plan; a waste management plan;

³ [Gender gap index in Latin America 2022 | Statista](#)

⁴ [Number of femicides in Latin America by country 2021 | Statista](#)

⁵ [Dominican Republic Overview: Development news, research, data | World Bank](#)

training plans; and plans for mitigating and monitoring potential impacts on flora and fauna. In addition, each project has a socioeconomic impact management plan that includes a community monitoring program, a complaints mechanism, and guidelines for managing public consultation processes.

4.1.e Organizational Capacity and Competency

ADRE's operational sites are adequately staffed with dedicated health, safety, environmental, and security personnel. The Company will appoint or contract an additional role to serve as a community liaison and to manage the implementation of the stakeholder engagement plan ("SEP"). Staffing, still in process for the greenfield projects, will include the contracting of biodiversity consultants to manage the flora and fauna dispersal and relocation programs, the vegetation restoration activities, and the development and implementation of a biodiversity offset.

4.1.f Emergency Preparedness and Response

Contingency plans, which are part of the environmental management program for each site, include provisions for the formation of emergency brigades, evacuation of installations in the event of an emergency or accident, and training procedures for workers to avoid, be prepared and respond to emergencies. Contingency plans are comprised of the following subprograms: i) accident prevention; ii) natural disaster preparedness; and iii) technological disaster preparedness. Operational sites conduct regular drills in coordination with the community and the fire department.

4.1.g Monitoring and Review

Each project is required to submit a periodic environmental compliance report to MIMARENA. Internal audits are conducted at least annually by ADRE to ensure compliance with local law and the Company's corporate procedures.

4.1.h Stakeholder Engagement

ADRE conducted two separate public consultation events for each project site, in compliance with MIMARENA requirements. The Company has further engaged with the communities around Agua Clara, Bayasol, Santanasol and Mirasol in the development and implementation of its social investment program. For Agua Clara, ADRE has developed a SEP that defines the stakeholder mapping process, general communication strategies, institutional alliances, local hiring and procurement policies, and the Company's social responsibility programs. SEPs for the rest of the projects are under development.

4.1.h.i Disclosure of Information

ADRE disclosed Project-related information as part of the public consultations carried out in compliance with MIMARENA's requirements. Ongoing disclosure of Project-related information will be a core part of the Project's stakeholder engagement plans.

4.1.h.ii Informed Consultation and Participation

Two public consultations, developed in accordance with terms of reference issued by MIMARENA, were held for each project. Consultations were open to all project stakeholders including, but not limited to, provincial, municipal, and community authorities, community members, community associations, and local businessmen. Consultation's objectives were: i) to socialize information about the Project; ii) to inform the communities how they can participate in social management initiatives; iii) to share the results of the environmental studies; and iv) to open a space for stakeholders to express themselves about the Project, its impacts, and the proposed management strategies.

4.1.i External Communication and Grievance Mechanisms

4.1.i.i External communication

AES Dominicana's website includes a "Contact Us" form through which the public can submit feedback regarding the Project. On the same website, the Company posts press releases regarding new Project developments (e.g., the launching of the Bayasol and Santanasol projects).

4.1.i.ii Community grievance mechanism

ADRE has implemented a grievance mechanism at the operational sites and disseminated it to the local communities and has shared the contact information for the Company's social managers with community representatives at each location. The Company will update the existing grievance mechanism to include specific procedures for addressing claims of gender-based violence and harassment. No grievances have been filed at the operational sites since 2021.

4.1.j Ongoing Reporting to Affected Communities

ADRE's stakeholder engagement plans will include procedures and schedules for reporting to affected local communities.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

Each of the operational projects has between four and fifty people employed. Mirasol is expected to reach between 600 and 700 workers during peak construction (expected in mid-2023). The Peravia sites have not started construction, but peak workforce magnitude is expected to be in the same range as that of Mirasol.

4.2.a.i Human Resources Policies and Procedures

ADRE has a corporate-level code of conduct and a human rights policy that establish the Company's values, safety standards, and human resources practices, and its commitment to non-discrimination, anti-corruption practices, and compliance with local laws.

4.2.a.ii Working Conditions and Terms of Employment

ADRE's code of conduct and human rights policies lay the foundation for the Company's hiring and treatment of workers in accordance with Dominican Republic labor laws. Furthermore, the Company has a compensation program that establishes health benefits, non-financial compensation, employee loans, vacations, and rights regarding working hours.

At project sites, appropriate personal protective equipment is made available to workers and visitors and is promptly replaced when necessary. Workers have access to clean dining areas and restrooms and shaded hydration points are provided at the work fronts.

4.2.a.iii Workers' Organizations

ADRE, as required by the Dominican Republic labor law and as stated in the Company's code of conduct and human rights policy, permits its employees to form unions or join existing unions. However, at present none of ADRE's employees belong to unions.

4.2.a.iv Non-discrimination and Equal Opportunity

ADRE's corporate policies promote non-discrimination, and gender equality initiatives are rolled into the Company's partnerships with science, technology, engineering, and math programs in the capital city, Santo Domingo.

4.2.a.v Retrenchment

Retrenchment is not anticipated as part of the Project. Variations of the labor force demand will be dealt with directly by the construction contractors who will likely assign their employees not needed in the Project to other projects.

4.2.a.vi Grievance Mechanism

For fielding grievances, ADRE has adopted the AES Helpline—a corporate-level system that allows workers to communicate workplace concerns or complaints anonymously. The helpline, run by the third-party provider Ethics Point, is available to direct workers, contractors, subcontractors, and suppliers who also can present anonymous claims. Confidentiality and non-retaliation is guaranteed in all the process.

4.2.b Protecting the Workforce

4.2.b.i Child and Forced Labor

ADRE's code of conduct states the Company's commitment to complying with the Dominican Republic laws prohibiting child and forced labor.

4.2.c Occupational Health and Safety

ADRE manages OHS risks in line with two corporate-level documents: the OHS Program and the Safety Rules Procedure for Suppliers and Contractors. The *OHS Program* includes an identification and evaluation of hazards and risks covering all project activities in the areas of industrial hygiene, ergonomics and psychosociology. It also includes a health and safety program with preventative plans and programs. The Safety Rules Procedure for Suppliers and Contractors includes a detailed process for implementing the health and safety rules for the different activities involved in the Project. With these documents as a foundation, ADRE will develop occupational health and safety plans tailored to the distinct conditions at each of the six projects.

4.2.d Provisions for people with disabilities

ADRE's anti-harassment and anti-discrimination policy explicitly prohibits discrimination, harassment, or mistreatment of persons with mental or physical disabilities. Most of the Company's infrastructure facilities have been constructed to allow the free movement of physically impaired people, even during emergencies.

4.2.e Workers Engaged by Third Parties

ADRE's safety program and its safety rules procedure for suppliers and contractor establish the minimum health and safety requirements to be followed by contractors and suppliers. Furthermore, the Company's subcontractor management procedure lays out the procedures for monitoring and supervising the social, environmental, and health and safety performance of contractors. ADRE's policies explicitly apply to all contracted and subcontracted workers, and the Company affords the same level of OHS protections to contractors as to direct employees.

Similarly, ADRE's integrated management system manual also applies to third party service providers. The contents of the manual are communicated to third-party workers through meetings, electronic media, training activities, and posters. All contractors are required to participate in a new employee orientation that covers environmental and safety risk awareness and precautions.

4.2.f Supply Chain

In addition to ADRE's safety program and its safety rules procedure for suppliers and contractors, which establish the minimum health and safety requirements to be followed by contractors and suppliers in general, ADRE will develop and implement a procedure for identifying and managing labor risks specific to the supply chain of the Project—including the supply chain for solar equipment.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

4.3.a.i Greenhouse Gases

Greenhouse gas emissions from the Project are not anticipated to be material and will be mostly limited to manufacturing processes and the operation of equipment and machinery during construction. The Project will contribute meaningfully towards reaching the Dominican Republic's decarbonization goals.

4.3.a.ii Water Consumption

Water use for the Project will be primarily for drinking, sanitation, and cleaning of solar panels during maintenance activities and is not expected to be significant. Water-saving initiatives are established in the environmental management programs for each site. To clean the solar panels at Mirasol and Santanasol, ADRE will use municipal water. At Peravia I and Peravia II, the water will come from on-site wells for which the Company has obtained the necessary permits, as is the case for Bayasol as well. For cleaning the small array of solar panels at Agua Clara, ADRE collects and uses rainwater and condensation from air conditioning units.

4.3.b Pollution Prevention

4.3.b.i Wastes

ADRE and its contractors will be responsible for coordinating the transportation and final disposal of hazardous and non-hazardous waste at each project site through a company authorized by MIMARENA. The amount of this waste is expected to be minimal and will decrease as greenfield Projects finalize construction and transition to operation.

4.3.b.ii Hazardous Materials Management

Hazardous waste will be generated from construction at the greenfield sites and maintenance of the operational sites, and will consist primarily of oils, grease, and lubricants. Secondary containment measures will be reviewed and improved at all project sites where necessary. End-of-life solar panels will be handled by AM Recycling, a company in the Dominican Republic dedicated to handling this type of waste.

4.3.b.iii Pesticide Use and Management

Currently, the subcontractor that implements pest management activities at the operational projects uses some compounds that are classified by the World Health Organization as Class Ia (extremely hazardous).⁶ Moving forward, ADRE will prohibit contractors and suppliers from using any Class Ia or Class Ib (highly hazardous) pesticides.

⁶ WHO Recommended Classification of Pesticides by Hazards (2019).

4.4 Community Health, Safety and Security

4.4.a Community Health and Safety

The main potential risk of the Project to community health and safety stems from the anticipated increase in traffic -especially during construction- potentially resulting in accidents, dust generation, air pollution, road degradation, noise and temporary induced vibrations. ADRE conducted a traffic risk assessment that determined that, after appropriate mitigation measures are implemented, the risk will be minimal. The mitigation measures include actions such as: (i) controlling the speed of vehicles; (ii) watering embankments and roads for dust suppression; (iii) ensuring proper vehicle maintenance; (iv) covering materials during transport in trucks; and (v) monitoring noise and air quality during construction activities.

4.4.a.i Infrastructure and Equipment Design and Safety

Project infrastructure has been designed in accordance with national safety standards and to withstand extreme weather events such as hurricane-force winds and rain. In addition, ADRE will perform regular maintenance and monitoring of the Project's infrastructure to ensure its long-term stability and safety.

4.4.a.ii Hazardous Materials Management and Safety

The projects will use minimal quantities of hazardous materials (mainly lubricants, oils, and fuels for construction machinery), which will be managed in accordance with Dominican Law to minimize both environmental and community impacts.

4.4.a.iii Ecosystem Services

An artificial pond used by communities to feed cattle within the Mirasol concession could be considered a provisioning-type ecosystem service. ADRE will allow the public uninterrupted access to the pond and will document a formal agreement to this effect with the pond's users.

4.4.a.iv Community Exposure to Disease

ADRE has a corporate protocol for COVID-19 prevention that includes procedures for testing visitors and measures for encouraging vaccination among staff. The Company also distributes informational materials to its workers regarding measures for preventing vector and sexually transmitted diseases.

4.4.a.v Emergency Preparedness and Response

In compliance with MIMARENA requirements, ADRE has developed contingency plans for each project. Each plan is comprised of several subprograms, including: (i) an accident prevention program - which outlines specific procedures to protect employees from and respond to workplace hazards and accidents; (ii) a natural disaster response program - which includes procedures to be followed in the event of earthquakes, hurricanes, and lightning strikes; and (iii) an electrical fire response program. As required by such plans, ADRE conducts emergency drills regularly in coordination with the local communities and the local fire departments.

4.4.b Security Personnel

Each of ADRE's project site's is staffed with two security guards who belong to Thorman Peralta Security ("TPS"), a local provider of security services certified under the ISO 18788:2015 standard.⁷ Guards carry firearms with non-lethal ammunition. ADRE will perform a community risk assessment for the Project's use of security personnel or public security forces at Project sites and develop and implement a security forces management plan to mitigate all risks identified. The plan will include, at a minimum: provisions for background checks, training in human rights, and training in awareness and prevention of gender-based violence and harassment.

4.5 Land Acquisition and Involuntary Resettlement

4.5.a General

Neither the operational projects nor the greenfield projects have resulted or will result in any involuntary physical displacement of the population. ADRE will lease, or has already leased, all lands on which the projects will be implemented - except for Peravia I which the Company will purchase. The Company will document the process it underwent and the negotiating principles it employed to acquire or lease all Project lands.

Furthermore, ADRE will take steps to identify anyone who will be displaced economically by the implementation of the greenfield projects—such as the presumed local community members who are informally grazing livestock on the some of the Project's sites (mainly Peravia and Mirasol). If any economic displacement is identified, the Company will develop and implement a gender-sensitive livelihood restoration plan.

4.6 Biodiversity Conservation and Natural Habitats

4.6.a Protection and Conservation of Biodiversity

ADRE will develop a biodiversity management and monitoring plan ("BMMP") for each project site, defining all on-site, biodiversity-related management, and monitoring actions to be implemented by site managers and contractors. For Agua Clara specifically, the Company will commission a two-year bird and bat mortality monitoring study aligned with best international scientific practice. For the planning and implementation of technical biodiversity management activities at the greenfield project sites (e.g., vegetation restoration and relocation of species of conservation concern), ADRE will contract experienced biologists.

4.6.a.i Modified habitat

Four of the projects are partially or completely located in modified habitat: croplands at Agua Clara; cropland and pastureland at Bayasol (comprising most of the site); cropland, secondary vegetation, and sugar cane plantations at Santanasol (comprising all of the site); and pastureland and cultivated land at Mirasol (comprising most of the site).

⁷ ISO 18788:2015 provides a framework for establishing, implementing, operating, monitoring, reviewing, maintaining and improving the management of security operations and includes a focus on accountability to law and respect for human rights.

4.6.a.ii Natural Habitat

Since a large portion of Peravia I and Peravia II and a small portion of Bayasol will overlap with natural habitat (subtropical dry forest), ADRE will develop a biodiversity action plan (“BAP”) to address impacts to these natural habitats according to the mitigation hierarchy, with the explicit goal of achieving “no net loss” for each habitat’s key biodiversity values. Plans are already in place to protect the marshland portion of the Mirasol site as a conservation set-aside. Agua Clara, which was built over five years ago by a different project developer, overlaps partially with dry forest, riparian forest, wetland, and sparse tree grasslands; any future expansion of Project activities on this site by ADRE will be subjected to a full EIA, including a biodiversity baseline and critical habitat assessment.

4.6.a.iii Critical Habitat

At Peravia I and Peravia II, two restricted range species are potentially present (i.e., their estimated ranges overlap with the Project sites): the Peravia Least Gecko (*Sphaerodactylus ocoae*) and a cactus known as Pereskia (*Pereskia marcanoi*).⁸ Neither was found during field surveys undertaken during the preparation of the projects’ EIAs. The gecko is listed as endangered on the International Union for Conservation of Nature (“IUCN”) Red List of Threatened Species, and critically endangered on the Dominican Republic’s national-level list.⁹ The species’ estimated extent of occurrence (“EEO”) is 286 km², and most of the publicly recorded sightings of the species are from within 10 kilometers (“km”) of the Peravia projects.¹⁰ Pereskia is listed as vulnerable by the IUCN and critically endangered by the Dominican Republic. It is endemic to the southwestern Dominican Republic and has an EEO of 12,653 km². Both species qualify as “range-restricted” according to PS6 guidance, given that each has an EEO less than 50,000 km².

In addition, the EIA field surveys at the Peravia sites recorded the presence of the Rhinoceros Iguana (*Cyclura cornuta*), which is listed by the IUCN as endangered and nationally as vulnerable, and which has an EEO of 63,130 km². A critical habitat assessment determined that the presence of this species qualifies a portion of the Peravia I and Peravia II sites as critical habitat.

ADRE is currently in the process of contracting relevant experts to quantify and characterize the sites’ natural and critical habitat components. The Company will use the findings as the basis for a biodiversity offset, which will have the objective of achieving net gains of the critical habitat’s key biodiversity values and no-net-loss of the natural habitat values.

4.6.a.iv Legally Protected Areas and Internationally Recognized Areas

Bayasol is located adjacent to Cerro de Boca Nigua Forest Reserve, a legally protected area. During construction of the Bayasol park, a ten-meter buffer was maintained between the Project and the protected area as required by the environmental license. The Villa Elisa Scientific Reserve is located

⁸ IFC Guidance Note 6 defines restricted-range terrestrial species as those that have an estimated area of occupancy less than 50,000 km².

⁹ Accessed on July 19, 2023 at: <https://ambiente.gob.do/wp/download/578/publicaciones-oficiales-2022/36598/lista-de-especies-de-fauna-en-peligro-de-extincion.pdf>

¹⁰ Global Biodiversity Information Facility, accessed on July 20, 2023 at: <https://www.gbif.org/species/2445253>

10 km northwest of the Agua Clara construction area, within the project's concession area. The project's environmental license includes requirements for the project to engage with the reserve to further its research and conservation goals.

4.6.a.v Invasive Alien Species

ADRE's BMMP will specify that only plant species known not to be invasive will be used for revegetation or soil stabilization purposes when such activities are needed.

4.6.b Management of Ecosystem Services

ADRE intends to allow uninterrupted access to the pond on the Mirasol site. The Company will document a formal agreement to this effect with the pond's users. No other Project-related impacts on ecosystem services are anticipated.

4.7 Indigenous Peoples

4.7.a General

None of the six projects intersect areas belonging to indigenous peoples nor will they have any impacts on these communities.

4.8 Cultural Heritage

4.8.a Protection of Cultural Heritage in Project Design and Execution

The terms of reference issued by MIMARENA for each project's EIA required an evaluation of cultural heritage resources in the project's area. The evaluations that were subsequently conducted did not identify any areas of importance for the protection of cultural heritage. Nevertheless, as a precautionary measure ADRE will develop a procedure to address potential "chance finds" of cultural or archaeological artifacts during any earth-moving activities at the project sites.

5. Local Access of Project Documentation

For local access to Project documentation, contact:

Leonel Fernández Ferreira

Director, Debt Compliance & Governance, AES España

Paseo de la Castellana 216, 8° | Madrid 28046, Spain

leonel.fernandez@aes.com

Office: (+34) 913 487 043

Mobile: (+34) 616 423 077