

Environmental and Social Review Summary (ESRS) ATOME Green Fertilizer Plant – PARAGUAY

Original language of the document: English
Issuance date: November 2024

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

ATOME Paraguay S.A.E. (the "Client" or "ATOME"), a subsidiary of ATOME PLC, is the first Paraguayan company engaged in the production of green fertilizer (calcium ammonium nitrate or "CAN"). ATOME PLC is listed on the London Stock Exchange.

The present transaction consists in a financial support to ATOME for the construction and operation of a plant to produce green fertilizer (the "Project"). The Project also includes a 550 m, 220 kV transmission line and a water supply system connected to the Paraguay River via approximately 2.3 km of raw water and effluent pipelines.

The plant will be installed in a property of about 30 hectares owned by ATOME and located in Villeta, Paraguay, close to the eastern shore of the Paraguay River, 50 km to the south of Asunción, next to the Villeta-Alberdi road and the Buey Rodeo substation. Once in operation, the plant will produce CAN at an industrial scale of about 260,000 tons/year, through water electrolysis and the use of dolomite (173 ton/day). The production of CAN will utilize 120 MW of 100% renewable energy. The Project will also generate 2.9 MW from waste heat recovery, a type of clean energy technology.

The Project will entail six main processes: i) generation of hydrogen (H_2) from water and electricity; ii) nitrogen (N_2) production from the ambient air; iii) ammonia (NH_3) synthesis from H_2 and N_2 molecules; iv) nitric acid (HNO_3) production from NH_3 and water; v) calcium ammonium nitrate (NH_4NO_3) solution, from NH_3 and HNO_3 ; v) CAN production from NH_4NO_3 and dolomite; and vi) packaging and storage.

The Project's construction phase, which is expected to start in the first quarter of 2025, will be carried out under a turnkey engineering, procurement, and construction ("EPC") contract over a term of 34 months with the pre-commissioning and testing phases to begin in month 19. The operation and maintenance phase will last minimum 25 years. The construction of the transmission line and the water supply system and pipelines will be performed under separate EPC contracts.

For the operational and maintenance ("O&M") phase of the Project, ATOME will select an O&M contractor with extensive experience operating similar facilities.

The environmental and social due diligence ("ESDD") process included an on-site technical visit, interviews and meetings with managers and senior management of ATOME and with relevant

stakeholders¹, as well as the review, among other, of the following information: i) environmental and social impact assessment (“ESIA”); ii) invitation to public hearing; iii) environmental license; iv) Environmental and Social Management System (“ESMS”) manual, including: roles, functions and responsibilities; internal audit procedures; contractor supervision protocols; environmental quality monitoring procedures; stakeholder engagement; grievance mechanism; internal and external communication; biodiversity conservation; and health and safety plans; v) environmental and social (“E&S”) requirements for the EPC contractor; vi) quantitative risk analysis (“QRA”) for the Project; vii) hazard and operability analysis (“HAZOP”); viii) hazard identification (“HAZID”); ix) fire hazard analysis; x) safety integrity level (“SIL”); xi) land acquisition agreement and easements; and xii) cultural resource chance find protocol.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a high-risk Category B operation according with IDB Invest’s Environmental and Social Sustainability Policy, since it will likely generate mostly local and short-term negative environmental and social impacts and for which effective management measures are known and are readily available. These impacts include, among other, the following: i) loss of vegetation cover and terrestrial wildlife habitats; ii) air emissions; iii) generation of expectations in the communities; iv) odour nuisance; v) increase of noise levels; vi) potential impacts on the water quality of the Paraguay river during the implementation of the water intake structure, water withdrawal and discharge of treated effluents during plant operation; vii) potential risks to neighboring stakeholders during construction ; and viii) occupational health and safety risks during construction and operation. The Project will also generate the following positive impacts: i) generation of direct and indirect jobs phase; ii) boosting of the local economy; and iii) reduction of greenhouse gas (“GHG”) emissions and carbon footprint in green fertilizer² production.

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

Villeta, where the Project will be located, is an industrial city with over 70 industries and a population of approximately 44,000 inhabitants. The city has moderate urbanization and positive population growth, with poverty levels decreasing between 2002 and 2021. The area is characterized by both a high degree of access to housing and an availability of basic services like water, electricity, and sanitation, but with some critical gaps, including the need for improved waste

¹ The Director of the Department of Environment and the Environmental Advisor of the Municipality of Villeta; the San Rafael Farm owners; and representatives of (a) the Fishermen’s Association (Ypeka’e), (b) the Villeta Neighborhood Commission, (c) Estancia Lola, and (d) Omega Green, among others.

² CAN has a higher efficiency and lower emissions compared to other nitrogen-based fertilizers used in agriculture.

management and the presence of some social issues in various areas, such as settlements in flood-prone zones, challenges in integrating new communities, and robbery. The area has a significant presence of existing industrial activity, primarily involving agricultural processing (rice, soybeans), food and beverages, and fertiliser production. The Paraguay River facilitates significant waterway transport, with the Terport³ terminal providing access to the river system.

The Project area is characterized by rainfall evenly distributed throughout the year, without a clear dry season. The average annual rainfall is about 1,400 mm, with the rainfall of the driest month exceeding 30 mm. The average annual temperature is around 22 °C with a 10 °C amplitude. During the summer, temperatures are quite high and can exceed 40 °C in some regions, with an average of 27 °C and a relative humidity of around 80%. During winter and spring, temperatures are mild with averages of 17 °C. The greatest natural risks to the Project are frost, forest fires, and, especially, severe storms.

The water bodies of the Project's area of indirect influence ("All") drain towards the left bank of the Paraguay River. The flows recorded in the last 50 years in the river are as follows: maximum recorded flow of 10,663 m³/s; minimum recorded average monthly flow of 946 m³/s; and yearly average of 3,200 m³/s.

The water quality analyses⁴ carried out for the Project showed elevated levels of total coliforms, total nitrogen and total phosphorus, and low levels of dissolved oxygen. During the sampling events, the presence of macrophyte banks and large amounts of algae was observed, which are an indicative of eutrophication of the water body, consistent with the high concentrations of nitrogen, phosphorus and organic matter.

Air quality in the Project area is considered good, although PM_{2.5} is closer to the limits set by the World Health Organization ("WHO"). Baseline noise levels mostly comply with both Law No. 1100/97⁵ and the International Finance Corporation ("IFC") General Environmental, Health and Safety Guidelines.⁶ However, some baseline noise levels exceed these limits.

The vegetation cover and land use in the project area of direct influence ("ADI") shows that native vegetation cover predominates (65.25%), represented mainly by hydromorphic savannah (42.89%), thereafter by anthropic land uses⁷ (32.36%) and semi-deciduous sub-humid forest (22.26%). The Project directly affected area ("DAA") - where the Plant will be located - is mostly covered by secondary vegetation (99.18%), consisting mainly of hydromorphic savannah (78.76%) and forests (20.41%).

³ Terminales Portuarias (<http://www.terport.com.py/es/>).

⁴ They included 3 (three) sampling locations in the Paraguay River

⁵ Paraguay's Law No. 1.100/97 on the Prevention of Noise Pollution aims at the prevention of noise pollution by establishing maximum noise limits per region and type of activity.

⁶ <https://www.ifc.org/en/insights-reports/2000/general-environmental-health-and-safety-guidelines>

⁷ Crops, pasture and silvopastoral use, asphalt and non-asphalt roads, the power substation and transmission and distribution lines, and small artificial lakes

Along the transmission line (“TL”) right-of-way (ROW), native vegetation represents only 23.73% (0.38% forests and 23.36% savannah), while along the water line and effluent pipeline, it occupies 60% of the ROW, from which 11.6% corresponds to forest and 48.4% to savannah.

Vegetation and flora survey registered 169 species, within 59 botanical families. From these, 36 have cultural value due to their use in traditional medicine, 4 are reported as a source of timber, 4 of fodder use, 3 as raw material for handicraft products and 2 as ornamentals. Four species are listed as threatened according to Ministry of the Environment and Sustainable Development (“MADES”). None of them are on the International Union for Conservation of Nature (“IUCN”) Red List⁸ and no endemic species were recorded.

Amphibians and Reptiles account for 63 potentially present species (27 recorded in the survey), of which 2 are listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (“CITES”) Appendix II⁹ and none are threatened according to MADES and IUCN. None are endemic.

From the 195 potentially present bird species (138 registered in the surveys), two are endemic, one is listed in CITES Appendix I, while 22 are listed in Appendix II. None are threatened according to MADES and IUCN. Terrestrial mammals account for 47 potentially present species (12 recorded in the survey), from which 4 are vulnerable, 4 near threatened, and 2 endangered according to IUCN. Nine species are listed in Appendix I of CITES, while 17 are listed in Appendix II. One species of bat is considered threatened according to MADES and one near threatened according to IUCN.

The Project's area of influence does not overlap with any protected wildlife areas, nor with indigenous territories.

Close to the Project, at about 8 km in straight line or 11 km by road, there is small town of fishermen who belong to the Ypeka'e Fishermen's Association. Currently, such association has 55 members who perform their fishing activities in an area (*canchada*) that covers more than 30 km of the Paraguay River.

3.2 Contextual risks

The main contextual risk is associated with the Project is the potential occurrence of acts of violence due to robbery of individuals or commercial premises and other crimes. In general terms, this type of risk is considered of medium to high probability in specific areas of some cities. However, due to the Project's location, these types of risks are not expected to have any material influence on the Project.

⁸ <https://www.iucnredlist.org/>

⁹ <https://cites.org/sites/default/files/eng/app/2021/E-Appendices-2021-02-14.pdf>

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

The Project's Environmental and Social Management System ("ESMS") is still in its conceptual phase. ATOME, through contractual agreements, will require the EPC contractor¹⁰ to prepare the necessary environmental, human resources, and occupational health and safety plans and procedures to manage the environmental health and safety ("EHS") risks associated with the Project construction activities.

4.1.b Policy

ATOME has draft policies related to environmental, social and health and safety issues, which will be finalized, adopted and published.

4.1.c Identification of Risks and Impacts

The ESIA prepared by ATOME and submitted to the Paraguayan authorities to obtain the corresponding licenses for the Project has served as the main process of identification of E&S and occupational health and safety ("OHS") risks and impacts. However, since the Project is still in the design phase, ATOME has not yet adopted a formal ESMS. Therefore, no procedure is yet in place for continuous identification and assessment of the Project's risks, impacts and opportunities.

4.1.c.i Direct and indirect impacts and risks

The Project will generate the following positive impacts (deemed to be of high intensity): i) generation of direct and indirect jobs; ii) boosting the local economy; and iii) reduction of greenhouse gas emissions and carbon footprint in the green fertilizer production. However, it is likely to also produce the following negative impacts: i) loss of vegetation over 24-hectare footprint; ii) air emissions; iii) generation of expectations in the neighboring communities; iv) potential odour and noise nuisances; and v) potential temporary and localized impact on water quality of the Paraguay River during construction of the water intake structure and discharge of treated effluent during operation.

4.1.c.ii Analysis of alternatives

The analysis of alternatives for the Project included three potential sites that were evaluated using the following criteria: i) availability of suitable area; ii) configuration of the plots; iii) use and occupation of the surroundings lands; iv) proximity to the Buey Rodeo Substation ("SE"), which would greatly reduce the length of TL; v) physical environment (geology, hydrogeology, soils, relief and hydrography); vi) vegetation cover; vii) current and potential land use; and viii) environmental

¹⁰ EPC and O&M contractors will be required to be certified in ISO 14.0001 and ISO 45.0001.

and social aspects (occupancy, presence of indigenous communities, intersection with sensitive, natural, critical or protected areas, etc.).

Once the site was selected, other technical aspects were evaluated using the following criteria: i) technologies for electrolysis; ii) technologies for air product recovery; iii) NH₃ synthesis; iv) CAN storage; v) cooling systems; vi) water treatment; vii) water sources; and viii) availability of energy sources. Also, for the siting of the transmission line and the water line and effluent pipeline ROWs, locational alternative analyses were conducted following similar E&S criteria.

4.1.c.iii Cumulative impact analysis

As part of the Project's ESIA, a cumulative impact analysis was also performed. Such study considered the expansion of the Villeta Port Terminal, the Omega Green Project¹¹, and Climate-Smart Agriculture Pilot Project¹², as potential projects that could generate aggregated impacts to those already produced by the Project; and the following Valued Ecosystem Components ("VEC"): surface water resources, air quality, vegetation and natural habitats, employment and local economy, road infrastructure, and quality of life of the population.

The assessment concluded that aggregated impacts would be low on surface water resources and quality of life of the population; moderate to substantial for air quality; substantial for vegetation and natural habitat; and high for employment and local economy. Except for the cumulative impacts on employment and local economy that are basically driven by the Project and are positive, the results of the cumulative impact assessment also showed that the main source of aggregated negative impacts for the other VECs were to be generated by other future projects. Therefore, the results of the cumulative analyses recommend a series of actions to be undertaken mainly by MADES while assessing and issuing licenses for future projects to be constructed in the area.

4.1.c.iv Gender risks

In Latin America and the Caribbean there is a significant gender gap, defined as differential and unequal access to economic, political participation, educational and labor opportunities based on sex or gender. This gap is reinforced by widespread cultural norms regarding roles acceptable to men and women and is exacerbated by weak legal protections or poor societal response. The gender gap generates gender discrimination, inequality in access to public services, educational differences, wage and labor gaps, and delays in political participation rates. Paraguay's gender gap index (0.71) ties with three other countries in 17th place out of 26 countries in the region.¹³

Gender-based violence and harassment ("GBVH") is also a major problem in Latin America and the Caribbean, which has the highest rate in the world. There were 36 femicides reported in Paraguay in 2022.¹⁴ The most recent report on Paraguay by the United Nations Committee on the Elimination

¹¹ The Omega Green Project is a biofuel plant to be developed in the city of Villeta to produce renewable fuels.

¹² The Climate-Smart Agriculture Pilot Project, located in the Avatí experimental farm in Villeta, is focused on small producers.

¹³ <https://www.statista.com/statistics/803494/latin-america-gender-gap-index-country/>

¹⁴ <https://es.statista.com/estadisticas/1290935/numero-de-femicidios-en-america-latina/>.

of Discrimination against Women indicates that the country has made progress in recent years in terms of laws and government programs, although areas of concern remain.¹⁵

4.1.c.v Gender Programs

Even though the Project has not yet specifically identified gender risks, considering the population of Villeta and the inhabitants of the Hacienda San Rafael, such analysis will be performed and will include aspects such as: i) specific safety measures to protect women and gender diverse people by external personnel during project activities; ii) identification of activities that may have adverse effects on women's health (e.g., environmental contamination in pregnant women); iii) equity in access to project-related information; iv) participation of women and gender diversity as an active part of the committees or working groups in which important aspects of the project are determined; and v) strategies to promote gender equality and respects the rights of women and gender-diverse people.

4.1.c.vi Climate change and disaster exposure

The region where the Project will be located presents the following physical climate risks: an increase in drought events and heat waves, with a consequent intensification of water scarcity; and moderate exposure to the overflows of the Paraguay River.

The Project has been designed to cope with a rainfall event with a 25-years return period, and a river flood event with a return period of more than 500 years. The Client has preliminary climate change scenarios that indicate that flooding events will not affect significantly the return periods used for design or the water availability in extreme drought conditions. However, ATOME will continue to conduct analyses to identify the risks and opportunities for adaptation associated with climate change for all stages of the Project.

4.1.d Management Programs

The Project's ESIA outlines an Environmental and Social Management Plan ("ESMP") composed by the following programs: i) environmental control, that includes activities such as management of earthmoving activities; prevention and control of soil erosion and pollution; water and effluent management; control and monitoring of atmospheric emissions, noise and vibrations, and vegetation suppression activities; management of temporary and ancillary facilities; solid waste and hazardous materials management; construction traffic control; promotion and development of local suppliers; and restoration/revegetation of areas affected by the works; ii) environmental and social management, which includes organizational and team activities; construction supervision; management of greenhouse gas emissions; procedures for negotiation and acquisition of land and establishment of easements; and air quality monitoring measures (PM₁₀, PM_{2.5}, SO₂, NO₂, CO and O₃), and river water and groundwater quality monitoring; iii) stakeholder engagement, including stakeholder identification and analysis; public consultation, communication activities and mechanism for managing complaints, queries and suggestions; iv) occupational health and safety, which includes activities related to the implementation of international good practices for safe work

¹⁵ CEDAW PARAGUAY <https://data.unwomen.org/evaw/database?vs=3548>

procedures, occupational health and safety training, supervision of health and safety conditions, worker medical surveillance and the prevention of accidents; v) labor management and working conditions, which comprises actions related to hiring and job training, the establishment of a grievance mechanism, and environmental and social education of workers; vi) emergency response, which includes measures to combat spills of hazardous products, fires, explosions, and response to extreme events, such as severe storms and droughts; and vii) management of biodiversity to preserve sensitive species in the Project's area of direct influence.

The EPC contractor will prepare detailed construction site management plans following international standards (such as ISO 14001 and ISO 45001), good international practices. The same conditions will apply to the O&M contractor.

4.1.e Organizational Capacity and Competency

The organization structure to manage E&S aspects linked to the Project has not yet been totally developed. However, ATOME foresees to have a core management department to supervise the environmental, social, health and safety performance of the Project, led by a manager, who will be supported by three specialists (environmental, social, and health and safety) and external E&S consultants.

The EPC contractor will develop and implement its own E&S, HR and OHS organizational structure and systems, along with site-specific EHS plans and procedures for the construction phase. The O&M contractor will have similar contractual requirements. An Owner's Independent Engineer will verify the activities performed by the EPC and the O&M contractor.

4.1.f Emergency Preparedness and Response

The Project ESIA contains preliminary Emergency Preparedness and Response Plan ("EPRP") for both the construction and operation phases. The EPRP will be updated and implemented to, among other requirements: i) describe the procedures for which the EPC contractors or the O&M operators are responsible for; ii) include structured descriptions of all probable emergency scenarios, iii) include preventive measures, beyond the engineering controls already included in the design of major equipment; iv) include a list of the emergency equipment and facilities; v) provide guidelines and requirements to constitute emergency response teams; and vi) set a group of preparedness and recovery measures.

4.1.g Monitoring and Review

The Project will be overseen by a system that includes internal and external entities. Internal ones are made up of the environmental and social teams of the Client, the EPC contractor and the Owner's Independent Engineer, as it follows: i) ATOME will (a) retain the legal responsibility for the project, (b) supervise the technical, environmental and health and safety aspects of the works, (c) execute the social, and the conservation and compensation of biodiversity programs, (d) undertake the stakeholder relations, and (e) supervise the monitoring of water quality, environmental noise and air quality for the Project; ii) the EPC Contractor will be responsible for the technical, environmental, and health and safety execution of the works and activities during the construction

of the Project; iii) the O&M contractor will be responsible for the technical, environmental, and health and safety execution of the works and activities during Project's operation phase; and iv) the Owner's Independent Engineer will be responsible for the technical, environmental and health and safety control of O&M works and activities.

Monitoring activities will focus on: i) air quality; ii) air emissions; iii) treated effluents before they are discharged into the river; iv) river water quality; v) environmental noise; vi) occupational noise; and vii) all parameters listed in the 12 programs included in the ESMP.

The external supervision is composed by: i) the MADES; ii) the various sectoral offices with competence in environmental, health, labor, natural resources, and public infrastructure matters, such as the Municipality of Villeta; and iii) the Lenders environmental and social teams.

4.1.h Stakeholder Engagement

ATOME has stakeholder engagement plan ("SEP") that includes a stakeholder mapping and a communication program. However, it will be updated to include a clear methodology to classify each stakeholder and to explicitly outline the activities to be performed with them.

4.1.h.i Disclosure of Information

Currently, the Project has not yet developed a formal information disclosure procedure. Therefore, such procedure, which will be established as part of the revised SEP, will include various means, both oral and written, to raise awareness of the Project and provide clear, accessible, timely and relevant information to stakeholders and to maintain the community well informed about the Project's objectives, activities and potential impacts.

4.1.h.ii Informed Consultation and Participation

As part of the process to obtain its environmental license, the Project undertook an extensive stakeholder engagement process that exceeded that established by national standards and is consistent with good international practices. This effort, key to ensuring effective consultation and participation, allowed the identification of relevant stakeholders and provided the necessary transparency in the disclosure of Project information.

During this process, a direct communication was established with key stakeholders such as the owner of the property adjacent to the Project site and his workers, and the Ypeka'e Fishermen Association – which are located 11 km from the site. In this sense, in addition to the public hearing in which they participated, a second meeting was held with members of the association to explain to them the measures the Project has foreseen to prevent and mitigate potential impacts to the aquatic biodiversity and water quality associated with the intake of water and the discharge of treated effluents.

Although the Project is not being developed in indigenous villages and, therefore, prior consultation does not apply, the Project will undertake an ongoing socialization process that includes sessions in Guarani, when necessary.

4.1.h.iii Indigenous Peoples

The Project is not being developed in indigenous territories nor will it generate any material impact on such communities.

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

ATOME has been and will continue to be the sole responsible party for the stakeholder engagement activities.

4.1.i External Communication and Grievance Mechanisms

4.1.i.i External communication

The communication program to be updated by the Client will include a differentiated strategy to communicate with external and internal stakeholders, recognizing the nature and magnitude of interactions required with each group and promoting a clear and structured two-way dialog process.

4.1.i.ii Community grievance mechanism

Currently, ATOME has in place a grievance mechanism that serves both internal (employees) and external (communities) groups. In this sense, it will separate this mechanism into two (one external and one internal) and will ensure that each one of them has: i) a description of the grievance categories (including but not limited to sexual harassment, gender-based, and discrimination); ii) specific and varied channels (including anonymous options) for grievance reception (e.g., e-mail, WhatsApp, or other means); iii) procedures and timelines for processing grievances; iv) protection procedures (i.e., confidentiality, anonymity, no retaliation, etc.) for those who use the mechanism; and v) a monitoring or tracking tool (e.g., database, matrix).

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

The updated grievance mechanism will contemplate adequate provisions to ensure that (a) vulnerable groups have access to it and (b) they will not suffer from any type of retaliation because of using such mechanism.

4.1.j Ongoing Reporting to Affected Communities

As part of ATOME's SEP, periodic updates on environmental, social, and health and safety performance will be shared through written reports, site visits, community meetings, bulletins, and digital platforms to keep local communities and governments informed. ATOME's Communication Program will provide regular updates on Project progress, impacts and risks, mitigation measures, and employment opportunities.

The participatory process established by the Project during the environmental licensing phase will serve as the basis for future communication with potentially affected communities. This process, to be adapted to the culture and educational level of each stakeholder group, will ensure that the information is accessible and understandable to the community. In addition, specific participation mechanisms will be established by the Project to allow stakeholders to express their opinions and concerns on an ongoing basis, fostering an environment of trust and collaboration.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

During construction, the Project labor needs will fluctuate between 200 to 500 workers. This number will increase during peak construction activities and likely to reach around 1,100 workers. Operation activities will require about 100 workers.

4.2.a.i Human Resources Policies and Procedures

ATOME has developed a human resources ("HR") policy that comprehensively covers the key labor aspects such as non-discrimination, equal opportunities, prevention of child labor, eradication of forced labor, provision of decent housing conditions, and respect for freedom of association and collective bargaining; however, it has not been formalized. Therefore, ATOME will formalize the HR policy that, besides dealing with the latter aspects: i) is aligned with national legislation; ii) incorporates international regulations such as the International Labor Organization ("ILO") conventions related to the protection of labor rights at the global level; iii) fosters a fair and participatory environment, where workers' rights are respected and effective communication with management is promoted; and iv) obliges contractors and subcontractors to comply with these provisions throughout their supply chain.

4.2.a.ii Working Conditions and Terms of Employment

The Client will comply with national labor legislation, including the Labor Code¹⁶ and the Labor Procedural Code¹⁷, which determine, among other conditions, that every worker must have the right to fair conditions in the exercise of his work, receive professional and technical education to perfect his skills, and obtain a decent income.

Given the number of personnel foreseen to be working in the Project during construction, in accordance with the local legislation, the EPC Contractor will constitute an Internal Accident Prevention Commission ("CIPA") that will meet monthly with representatives of all Project areas to promote, disseminate and inform about aspects related to safety and health at work and to motivate them to participate in the Company's OHS programs and activities.

¹⁶ Código de Trabajo (Law 213/93).

¹⁷ Código Procesual de Trabajo (Law 742/61).

4.2.a.iii Workers' Organizations

ATOME will observe the Paraguayan Labor Code, which confers workers the right to freely join or conform workers unions. Likewise, it will respect all the collective labor agreements of the professionals involved in the Project.

4.2.a.iv Non-discrimination and Equal Opportunity

ATOME's HR policy will make clear the Client's zero tolerance to any form of discrimination based on gender, race, ethnicity, disability, sexual orientation, religion or other factors. It will also: i) ensure that all employment processes, from recruitment to promotion, are fair and objective, based on competencies and skills, and avoid non-performance-related bias; ii) promote equal opportunities for men and women; iii) support the career development of men and women; iv) address gender inequalities by supporting women's active participation and ensuring their access to training and promotion; and v) provide non-discrimination training and promote respect for diversity, creating an inclusive environment that strengthens organizational cohesion and performance.

4.2.a.v Retrenchment

There are no plans for collective reductions in the Project's workforce. Upon termination of the Project's construction phase, most of the workforce will be reallocated by the EPC contractor or subcontractors to other construction projects. When needed, termination of employment contracts will be made in accordance with the requirements of the national Labor Code.

4.2.a.vi Grievance Mechanism

An internal grievance mechanism will be developed from ATOME's existing mechanism that currently covers internal and external grievances. In this sense, the new grievance mechanism will include: i) a description of the grievance categories (including but not limited to sexual harassment, gender-based, and discrimination); ii) specific and varied channels (including anonymous options) for grievance reception (e.g., e-mail, WhatsApp, or other means); iii) procedures and timelines for processing grievances; iv) identity protection procedures (i.e., confidentiality, anonymity, non retaliation etc.) for those who use it; and v) a monitoring or tracking tool (e.g., database, matrix).

In addition, the EPC Contractor will have its own workers grievance mechanism available for all workers, contractors and suppliers and will submit monthly reports to ATOME with filed grievances, status of such grievances and corrective measures to prevent recurrence, as applicable.

4.2.b Protecting the Workforce

The Client will comply with the local laws, which prohibit any type of unpaid (slave)¹⁸ and child¹⁹ labor. The Code of Ethics and Integrity of the Project will explicitly include these precepts.

4.2.c Occupational Health and Safety

In Paraguay, the two main standards by which occupational health and safety are regulated are the Labor Code and the General Technical Regulations on Safety, Hygiene and Occupational Medicine²⁰. In addition to complying with these standards, the EPC contractors and future O&M contractors will be required to prepare and develop an Occupational Safety, Health Management Plan to maintain good working conditions and practices. They will also be required to develop procedures, training programs, emergency preparedness and response, procedures for the identification high-risk activities and prevention of accidents, and worker's health and safety management in order to ensure safe working conditions during construction and operations.

EPC contractors and ATOME will monitor the OHS performance of the Project through regularly scheduled inspections and audits, investigate the root causes of occupational incidents and develop corrective measures to prevent recurrence, prepare monthly H&S reports, and continuously track and report OHS statistics.

4.2.d Provisions for people with disabilities

Paraguayan legislation²¹ contains provisions for the inclusion of persons with disabilities in routine tasks. In this regard, the Client will seek to offer jobs to people with disabilities.

4.2.e Workers Engaged by Third Parties

The Client will include contractual clauses in the EPC and O&M contractors and third party's contracts, to oblige them to comply with: i) national labor regulations; and ii) ATOME's internal procedures to deal with environmental, social and health and safety issues.

4.2.f Supply Chain

As part of their process, the Client will verify that the suppliers: i) comply with national labor laws; ii) have not incurred human rights violations; iii) possess legal integrity; and iv) have environmental and health and safety management processes similar to those required by ATOME.

¹⁸ Constitution of Paraguay. Article 10. Penal Code of Paraguay. Article 124.

¹⁹ Law 1657/2001. Approves Convention No. 182 and Recommendation No. 190 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor.

²⁰ Decree 14.390/1992. Occupational safety standards: general technical regulations on safety, hygiene and medicine at work.

²¹ Law 3.540/2008. Approves the Convention on the Rights of Persons with Disabilities and Law 4.934/2013. Accessibility to the physical environment for people with disabilities.

4.3 Resource Efficiency and Pollution Prevention

The Project will produce green fertilizers at a constant rate of about 260,000 tons/year of CAN, from: i) hydroelectric energy (120 MW); ii) water (165.4 m³/h²²); iii) ambient air; and iv) dolomite (173 tons/day).

The Project also contemplates a group of turbosets capable of generating energy (2.9 MW installed capacity) from the steam resulting from heat recovery at the nitric acid ("AN") plant. This energy will either feed the AN processes, the ammonium nitrate solution ("ANS") and the granulating ("GRAN") plants or will be used as extra energy in the NH₃ Plant to reduce the energy demand of the syngas compressors. This source of clean energy technology contributes to the Project positive GHG emission reduction in the production of CAN.

4.3.a Resource Efficiency

Through the production of green CAN and 2.9 MW of clean energy from waste heat recovery, ATOME promotes resource efficiency and pollution prevention. Therefore, ATOME has ensured that the design, equipment and operation of all the facilities are aligned with good international standards, and that the construction, equipment and operation of the fertilizer plant will meet good international standards.

The Client will ensure, through specific clauses in the procurement contracts, that its suppliers guarantee: i) the non-emission of pollutants (to water, soil and air) in concentrations or levels higher than those permitted by Paraguayan legislation and the limit values indicated in the applicable World²³ Bank/IFC EHS guidelines; ii) the selection of financially feasible technologies to reduce greenhouse gas ("GHG") emissions and improve the resilience of works to the effects of climate change; iii) the rational use of energy, water and other resources and inputs; and iv) the avoidance or reduction in the generation of hazardous waste and waste materials.

4.3.a.i Greenhouse Gases

For the construction activities, ATOME has required the EPC Contractors to adopt measures to reduce air discharges from machinery and equipment to the atmosphere. During its operational phase, the Project will use renewable energy to produce CAN and will also generate 2.9 MW from waste heat recovery. As much as 500,000 tCO₂-eq/year will be avoided from the fertilizer production when compared with fossil fuel-based production processes.

The Client will periodically monitor scope 1 (direct emissions) and scope 2 (electricity consumption) GHG emissions. The client will report on this annual GHG displacement of GHG in the CAN production as good practice.

²² About 46 liters per second (l/s).

²³ The limit values for emissions to air, water and soil are indicated in the "General Guidelines on Environment, Health and Safety (IFC – WBG – April 2012", applicable IFC-WBG operational guidelines, applicable WHO Guidelines, etc.). For the same parameter indicating the quality of a polluting emission for which national legislation and World Bank guidelines indicate different values, the most demanding value should be adopted.

4.3.a.ii Alignment with Paris Agreement

Based on an analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach²⁴, the Project is considered aligned with the Paris Agreement.

4.3.a.iii Water Consumption

The construction works will not have a significant consumption of water. EPC Contractor will develop measures to acquire raw and drinking water for construction phase. The executive engineering project will incorporate water consumption reduction systems and other measures to ensure the Project's resilience to climate change.

During operation the Project will need a constant net flow²⁵ of 165.4 m³/h of water (about 46 l/s which represents approximately 0.0021% of the average annual flow of the Paraguay River) to disaggregate its molecule, extract H₂, and use it to produce the fertilizer. A constant flow of 77.3 m³/h (about 21,4 l/s) of treated water will be returned to the Paraguay River through a sub fluvial outfall that includes a set of dispersers to ensure that the treated effluent is discharged over a wider area and diluted more effectively.²⁶

4.3.b Pollution Prevention

The Project's ESIA contains measures to prevent or minimize potential Project impacts (air emissions, water discharges, and soil contamination), which will be complemented with good management practices for construction sites. The efficiency of these measures will be monitored to confirm compliance with international standards and applicable Paraguayan legislation. Preliminary modelling performed for the Project's operation phase shows that air emissions and noise are within the permissible limits²⁷. Notwithstanding, additional control measures for air emissions controls and noise abatement (including in the layout of the plant and noise insulation) have been included in the Project design.

4.3.b.i Wastes

To manage wastewater, the Project will put in place the following measures: i) pretreatment drains and water demineralization, which include water from the clarification, filter washing and reverse osmosis rejection processes; ii) oil separator drains, to retain any stream of oil that might be generated in washing workshop and tank floors; iii) non-oily network drains, that will catch water from systems such as sampling racks and emergency showers; and iv) cooling tower blowdowns, which contain concentrated water for cycles of use (up to 4 cycles). The water collected through

²⁴ Document GN-3142-1.

²⁵ 242.7 m³/h of water will be extracted from the river and, after used, 77.3 m³/h of treated water will be returned to it through a 2.3 km long pipeline that will connect the ATOME effluent treatment plant to the river.

²⁶ Modelling suggests that even in the worse-case scenario, the presence of treated water will not be noticeable about 5 m downstream if the discharge point.

²⁷ Results indicate NO₂ levels of 7.3 µg/m³ (1 hour) and 3.3 µg/m³ (24 hours), both well below IFC limits of 200 µg/m³ and 25 µg/m³, respectively, and in compliance with Paraguayan national legislation for NO₂ at 200 µg/m³ (1hour).

these systems will be diverted to the wastewater treatment plant (“WWTP”), which is part of the Wastewater Treatment System (“WWTS”).

The WWTS has been designed to collect, equalize and condition wastewater before discharge into the river. Treated wastewater will comply with both the World Bank/IFC Environmental, Health, and Safety Guidelines Standards for Wastewater and Ambient Water Quality²⁸ and the national legislation.²⁹ The system will be composed by two subsystems: i) harvesting and equalization, which includes (a) collection containers with a capacity of 150 m³ per compartment, aerated with blowers to maintain the homogeneity of the wastewater and (b) automatic valves to control the inflow and outflow of containers; and ii) control, conditioning and discharge, which includes (a) the chemical neutralization of the water by hydrochloric acid (HCl) and 50% sodium hydroxide (NaOH) to adjust the pH of the effluents, (b) oil separation process, (c) continuous measurement of flow, temperature, pH and conductivity to ensure the quality of the effluent, and (c) recirculation to the system for further treatment or reuse, or discharge to the river.

Some effluents, such as those proceeding from the chemical and ammonia (NH₃) plant drains, will be treated separately. To do so, they will be stored in differentiated containers after being neutralized and will be managed through offsite authorized operators.

During its construction, the Project will mainly generate construction and building waste which will be separated on site and thereafter handled by authorized firms for final disposal. Domestic waste (deemed to be non-material) will be classified on site, reused or recycled, and the remaining handled through the municipal waste management system.

The Client will prepare a waste management plan (“WMP”) covering both construction and O&M phases of the Project and all waste streams including but not limited to solid, liquid, and hazardous waste. The EPC contractor will be responsible for the chain of custody and the management of its wastes. The O&M contractor will also develop a WMP following good international practices.

4.3.b.ii Hazardous Materials Management

A Hazardous Materials Management Plan (“HMMP”) for the construction and operation phases will be developed and adopted by the Client. Such plan will include guidelines to: i) identify, control, minimize, add value to and manage hazardous waste; ii) encourage a reduction-oriented mindset, by eliminating the use of this type of wastes or replacing them with non-hazardous ones; iii) determine appropriate measures for the internal handling, collection and transportation to a temporary storage area for each type of hazardous waste, and iv) safely store hazardous materials in line with the regulations, the products’ safety data sheets, the official safety standards and procedures.

All hazardous materials used in the work will be stored in special containers, in separate covered areas with controlled access, waterproof flooring, adequate ventilation and protection trays to prevent losses or spills. These areas will have equipment for the containment of small spills, as well

²⁸ <https://www.ifc.org/content/dam/ifc/doc/2000/2007-general-ehs-guidelines-wastewater-and-ambient-water-quality-en.pdf>

²⁹ SEAM (National Environmental Secretariat) Resolution 222/02 - Class 3, that establishes the water quality model in the country.

as information sheets to guide workers on the risks and how to deal with cases of physical contact with these materials. Hazardous waste will be transported for final disposal by specialized companies approved by the competent authorities.

4.3.b.iii Pesticide Use and Management

Apart from the eventual use of small amounts of herbicides for the maintenance of the green areas of the Project, the Client will not use pesticides. The products that will be used will be strictly controlled as hazardous materials and documented records will be kept about their purchase, storage and use. The personnel involved in the application tasks will have specific training on the handling of the products, the use of personal protective equipment, the care to be observed during the application, the collection and disposal of packaging. Products prohibited by international pesticide conventions³⁰ will not be used.

4.4 Community Health, Safety and Security

The eventual negative impacts of the Project on the surrounding communities are mainly: i) noise generated by machines; ii) dust generated in earthworks; iii) possible conflicts between workers and the communities surrounding the Project; and iv) risks of accidents with vehicles and heavy machinery in the access roads.

4.4.a Community Health and Safety

The EPC contractor will be required to prepare E&S and OHS plans and procedures for the Project's construction phase, including traffic management plan, workers medical surveillance program to screen and protect the health of its workers and prevent communicable diseases and will erect fences to prevent local community members from entering the construction site. All workers will undergo induction and adhere to strict code of conduct and be respectful of local communities.

For the operational phase, a QRA, HAZID (that recommends 52 actions), a preliminary HAZOP, a Safety Integrity Level ("SIL") selection procedure, and a Fire Hazard Analysis ("FHA") have already been developed. Since the QRA is preliminary, it will therefore be updated once the detailed engineering and the critical scenarios are identified. The HAZOP will be performed again during the detailed engineering phase, jointly with a layer of protection analysis ("LOPA"). The FHA will also be adjusted to match the final definitions and recommendations to the detailed engineering phase, such as the number and location of detectors of H₂ and NH₃, or the areas subject to Emergency Shutdown in the event of fire. The results of the HAZID, ENVID, HAZOP, LOPA and SIL will be translated into operational procedures to complement with a safe operation the design and construction of safe infrastructure and equipment.

For the Project's construction and operational phase, the Client will develop a Traffic Plan to manage potential traffic impacts induced by the Project.

³⁰ Pesticides classified as Ia and Ib according to the World Health Organization ("WHO").

4.4.a.i Infrastructure and Equipment Design and Safety

All infrastructure to be built by the Client will incorporate safety measures to prevent contingencies from materializing.

4.4.a.ii Hazardous Materials Management and Safety

Hazardous Materials Management Plans for construction and operation will be developed by the EPC and the O&M contractors respectively.

4.4.a.iii Ecosystem Services

There are no communities in the Project's ADA or surrounding areas, as the latter are mainly private lands. Therefore, the Project will not generate any direct impact on neighboring communities that might hinder or limit their access to ecosystem services.

The potential impact on the fishing community of Ypeka'e at the Paraguay River is considered non-material because of the following reasons: i) its distance to the Project (almost 8 km in straight line); ii) the quantity of water that the Project will extract³¹ from and dispose³² in the river compared to its average flow;³³ iii) the absence of a terminal with an exclusion zone that could affect the fishing activities; and iv) the fact that their fishing area (*canchada*) covers more than 30 km of the river. However, some fishermen have expressed their concern that the noise and vibrations induced by the water pumps could affect the fish. Therefore, this potential impact will be assessed and quantified during the construction phase (34 months), and if needed, appropriate management measures will be put in place to avoid or manage this impact. It is worth noting that ATOME's net water extraction equates to less than 0.007% of average river flow rate.

4.4.a.iv Community Exposure to Disease

The Project's main workforce will be sourced locally. This will reduce the community exposure to migrant workforce and potential communicable diseases. OHS plans, to be prepared by the EPC contractors to manage the workforce, will include medical surveillance for workers and measures to protect community health.

4.4.a.v Emergency Preparedness and Response

The Project ESIA contains preliminary Emergency Preparedness and Response Plans ("EPRP") for both construction and operation phases. These plans will be updated to, among other issues: i) identify potential emergency scenarios; ii) develop preventive measures, beyond the engineering

³¹ During operation, the Project will intake a constant flow of 0.067 m³/s from the Paraguay River. This inflow represents about 0.010% of river's the monthly minimum flow.

³² During operation, the Project will dispose a flow of 0.021 m³/s of treated water in the Paraguay River. This flow represents less than 0.003% of the river's monthly minimum flow.

³³ Average flows of the Paraguay River are: i) monthly maximum 10,663 m³/s; ii) monthly minimum 646 m³/s; iii) and yearly average of 3,200 m³/s.

controls already included in the design of major equipment; iii) describe procedures be triggered in an event of a contingency; iv) include a description of the emergency equipment and facilities required; v) provided guidelines to constitute emergency response teams; and vi) a set of group of preparedness, response and recovery measures.

4.4.b Security Personnel

The Client, or the EPC contractor, will most likely hire a private security company to safeguard its personnel and assets. Therefore, it will prepare a Security Plan, which will include specific training measures for security personnel for the management of eventual conflicts and situations of violence. Should the guards need to be armed, ATOME will ensure that all of them have been authorized by the National Police of Paraguay to perform this task and trained in the preventive use arms.

4.5 Land Acquisition and Involuntary Resettlement

4.5.a General

The CAN Plant will be sited in Puerto Sara, in Surubi'y, to the south of the city of Villeta, Paraguay. The area does not present any restrictions³⁴ to host the Project, considering its environmental characteristics and the presence of various industries. The area has been declared³⁵ an industrial and service free trade zone³⁶ and was acquired by ATOME through a voluntary market agreement with its former owner.

The easement for TL awaits only one agreement to be signed by the owner of one plot. This situation is expected to be finalized shortly as the latter is the former owner of the land where the Project is going to be constructed. Regarding the easement for the aqueducts of the raw water and effluent pipes, of the two needed agreements, one has already been formalized, while for the second, even though a general understanding has been reached, negotiations regarding the compensation amount are still ongoing.

4.5.a.i Project Design

ATOME avoided physical community displacement by locating the Project in an industrial area with no housing. However, there is one dwelling on the neighbouring property that might require future relocation (in the same plot) to protect the quality of life of its occupants, who only use it as a holiday rest house. From an early stage, ATOME has built a direct relationship with the property owner and his workers, ensuring they are kept informed and consulted. In this context, ATOME is committed to provide fair compensation for any displacement it may cause to these people.

³⁴ Municipal Note I.M.V No. 283/2023.

³⁵ Presidential Decree No. 651 issued on November 9, 2023.

³⁶ Free zones are areas of national territory within which their operation is authorized to carry out commercial, industrial or service activities.

4.5.a.ii Compensation and Benefits for Displaced Persons

ATOME is negotiating easements for the TL and the intake and effluent water pipelines. These agreements are carried out on a free and voluntary basis between the parties, under a “win-win” approach, which includes the payment of compensation for possible damages resulting from the limitation of the use of the land within the ROWs.

4.5.a.iii Resettlement and Livelihood Restoration Planning and Implementation

Given that (a) the neighbouring ranch has no permanent residents, (b) its rotational workers live elsewhere, and (c) the property is used by its landowner as a recreational residence, resettlement is currently not required. However, should the dwelling on the neighbouring property require future relocation (most likely within the same plot) or be acquired, ATOME will ensure that the property owner receives full market value compensation, in accordance with local laws and good faith negotiations.

Given that the Project (a) does not require exclusion zones in the Paraguay River, (b) its water intake and disposal structures will have a minimal footprint, and (c) the treated effluent will be discharged through a diffuser located on the riverbed, the Ypeka’e Fishermen Association will not suffer from any restriction to their 30-km fishing area access because of the Project. Notwithstanding, aquatic biodiversity and fishing activity monitoring will be conducted to assess potential impacts to fishing activities during the 34-month construction period. However, should any impact to fishing activities be identified, adequate management measures will be put in place.

4.5.b Displacement

4.5.b.i Physical Displacement

The Project will not involve any direct physical displacement as there are no dwellings in the intervention zone, and the only adjacent dwelling will not be significantly affected.

4.5.b.ii Economic Displacement

The Project is not expected to cause economic displacement. During the 34-month construction period, aquatic biodiversity and fishing activity monitoring will be conducted to assess potential impacts to fishing activities. Should any impact to the fishermen's livelihoods be identified, adequate management measures will be put in place.

4.5.c Private Sector Responsibilities Under Government-Managed Resettlement

ATOME is responsible for any type of resettlement that the Project may induce.

4.6 Biodiversity Conservation and Natural Habitats

4.6.a General

The land where the Project will be located has some small areas in a good state of conservation that may be considered natural habitats. The Project's footprint will intervene 25.51 hectares ("ha"), of which 2.9 ha correspond to sub-humid forest and 22.61 ha to savannahs with some degree of intervention (mainly due to cattle grazing). If a future phase of plant expansion is needed, it may be necessary to remove an additional area of 5.1 ha (3.38 ha of sub-humid forest and 1.72 ha of savannas), to total 30.61 ha, of which 6.28 ha will correspond to sub-humid forest and 24.32 ha to savannahs.

4.6.b Protection and Conservation of Biodiversity

Taking into consideration (a) the small impact the Project will produce in the patches of sub-humid forests that can be considered natural habitats, (b) the current degree of degradation of those patches, (c) the restoration and compensation activities contemplated in the Project's Biodiversity Conservation Program³⁷ ("BCP"), and (d) the importance national laws give to the sub-humid forest (considered of great importance for biodiversity), the Project will develop a Biodiversity Compensation Plan ("BCP") to ensure no net loss of biodiversity. The BCP will include, among others, the following measures: i) forest conservation, which comprises: (a) the adjustment of the areas to enable the conservation of as much native vegetation as possible, (b) the placement of informative signage to mark the forests under conservation, and (c) monitoring of flora and fauna; ii) environmental compensation through the acquisition of Environmental Services Certificates; this includes the allocation of 1% of the total Project cost to acquire environmental services certificates as described in the Law No. 3.001/2000;³⁸ and iii) environmental compensation for tree removal, which includes (a) the perimeter arborization of the ATOME land, (b) the delivery of one-meter-high small trees or seedlings of native species to the Municipal Nursery, and (c) the planting of small trees or seedlings in places approved by the Municipal Tree Plan of Villeta.

4.6.b.i Modified habitat

Even though some patches of natural habitat may be impacted by the Project, most of its footprint overlaps with modified habitats. However, the BAP and the BCP will include measures to rescue and relocate plant and fauna specimens and compensate for any material biodiversity loss on those natural habitats.

4.6.b.ii Natural Habitat

Only a portion of the 2.9 ha (sub-humid forest patches) of the initial 25.51 hectares that will be affected by the Project may correspond to natural habitat. This area might slightly increase if a

³⁷ Among other components, the BCONP includes the following: i) protocols for the rescue and relocation of germplasm, and the chasing, rescue and relocation of wild fauna; ii) procedures for protecting and conserving forests; and iii) guidelines for monitoring of wild flora and fauna in the forest protection and conservation area.

³⁸ Law that addresses the valuation and remuneration of environmental services.

potential future plant expansion is needed, where around 3.38 ha of sub-humid forest will be intervened. In any case, the BAP will ensure that no net loss of biodiversity is produced.

4.6.b.iii Critical Habitat

The Project conducted field surveys and analyses to determine whether it could affect critical habitats. The results of such impact assessment showed that even though there are a few species that constitute priority biodiversity values because of being either vulnerable, near threatened or endangered, the area does not contain the minimum requirements to qualify as a critical habitat.

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

Neither the Project's footprint nor its area All overlaps with any legally protected or internationally recognized area. The nearest protected areas are the Guyra Nature Reserve and the Lago Ypoá National Park (also considered an IBA³⁹ and Ramsar Site), which are about 3 kilometers away from the from the Project's All.

4.6.b.v Invasive Alien Species

The Project is not expected to introduce any invasive alien species.

4.6.c Management of Ecosystem Services

Ecosystem services will not be likely affected by the Project. However, there might be a potential impact on fishing as a provision ecosystem service, which has been deemed a non-material, as the volumes of water that will be used for the project and the discharges of the treated effluents are small⁴⁰ in comparison with the average flow of the Paraguay River and there are no exclusion zones associated with the client that would affect fishing activities in the river.

4.6.d Sustainable Management of Living Natural Resources

The Project will not use living natural resources.

4.6.d.i Supply chain

The Project will ensure that all the materials or products to be procured for its construction or operation have been extracted or processed in ways that are compatible with a rational use of the biodiversity.

³⁹ Important Bird Area.

⁴⁰ Only about 46 l/s (0.046 m³/s) of water will be diverted from the Paraguay River to the Project, which is non-material compared its yearly mean and monthly minimum flow of 3,200 m³/s and 646 m³/s, respectively.

4.7 Indigenous Peoples

The Project is developed in areas that do not belong to indigenous peoples and does not affect these communities.

4.8 Cultural Heritage

As part of the ESIA development, archaeologists were hired to survey the area where the earth movements would occur. No cultural elements or vestiges were found during the site visits. However, areas of potential human use were visualized. Literature and collective memory refer to battlefields of the Great War, so potential cultural elements such as ballistic elements (rifles, bayonets, and bullets, among others), carriages supplying inputs, skeletal remains and others could be found during the earthworks. Considering this, a chance find procedure will be implemented.

5. Local Access of Project Documentation

The documentation relating to the project can be accessed at the following link:
<https://www.dropbox.com/sc/fo/2y3fhgabb85los2n8gtv/AOZ1jil8vUB6f5GAyWSRwbY?rlkey=352twnu6s6vmnqhqu3kn0we9k&dl=0>