

## Environmental and Social Review Summary (ESRS) Orion Industrial Park and Free Trade Zone– EL SALVADOR

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### 1 General Information of the Project and Scope of the Environmental and Social Review

American Industrial Park, S.A. de C.V. ("AIP" or the "Company"), as part of Aristos Inmobiliaria,<sup>1</sup> has applied for financing to support the construction of a new industrial park (IP) and free trade zone called Orion Industrial Park ("Orion IP"), located at km. 37.5 of the Pan-American Highway, in the jurisdiction of the municipality of Ciudad Arce, district of La Libertad, El Salvador (the "Project").

Due to restrictions arising from the COVID-19 pandemic,<sup>2</sup> the environmental and social due diligence (ESDD) process was conducted primarily remotely and included the review of the following information, among others: (i) environmental management policies, plans, manuals, and procedures; (ii) human resources policy; (iii) occupational health and safety (OHS) programs; (iv) hazardous and non-hazardous waste management; (v) procedures for monitoring and evaluating environmental conditions (e.g., air emissions, noise, and effluents); and (vi) emergency response plans. This process was supplemented by interviews with personnel from the areas of environmental management, human resources, OHS, procurement, and operations associated with the Project.

### 2 Environmental and Social Categorization and Rationale

The project has been classified in Category B, in accordance with IDB Invest's Environmental and Social Sustainability Policy, as its environmental and social (E&S) and OHS impacts and risks are expected to be generally reversible and mitigable with measures available with current technologies. The construction phase of the Project includes: (i) soil substrate modification due to leveling, earthworks, and compaction processes; (ii) noise pollution and vibration generation; (iii) the generation of both hazardous and non-hazardous waste; (iv) air pollution emissions, mainly combustion gases from construction machinery and equipment; (v) wastewater generation; (vi) risks to the health and safety of workers; and (vii) potential community health and safety repercussions due to the increase in vehicular traffic and the number of workers. During operation and maintenance ("O&M"), the environmental risks and impacts relate to: (i) health and safety of workers; (ii) the generation of both hazardous and non-hazardous solid waste; and liquid waste (mainly industrial and domestic wastewater); (iii) polluting emissions of gas and odors to the atmosphere; and (iv) use of resources, mainly energy and water sources (surface and groundwater).

The Project triggers the following International Finance Corporation (IFC) Performance Standards (PS): PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and

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<sup>1</sup> Aristos Inmobiliaria is the Grupo Aristos division comprising its Industrial Parks and Free Trade Zones in El Salvador (<https://aristosrealestate.com.sv/es/>).

<sup>2</sup> COVID-19 is the infectious disease caused by the coronavirus discovered in Wuhan, China in December 2019 (<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>).

Working Conditions; PS3: Resource Efficiency and Pollution Prevention; and PS4: Community Health, Safety, and Security.

### **3 Environmental and Social Context**

Orion IP is located at kilometer 37.5 of the Pan-American Highway, a stretch of the San Salvador-Santa Ana highway, Canton La Esperanza, Municipality of Ciudad Arce, La Libertad district, El Salvador. The Project will comprise an urbanized site subdivided into lots according to the Master Development Plan, equipped with internal roads and buildings consisting of industrial buildings (13 built in advance), administrative buildings, sites for accessing public, private, and special service transportation, and all the services necessary to maximize the potential of the companies that will be housed there. These include: power and potable water supply, sanitary sewerage and wastewater treatment, storm drainage, telecommunications, parking lots, recreational and sports areas, green areas, outdoor lighting, 24-hour security, a business and pediatric clinic, customs, and a professional park management team.

Orion IP's Master Plan is based on the "Eco-Industrial" concept, where a community of companies, co-located on common property, seek to improve their environmental, economic, and social performance through the collaborative management of environmental issues and resource use efficiency, all under a sustainability strategy.

To implement the Project, the Company has prepared environmental management instruments and obtained the permits required by each competent authority in El Salvador, such as: (i) environmental permit issued by the Ministry of Environment and Natural Resources (MARN, for its acronym in Spanish), after approval of the corresponding Environmental Impact Assessment (EIA); (ii) Stage 1 construction permits, granted by the Planning Office for the San Andres Valley (OPVSA, for its acronym in Spanish) of the Municipality of Ciudad Arce; (iii) approval of preliminary projects by the Fire Department of El Salvador ("Bomberos"); (iv) certification of non-affectation (CNA) for water well drilling issued by the National Aqueduct and Sewer Authority (ANDA, for its acronym in Spanish); and (v) Project feasibility approval (site grading, building line, storm water drainage feasibility, road review, and zoning) by the OPSVA.

Due to its various locations, the Project will be subject to natural hazards such as earthquakes, storms, and hurricanes, and social hazards such as vandalism and demonstrations or protests. However, they represent a moderate to low risk in terms of both possible damage to the physical infrastructure and for employees or third-party workers.

### **4 Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures**

#### **4.1 Assessment and Management of Environmental and Social Risks and Impacts**

##### **4.1.a E&S Assessment and Management System**

As part of the Aristos Group's Sustainability Strategy, AIP has an Environmental and Social Management System (ESMS) for its operations, which will be updated to include controls, procedures and specific parameters for each operational and administrative area, and to enable the efficient use of material, natural, human and financial resources. This management system has defined performance indicators for each area and has an Implementation Manual.

The ESMS will be regularly evaluated to strengthen and update its components to meet applicable environmental, social, and OHS regulatory requirements.

#### 4.1.b Policy

As part of the ESMS, AIP has adopted Aristos Inmobiliaria's Environmental Management Policy, which defines the Company's commitment to carrying out its activities in a sustainable manner, maintaining control and management of the most significant environmental risks and impacts, complying with applicable legal requirements, and maintaining a process of continuous improvement to protect the environment.

#### 4.1.c Identification of Risks and Impacts

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

The Project's EIA characterizes the E&S impacts and risks for each phase of the scope of works and activities, including construction, commissioning (non-destructive testing, etc.), operation and maintenance (O&M), and closure and decommissioning of work fronts.

##### 4.1.c.ii Gender Risks

Although El Salvador has a Special Comprehensive Law for a Life Free of Violence for Women<sup>3</sup> and institutions<sup>4</sup> that ensure the protection of women in terms of violence and harassment, gender violence, and sexual crimes. The country recorded 9,176 acts of violence against women during the first half of 2020, 25% of them corresponding to sexual violence. In addition, 97 events associated with femicidal violence (homicides, feminicides, aggravated femicide, femicidal suicide by induction and by degree of attempt) were recorded. The La Libertad District, where the Project is located, had the second highest number of cases at the national level, with 1,027 incidents of violence against women.

However, due to the type of activity (construction and operation of an IP), together with the fact that the works are located near urban centers, the gender risk is estimated to be low and can be mitigated through the principles and practices of equality and equity promoted and practiced by the Company.

##### 4.1.c.iii Climate Change Exposure

The Project site faces moderate seasonal exposure to hurricane winds, river flooding, and drought. This RCP 8.5<sup>5</sup> risk scenario could worsen towards the end of the century.

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<sup>3</sup> Legislative Decree No. 520 of December 14, 2010; Special Comprehensive Law for a Life Free of Violence for Women; published in Official Gazette No. 2 of January 4, 2011.

<sup>4</sup> The Salvadoran Institute for the Development of Women (ISDEMU, for its acronym in Spanish); The Organization of Salvadoran Women for Peace (ORMUSA, for its acronym in Spanish); among others.

<sup>5</sup> A Representative Concentration Pathway (RCP) is a greenhouse gas concentration pathway (not emissions) adopted by the IPCC. The pathways describe different climate futures, all of which are considered possible depending on the volume of greenhouse gases (GHG) emitted in the coming years. The RCPs, originally RCP 2.6, RCP 4.5, RCP 6, and RCP 8.5, are labeled from a possible range of radioactive forcing values in the year 2100 (2.6, 4.5, 6, and 8.5 W/m<sup>2</sup>, respectively).

The Company will face the demands generated by the risk of climate change through the measures contained in the Emergency and Evacuation Plan.

#### 4.1.d Management Programs

For the Project's E&S management, the Company prioritizes: (i) the commitments undertaken in the EIA and approval resolution; (ii) the commitments approved by the competent sector authorities (OPVSA, ANDA, Bomberos, etc.); (iii) the Company's own commitments; (iv) good E&S practices; and (v) regulatory compliance with the applicable E&S and OHS regulations in force. In this sense, the Project EIA includes an Environmental Management Plan (EMP) that sets out the mitigation or compensation measures for each of the identified impacts, the entity responsible for their execution, the implementation schedule, and details of the monitoring to be performed.

#### 4.1.e Organizational Capacity and Competency

AIP has an organizational structure dedicated to E&S issues that is led by the Construction Management's Head of Environmental Management, whose responsibilities are: (i) to ensure compliance and implementation of the legal requirements applicable to the Company's line of business; (ii) to supervise the implementation, knowledge, and integration of the Environmental Management System; and (iii) to manage and control the environmental aspects derived from the productive activities and services offered by the Company. For OHS issues, the Company has the Operations Management's Occupational Health and Safety Department, which, with the support of the Human Resources Department, is responsible for the implementation and monitoring of health and safety protocols, including those implemented in response to the COVID-19 pandemic.

Aristos Inmobiliaria has a Sustainability Committee that directs and implements actions to comply with the ESMS sustainability strategy in all the IPs.

In order to comply with the General Risk Prevention in the Workplace Act (Legislative Decree No. 254), the Company will form its own Occupational Health and Safety Committee and will declare its Prevention Delegates for the Orion IP once its O&M stage begins.

#### 4.1.f Emergency Preparedness and Response

AIP will develop and implement, specifically for the Orion IP, an Emergency and Evacuation Plan (EEP) for the construction and O&M phases, which, in addition to complying with OHS<sup>6</sup> regulations, will set out specific procedures for the coordination, warning, mobilization and response to the occurrence or imminent occurrence of sudden events such as: (i) natural hazards (earthquakes, hurricanes, tropical storms, floods, subsidence, etc.); (ii) human conflicts (vandalism, demonstrations, or civil unrest); and (iii) technological hazards (fires, explosions, fuel leaks, hazardous product spills, and worker and supplier accidents).

The EEP will focus on the following aspects: (i) emergency response procedures; (ii) qualified emergency response teams; (iii) emergency contacts, communication systems, and protocols; (iv) procedures for

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<sup>6</sup> Legislative Decree No. 254 of January 21, 2010; General Law on Risk Prevention in the Workplace; published in Official Gazette No. 82, Volume No. 387 of May 5, 2010.

interaction with local and regional authorities on health and emergency resolution; (v) permanent emergency response facilities and equipment (e.g. first aid stations, fire hoses, fire extinguishers, sprinkler systems); (vi) protocols for fire trucks, ambulances, and other emergency services and vehicles; (vii) evacuation routes and meeting points; and (viii) training exercises, (drills and exercises) involving Orion IP and AIP personnel and other stakeholders and affected parties.

The EEP will contain an Annual Training Program, which will include courses on issues such as: (i) first aid (basic life support, bleeding, shock, wounds and burns, fractures, mobilization of the injured, etc.); (ii) firefighting and prevention (firefighter safety, hose bending, fire extinguisher handling, etc.); and (iii) search and rescue, among others.

The Company has an Internal Policy on Environmental Incidents which lays down the criteria and procedures for the identification, control and evaluation of any incident.

#### 4.1.g Monitoring and Review

AIP will prepare and adopt an E&S compliance matrix that will include a list of permits, licenses, and certifications required to operate the Orion IP. This matrix will include: (i) key performance indicators (KPIs) to measure the effectiveness of management and control procedures; (ii) a record of the fulfillment of contractual and local legal obligations; (iii) the competent authority in charge of granting authorizations or issuing permits; (iv) the date of issuance or effective date of each permit or authorization; (v) the person responsible within the Company for monitoring or compliance with each permit, and (vi) future compliance and communication procedures.

The Company also will prepare<sup>7</sup> a consolidated annual report that will evaluate the compliance status of all E&S and OHS policies and measures applicable to the Project, including the progress of ESMS actions against the defined KPIs; as well as the compliance status with the IDB Invest Environmental and Social Sustainability Policy. Based on the results of this assessment, AIP will define specific measures to reduce impacts, improve efficiency, and document and report progress in its management, as well as any new procedures required and certifications that may be appropriate.

#### 4.1.h Stakeholder Engagement

Aristos Inmobiliaria has a general Stakeholder Engagement Plan that determines the mechanisms for stakeholder inclusion and participation in order to identify and manage the impacts of its operations, helping to build and maintain the trust, credibility, and support of these local groups. This plan identifies the social and other stakeholders, as well as the communication channels to keep them informed and reduce misinformation that could affect the Company's reputation.

#### 4.1.i External Communication and Grievance Mechanisms

##### 4.1.i.i External Communication

To help reinforce good faith with stakeholders and ensure that all communications to external audiences, including stakeholders, are conducted in a careful, responsible, and efficient manner, the Stakeholder

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<sup>7</sup> Either internally (internal audit) or through an external independent E&S expert (external audit).

Engagement Plan defines external communication channels (reports, websites, press releases, social media, meetings, formal communications, reports and audits, etc.) and methods of engagement for relevant stakeholders.

#### 4.1.i.ii Community Grievance Mechanism

AIP has a formal mechanism that allows communities, employees, other stakeholders and strategic partners to file complaints, claims, or queries related to the Project, either personally or anonymously. These complaints, claims, or queries can be filed through letters addressed to the company, telephone calls, e-mails, or through its website (<https://aristosrealestate.com.sv/es/contacto/>).

The Company has a Grievance Mechanism Procedure that, in addition to defining the means of communication, sets out the procedure for recording, analyzing, investigating, and resolving any request, and the means for reporting the decisions adopted and the progress of such matters.

#### 4.1.j Ongoing Reporting to Affected Communities

AIP, through its website (<https://aristosrealestate.com.sv/es/>), provides information on the Company's environmental and social performance. Social Responsibility actions are disseminated through Fundación Aristos (<https://aristosrealestate.com.sv/es/fundacionaristos/>).

## 4.2 Labor and Working Conditions

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

A total of 3,800 new jobs are expected to be generated during the operation of the Project, with at least 30% of the unskilled labor coming from the communities closest to the Project (primarily the municipality of Ciudad Arce).

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

AIP has an Internal Labor Regulation (ILR) that complies with the Labor Code<sup>8</sup> and is approved by the General Labor Directorate of the Ministry of Labor and Social Welfare, which defines and establishes: (i) terms of employment applications and contracts; (ii) working hours and working conditions; (iii) salaries and bonuses; (iv) breaks and paid annual leave; (v) obligations and prohibitions of the employee and the employer; (vi) paid and unpaid leaves of absence; (vii) working conditions of women and minors (according to the applicable national labor legislation); (ix) disciplinary sanctions; (x) petitions and complaints; (xi) medical examinations; (xii) health and safety measures; and (xiii) final provisions, publicity, and effectiveness.

In addition, the Company has a Code of Ethics for the Prevention of Money Laundering and Asset Laundering Crimes, and two additional policies of the Human Resources Department, on: (i) legal obligations, fringe benefits, paid and unpaid leaves of absence; and (ii) voluntary retirement, severance, dismissal, and grounds for termination of contract.

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<sup>8</sup> Decree No. 15 Amended by Legislative Decree No. 275 of February 11, 2004; Labor Code. Published in Official Gazette No. 53 of March 17, 2004.

At the corporate level, Aristos Inmobiliaria has a general and mandatory Coexistence Policy, which defines the ethical standards, laws, and regulations that its personnel must comply with in their actions and relationships with co-workers, suppliers, and customers. These rules, laws, and regulations include precepts of: (i) integrity and standards of conduct; (ii) inclusion and non-discrimination; (iii) equal employment opportunities; (iv) reporting of workplace and sexual harassment; (v) anti-corruption; (vi) respect for human and labor rights; (vii) no child or forced labor; and (viii) occupational health and safety.

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

The ILR and the Coexistence Policy adhere to El Salvador's<sup>9</sup> Labor Code, industry good labor practices,<sup>10</sup> and to the conventions of the International Labor Organization (ILO), providing for the principles of gender equality and non-discrimination, equal opportunity, prohibition of child labor, fair treatment, prohibition of workplace harassment and penalties for sexual harassment, a contract with suitable working conditions and terms of employment, and notice of dismissal and severance pay. As part of their induction process, all Company personnel undergo ILR training.

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

AIP complies with labor laws that provide for freedom of association and ILO international conventions and treaties related to workers' rights, including Convention No. 87 concerning Freedom of Association and Protection of the Right to Organize and Convention No. 98 concerning the Right to Organize and Collective Bargaining. Through the ILR, the Company recognizes the right to free association and the right to negotiate collective bargaining agreements.

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

El Salvador is a signatory to several ILO international conventions and treaties relating to workers' rights, including Convention No. 100 concerning Equal Remuneration and Convention No. 111 concerning Discrimination in Respect of Employment and Occupation. In its ILR and Coexistence Regulations, the Company establishes respect for individual diversity and fairness, proceeding with justice, equality, and impartiality, in pursuit of a positive and inclusive social impact.

#### 4.2.a.v Grievance Mechanism

Aristos Inmobiliaria has a general Grievance Mechanism for all permanent and temporary employees, which defines the mechanism and internal system for listening to suggestions and complaints, guaranteeing a strictly confidential process for those who use it. The means used by this mechanism to capture suggestions and complaints can be: (i) physical, by means of physical mailboxes located in work areas in the different IPs; or (ii) digital, either by e-mail or its internal digital network, in the Suggestion Box link.

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<sup>9</sup> Decree No. 15 and its Amendments, Legislative Decree No. 275 of February 11, 2004; Labor Code. Published in Official Gazette No. 53 of March 17, 2004.

<sup>10</sup> In August 2021, Grupo Aristos received recognition from Great Places to Work® (<https://greatplacetowork-cayc.com>) for promoting policies and practices that improve the quality of life within its organization, which is certified by INTECO and the Mexican Institute for Standardization and Certification.

This procedure, which is managed by the Human Resources Department, relies on the Complaints Committee to guarantee the transparency of the process and the areas involved, in order to analyze, investigate, and evaluate the information, communicate the decision taken, and close the complaint.

#### 4.2.b Protecting the Workforce

El Salvador is a signatory to several ILO international conventions and treaties relating to workers' rights, including Convention No. 138 on the Minimum Age for Admission to Employment, Convention No. 182 on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, Convention No. 29 on Forced Labor, and Convention No. 105 on the Abolition of Forced Labor. The country also has extensive labor legislation that regulates, among other aspects, the duration of the workday, working hours, overtime, paid leave, minimum wage, family allowance, legal bonuses, and minimum OHS conditions. AIP complies with these regulations through its ILR, supported by the Coexistence Policy.

#### 4.2.c Occupational Health and Safety

In order to comply with local worker health and safety legislation,<sup>11</sup> the Company will develop an Occupational Risk Prevention Management Program for both the construction and operation phases of the new Orion IP.

Likewise, taking into account its experience in other IPs, the Company will define the general rules for contractors and subcontractors, which will regulate the way in which the latter must carry out work inside the Orion IP facilities.

Following the COVID-19 pandemic, AIP developed a series of general preventive measures and sanitary protocols, including: (i) prevention of contagion by direct contact between people and with surfaces; (ii) disinfection of facilities; (iii) general provisions for entry to facilities; (iv) investigative questionnaire for suspected cases of contagion; and (v) protocols for entry of visitors, for receipt of correspondence, and for delivery of documents.

Pursuant to the recommendations and procedures of the Ministry of Health, the Company has promoted the following actions among its employees: (i) awareness-raising to avoid contagion; (ii) the reduction of people in each workspace; (iii) the installation of sanitary fences; (iv) social distancing; (v) suspension of travel; (vi) remote work; (vii) support towards vulnerable groups; and (viii) the adoption of disinfection routines.

#### 4.2.d Workers Engaged by Third Parties

Pursuant to the provisions of the ILR and the Coexistence Regulations, all of the Company's internal rules, policies, and procedures apply, without exception, to all employees, service providers and contractors, and customers. The permanence of employees, both own and those engaged by third parties, depends

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<sup>11</sup> Legislative Decree No. 30 of June 15, 2000, ratifying Convention 155 of the International Labor Organization (ILO); Legislative Decree No. 254 of January 21, 2010, General Law on Risk Prevention in the Workplace (OG No. 82 of May 5, 2010) and Decree No. 86 of April 27, 2012, Regulations for Risk Prevention Management in the Workplace.

on compliance with the provisions of the Coexistence Regulations, as well as applicable local and national labor laws and regulations.

#### 4.2.e Supply Chain

To address the supply chain (comprised mainly of suppliers of goods, materials, and construction equipment), AIP will update its Customer Contractor Labor Policy to incorporate the need for each supplier to ratify, through a binding instrument, the obligation to comply with applicable labor (specifically the prohibition of child and forced labor, and not to incorporate into its business activity any product or service that employs them), occupational health and safety, and environmental requirements.

The Company will also develop and implement a registration procedure for suppliers and contractors through which the Purchasing Committee will select, control, and evaluate the supplier or contractor against the labor and OHS criteria enshrined in the corresponding legislation<sup>9,9</sup>.

### 4.3 Resource Efficiency and Pollution Prevention

#### 4.3.a Resource Efficiency

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

Due to the size of the works to be performed for the Project, their design, and the fact that the construction sites and the work site and material storage yards are located close to each other (within a radius of less than 1 km), it is estimated that, for both its construction and O&M stages, the Project will generate less than 25,000 t CO<sub>2eq</sub>/year of greenhouse gases (GHG).

##### 4.3.a.ii Water Consumption

Water consumption for the Project (human consumption by workers and for construction activities, and human consumption by employees and visitors, for restrooms, and for industrial use during O&M) is expected to be low. During the construction stage, bottled water will be provided for workers' consumption, and for construction uses, water trucks and temporary tanks will be available from authorized sources. During O&M, potable water will be supplied through a well duly concessioned by the ANDA.

Nevertheless, Orion IP will constantly seek to optimize the use of resources for its operations, will plan for rainwater harvesting by installing cisterns for its collection in each building and avoid water waste.

##### 4.3.a.iii Energy

The energy required for the Project will be provided by two sources: the public grid, under a service contract with the authorized distributor; and solar panels that will be placed on the roofs of the buildings.

As part of its sustainability strategy, the Company, in addition to seeking to source 100% of its energy from renewable energy sources by 2021, is implementing the following initiatives to minimize energy

consumption: (i) the progressive installation of LED lighting;<sup>12</sup> (ii) the replacement of equipment with energy efficient equipment; (iii) the shutdown of unused equipment; (iv) the installation of automatic or semi-automatic controls for high-consumption equipment; (v) preventive maintenance of equipment to increase its performance; (vi) the shutdown of lighting in industrial premises; (viii) the use of natural light in as many areas as possible; and (ix) training of employees on energy saving.

#### 4.3.b Pollution Prevention

##### 4.3.b.i Effluents

The project will have two wastewater treatment plants (WWTP): one for domestic water and one for process water. Both WWTPs will comply with the Salvadoran Mandatory Standard<sup>13</sup> before discharging their treated water to a receiving body.

Separating domestic water from the collection system will generate a smaller volume that can be treated in smaller units, whose effluent can be reused for irrigation and cleaning processes within the park.

##### 4.3.b.ii Solid Waste

The Project's EMP includes a series of preventive measures for the proper management of materials, residues, and common waste, and it sets out commitments for the treatment, use, and recovery of solid waste from its generation to its final disposal. In this sense, after classifying its waste and verifying its suitability for reuse (internal reuse or recycling), the Company and each contractor and subcontractor will separate and temporarily store waste according to its nature (hazardous and non-hazardous) before proceeding to its proper disposal. Domestic solid waste or non-hazardous waste will be transported by a duly authorized service provider or by the Municipality's collection service, and transferred to an authorized landfill, in keeping with the regulations in force.<sup>14</sup>

##### 4.3.b.iii Hazardous Materials Management

The Project will not generate large volumes of hazardous or special waste. Nevertheless, AIP's Hazardous Materials Collection Plan, which reflects the guidelines contained in the EMP and the requirements contained in the environmental permit, provides that any waste produced (materials contaminated with paint or empty paint containers, solvents, used oils, etc.) will be classified, handled, temporarily stored, and removed for final disposal.

The Company will not transport its hazardous solid waste outside its facilities. This will be managed by a service provider duly authorized by the Environmental Authority and confined in compliance with the regulations in force (Executive Decree No. 41).<sup>15</sup>

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<sup>12</sup> LED (*Light Emitting Diode*).

<sup>13</sup> NSO 13.49.01:09 Wastewater Discharged to a Receiving Body. Published in the Official Gazette of March 11, 2009. Volume 382, no. 48. Agreement No. 249 of March 3, 2009.

<sup>14</sup> Executive Decree No. 42 of May 31, 2000; Special Regulations on the Comprehensive Management of Solid Waste and its Exhibits; published in Official Gazette No. 101 of June 1, 2000.

<sup>15</sup> Executive Decree No. 41 of May 31, 2000; Special Regulations on Hazardous Substances, Residues and Wastes; published in Official Gazette No. 101 of June 1, 2000.

## 4.4 Community Health, Safety and Security

### 4.4.a Community Health and Safety

The new Project works, both buildings and ancillary services facilities, will be designed and built by competent and renowned contractors experienced in the construction and operation of this type of works, using international best practices and in keeping with the applicable national and international guidelines, standards, and building codes.

However, to mitigate the increase in freight vehicle traffic on the surrounding roads during the construction and operation phases of the Project, the Company, together with the local traffic authorities, will develop a Road Safety Management Plan that will contain road safety measures, signs, and speed controls to prevent accidents and congestion and avoid impacts on the health and safety of the population.

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

As recommended by the El Salvador Fire Department, the designs of the Project's life and fire safety (L&FS) systems and facilities must comply with the General Law on Risk Prevention in the Workplace and its Regulations, which adopt the international standards of the National Fire Protection Association (NFPA).

In this regard, AIP will engage qualified L&FS professionals to certify: (i) that all Project facilities, whether completed or under construction, were constructed in accordance with the approved L&FS designs; (ii) that all equipment was installed according to the L&FS design; and (iii) that all L&FS equipment was tested following international requirements.

The Project complies with the Special Law for the Inclusion of Persons with Disabilities,<sup>16</sup> the Salvadoran Technical Standard<sup>17</sup> and the international conventions on the rights and the principle of equal opportunities for persons with disabilities ratified by El Salvador.<sup>18</sup>

#### 4.4.b Security Personnel

AIP has yet to decide whether it will hire security personnel to protect its assets during the Project's construction or O&M. However, if this proves necessary, the Company will ensure that the corresponding service contracts include provisions allowing it to: (i) conduct reasonable investigations to ensure that security personnel do not have a criminal record and have not engaged in abuse; (ii) verify the details of any required training on the use of force; (iii) verify any restrictions or procedures used for the use of firearms; and (iv) identify the details of environmental training and social awareness, including human rights.

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<sup>16</sup> Decree No. 672, of June 22, 2020; published in the Official Gazette, 2020-09-03, num. 178.

<sup>17</sup> NTS 11.69.01:14; Accessibility of the physical environment. Urbanism and Architecture. Requirements.

<sup>18</sup> The United Nations Convention on the Rights of Persons with Disabilities, signed and ratified by the Salvadoran State through Legislative Decree No. 420, dated October 4, 2007.

#### **4.5 Land Acquisition and Involuntary Resettlement**

The Project will be developed on land owned by AIP, previously negotiated and acquired from its previous owners; therefore, it does not involve any kind of involuntary physical or economic displacement.

#### **4.6 Biodiversity Conservation and Natural Habitats**

The project is being developed on heavily disturbed land with sparse vegetation and very little ecological value. Therefore, no significant impact to biodiversity is foreseen.

#### **4.7 Indigenous Peoples**

The Project is developed within the suburban areas of major cities in El Salvador, where there is no presence of indigenous peoples or community lands.

#### **4.8 Cultural Heritage**

Although the Project will be developed in previously disturbed lands, it has a No Impact on Cultural Heritage Resolution issued by the National Directorate of Cultural and Natural Heritage of the Presidential Secretariat of Culture.<sup>19</sup> Nevertheless, AIP will adopt a chance find procedure to manage any type of archaeological, paleontological, or cultural finds.<sup>20</sup>

### **5 Local Access of Project Documentation**

Aristos Inmobiliaria and AIP offer additional information about their projects on their website: <https://aristosrealestate.com.sv/es/> and <https://aristosrealestate.com.sv/es/memoria-labores/>

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<sup>19</sup> Resolution A-LL-001-2016.

<sup>20</sup> This procedure, which will describe the measures to be taken in the event that a heritage relic is found during construction, will be aligned with PS-8 and other technical provisions of the National Directorate of Cultural and Natural Heritage.