

## Environmental and Social Review Summary (ESRS) EGP Wayra Extension Wind Project – PERU

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

Enel Green Power (“EGP”) is an Enel Group (“Enel”) company focused on renewable energy that manages more than 1,200 power plants on five continents and has assets in operation or under construction in 21 countries and development activities in another six countries. Its global power plants include solar (5.95 gigawatts [GW] of installed capacity), wind (15.13 GW), hydroelectric (27.83 GW), geothermal (0.91 GW), and biomass (0.06 GW). Its business units in Central and South America include plants in Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Panama, and Peru (15.07 GW).

Enel Green Power Perú S.A. (the “Company” or “EGP Peru”) is seeking funding to expand the Wayra I Wind Power Plant (*Central Eólica Wayra I*, or “Wayra I”), located in the district of Marcona, province of Nazca, Department of Ica, Peru. Wayra I has been in operation since May 2018. The Project will involve the installation within the plant’s existing property of 30 additional windmills to increase the plant’s capacity from 132.3 MW to 165.3 MW (the “Wayra Extension” or the “Project”). The Project will involve the following principal components: i) wind turbines and assembly platforms; ii) internal access roads; iii) low and medium voltage underground pipelines; iv) expansion of operation and maintenance facilities; v) additional electrical equipment at the existing Flamenco substation; and vi) permanent measuring tower. Temporary components include: i) work facilities (offices, dining rooms, bathrooms, parking lots); ii) wind turbine storage area; iii) concrete plant; and iv) industrial water pool.

### 2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according to IDB Invest’s Environmental and Social Sustainability Policy, since it will likely generate, among others, the following impacts: i) air emissions (construction only); ii) water consumption; iii) wastewater; iv) potential soil contamination; v) waste; and vi) occupational health and safety impacts. These impacts are deemed to be of medium-low to medium intensity, are generally limited to the Project sites, are largely reversible, and can be mitigated via measures that are readily available and feasible to implement in the context of the operation.

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; v) PS6: Biodiversity Conservation; and vi) PS8: Cultural Heritage.

Since no land will be acquired as part of the Project (and therefore no involuntary resettlement is anticipated) and no indigenous communities will be affected by the Project's activities, PS5: Land Acquisition and Involuntary Resettlement and PS7: Indigenous Peoples have not been triggered.

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

#### **3.1 General Characteristics of the Project's Site**

Wayra Extension is in the district of Marcona, province of Nasca, Department of Ica. The site is in a desert and is almost completely devoid of vegetation. The nearest human settlement is the Asociación Justo Pastor Ramírez, which is located 470 m away from original site polygon but 7.6 km away from the nearest windmill. The closest major settlement is San Juan de Marcona, which is located 34 km to the south of the plant.

#### **3.2 Contextual Risks**

The District of Marcona's Citizen Security Action Plan (*Plan de Acción Distrital de Seguridad Ciudadana 2021-Marcona*) indicates that crime has been increasing in the district due to a growth in population and the immigration of unemployed people who have been committing robberies and simple aggravated thefts. Of specific concern to the population in the district are: i) micro-commercialization of drugs; ii) family violence (physical and emotional abuse); iii) injuries due to physical aggression; and iv) traffic accidents. Strategies to prevent crime are focused on preventing drug dealing, gang activity, public consumption of alcohol, and family violence, particularly by young people.

An environmental, social, and corporate governance ("ESG") reputational risk assessment of Enel Green Power Perú S.A. did not yield any risk incidents. An assessment of its parent company, Enel Green Power SpA, yielded 36 risk incidents dating back to 2008. Only one of these mentions Peru, which is a 2014 article on general opposition to hydroelectric projects in the country<sup>1</sup>.

### **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**

Enel's Global Power Generation business line has a Health, Safety, Environment, Quality, and Energy Integrated Management System Policy (*Política del Sistema de Gestión Integrado Salud, Seguridad, Ambiente, Calidad y Energía*) that applies to EGP Peru. The policy states that all the business line's operations implement an Integrated Management System ("IMS") that complies with International Organization for Standardization ("ISO") 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 50001 (Energy Management System), and ISO 45001 (Occupational Health and Safety Management System). EGP's Quality, Safety, and Environmental

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<sup>1</sup> RepRisk ESG Risk Platform (<https://esriskplatform.reprisk.com>), accessed on August 23, 2021.

Policy (*Política de Calidad, Seguridad y Medio Ambiente*) states that the Company has adopted an IMS that complies with ISO 9001, ISO 14001, and ISO 45001.

EGP Peru is currently developing a IMS for the Project, which is preliminarily described in its Environmental and Social Management Plan (*Plan Gestión Ambiental y Social*, or “ESMP”). The ESMP includes sections on roles and responsibilities, formation and training, and audits. It also summarizes the Project’s mitigation measures for: i) biodiversity; ii) air quality; iii) geomorphology, geology, and seismology; iv) soils; v) groundwater; vi) noise; vii) landscape; viii) non-ionizing radiation; ix) cultural heritage and archaeology; x) traffic and transportation; and xi) socioeconomics.

EGP Peru will develop an IMS that meets Enel’s corporate policies and IDB Invest’s Environmental and Social Management System (“ESMS”) requirements, to be described in an IMS Manual.

#### 4.1.b Policy

In addition to the IMS Policy described above, Enel has several human resource policies that apply to EGP Peru, including a Human Rights Policy, Diversity and Inclusion Policy, Health Policy, and Workplace Harassment Policy.

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

##### 4.1.c.i Direct and indirect impacts and risks

The Environmental Impact Study (*Estudio de Impacto Ambiental*, or “EIA”) for Wayra I was approved by the National Environmental Certification Service for Sustainable Investments (*Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles*, or “SENACE”) in 2015. Two Supporting Technical Reports (*Informes Técnicos Sustentatorios*, or “ITS”), which addressed design changes, were approved by SENACE in 2016. EGP Peru prepared a Modified Environmental Impact Study (*Modificación del Estudio de Impacto Ambiental*, or “MEIA”) for the expansion of the wind plant (i.e., the Project) in November 2019<sup>2</sup>. The Wayra Extension’s MEIA was approved by SENACE on January 15, 2020<sup>3</sup>, and an ITS to modify project components was approved by SENACE on August 6, 2020<sup>4</sup>.

The MEIA identifies the following environmental and social impacts during construction, all of which were assessed to be minor: i) air quality; ii) noise; iii) soil quality; iv) vegetation cover; v) fauna habitat; and vi) landscape quality (considered positive). For operations, only noise and landscape were identified as impacts. For site closure, the MEIA identified air quality, noise, and fauna habitat as impacts. The MEIA also identified the following risks: i) chemical and fuel spills; ii) vehicle collisions with mammals; iii) mortality of fauna species with protected status; iv) fauna collisions with windmills; v) damage to archaeological remains; and vi) accidents with the public or workers.

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<sup>2</sup> “Modificación del Estudio de Impacto Ambiental Detallado de la Central Eólica Wayra I para el Proyecto Wayra Extensión,” Insideo, Nov. 2019.

<sup>3</sup> Directorial Resolution No. 08-2020-SENACE-PE/DEAR.

<sup>4</sup> Directorial Resolution No. 90-2020-SENACE-PE/DEAR.

#### 4.1.c.ii Analysis of alternatives

The MEIA includes an analysis of alternative locations, technologies, and general schemes for environmental, human interest, socioeconomic, and techno-economic criteria. The analysis did not identify any significant differences in impacts.

#### 4.1.c.iii Cumulative impact analysis

Although the MEIA does not include a standalone cumulative impact assessment, an analysis of cumulative impacts is integrated into the general assessment of the Project's environmental and social impacts. The baseline chapter identifies 150 projects in the district of Marcona from 2013 to 2019, as reported by the Ministry of Economy and Finances (*Ministerio de Economía y Finanzas*). Only one of these projects, however, is located near Wayra I and Wayra Extension, which involved improvement of a sports and recreational complex at Justo Pastor in 2013. None of the 150 projects are considered material for an assessment of the Project's cumulative impacts.

The only project that is material is the operation of the existing Wayra I Wind Power Plant, for which the MEIA identified and assessed two potential cumulative impacts: i) noise; and ii) landscape quality. Regarding noise, even though the operation of the 42 existing Wayra I windmills and the Project's 30 additional windmills will overlap for approximately 22 years, the aggregated impact is not considered to be material, mainly due to the significant distance between the individual windmills and the limited reach of their noise emissions. Regarding landscape quality, although the Project's impact was assessed to be positive, it was also considered to not be material as the Project's 30 additional windmills will be installed in an area already altered by the presence of the existing Wayra I windmills and no additional mitigation measures were therefore needed.

#### 4.1.c.iv Gender risks

In Latin America, there is a significant gender gap, defined as the differential and unequal access to economic, political participation, educational, and occupational opportunities based on sex or gender. This gap is reinforced by pervasive cultural norms regarding acceptable roles for men and women and is exacerbated by weak legal protections and/or inadequate social response. The gender gap leads to gender discrimination, unequal access to public services, educational differentials, pay and labor differences, and lagging political participation rates. The gender gap index score for Peru is 0.72, which is tied for 16<sup>th</sup> out of 26 Latin American countries<sup>5</sup>.

Gender-based violence and harassment ("GBVH") is also a significant problem in Latin America and the Caribbean, which has the highest rate in the world. Brazil, Mexico, Argentina, Peru, El Salvador, and Bolivia represent 81% of global cases. The number of reported cases of femicides in Peru (128) is average for Latin America<sup>6</sup>. GBVH has been exacerbated by the COVID-19 pandemic, including in Peru, where there were almost 16,500 cases of gender-based violence between March and December 2020 and calls to emergency sexual violence hotline almost doubled 2019 rates<sup>7</sup>.

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<sup>5</sup> [Gender gap index in Latin America 2021 | Statista.](#)

<sup>6</sup> [Number of femicides in Latin America by country 2019 | Statista.](#)

<sup>7</sup> [COVID-19: rise of gender violence in Latin America | Statista.](#)

No specific gender risks were identified in the MEIA. Enel and EGP Peru are aware of the regional gender risks, however, and have addressed them through strong policies of non-discrimination, equal opportunity, and diversity. In addition, EGP Peru's Internal Work Regulations (*Reglamento Interno de Trabajo*) have a specific section on gender-based violence. It states that the Company recognizes the importance of bringing immediate and urgent attention to those women that are affected by any form of violence. The regulation defines gender-based violence to include: i) physical violence; ii) psychological violence; iii) sexual violence; iv) economic violence; and v) sexual harassment. The regulations state that the Company establishes measures to prevent GBVH through its identification, registration, reference to specialized bodies, and monitoring.

#### 4.1.c.v Climate change exposure

The Project site has a high exposure to changes in precipitation patterns in three out of four climate models. Overall, however, the Project site has a low material exposure to physical climate hazards. As a renewable energy project, the Project's transition risk exposure is low.

#### 4.1.d Management Programs

The MEIA includes an Environmental Management Strategy composed of the following plans: i) Environmental Management Plan; ii) Environmental Monitoring Plan; iii) Community Relations Plan; iv) Contingency Plan; and v) Closure Plan. The Environmental Management Plan ("EMP") addresses the physical, biological, and socio-economic environments. The section on the physical environment includes general measures to mitigate impacts to air quality, noise, soil quality, and landscape. It also includes the following programs and plans: i) Program for the Management and Disposal of Excess Material from Excavations; ii) Solid Waste Management Plan; iii) Liquid Waste Management Plan; iv) Emissions and Noise Management Program; v) Geotechnical Stability Conservation and Restoration Program; vi) Environmental Management Program for Permanent Access Roads; vii) Restoration Program for Temporary Use Zones; and viii) Hazardous Materials Management Program. The section on the biological environment includes general measures to mitigate impacts to flora and fauna, as well as the following plans: i) Tillandsia<sup>8</sup> Relocation Plan; ii) Reptile Management Plan; and iii) Guanaco Management Plan. The section on the socio-economic environment includes general measures to mitigate socioeconomic and cultural heritage impacts, as well as the following programs and plans: i) Environmental Training and Education Program; ii) Cultural Heritage and Archaeological Management Program; iii) Safety and Environmental Signage Plan; and iv) Occupational Health and Safety Plan. The EMP also includes an Environmental Compensation Plan.

#### 4.1.e Organizational Capacity and Competency

At the corporate level, Enel has a sustainability team in charge of Peru and Colombia that includes an Environmental Manager, a Health and Safety Manager, and a Quality Manager. A Health, Safety, Environment, and Quality ("HSEQ") Manager for Renewable Peru reports to these managers. Renewable Peru's sustainability team includes managers in charge of: i) Creating Shared Value

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<sup>8</sup> Tillandsia is a genus of around 650 species of evergreen, perennial flowering plants in the family *Bromeliaceae*, native to the forests, mountains, and deserts of northern Mexico and the south-eastern United States, Mesoamerica, and the Caribbean to mid Argentina.

("CSV") and Sustainability Projects; ii) Sustainability Planning and Performance Management; and iii) Circular Economy. The EGP Peru sustainability team for the Project will be composed of the following: i) Health, Safety, and Environment ("HSE") Manager (on site); ii) Senior Safety Officer; iii) Environmental Officer; iv) Junior Safety Officer (third party); and v) HSE Assistant (third party). A Community Relations Officer will also be assigned to the site. As of October 2021, none of these positions had been filled.

#### 4.1.f Emergency Preparedness and Response

The Project EMP includes a Contingency Plan that includes an Emergency and Contingency Response Program. The latter describes the composition and responsibilities of an Emergency Response and Control Committee, which includes an Emergency Plan Coordinator (the on-site Safety Officer), an Emergency Response and Control Brigade Chief (the Project Supervisor), and the Emergency Response and Control Group (members of the Emergency Brigade). The program describes four levels of emergency and the procedures and responsibilities for responding to each of these levels, as well as specific procedures for the following types of emergencies: i) evacuation; ii) earthquakes; iii) occupational accidents; iv) fires; v) oil and fuel spills; vi) vehicular accidents; vii) damage to archaeological remains; viii) structural failure and collapse; and ix) electrocution. It includes a list of internal and external contacts for emergencies, including the positions, personal names, telephone numbers, and e-mails for internal contacts, and the institutional name, address, telephone number, and distance from the Project site for external contacts; two emergency numbers for local fire departments; and a section on training and simulations.

#### 4.1.g Monitoring and Review

The Project's Environmental Monitoring Plan describes the procedures and frequency for monitoring the following: i) air quality (quarterly during construction); ii) noise (quarterly during construction and annually during operations); iii) non-ionizing radiation (annually during operations); iv) Tillandsia relocation (quarterly during construction and biannually during operations); v) avifauna (biannually during operations); and vi) guanaco (biannually during operations). Archaeological monitoring is covered under the EMP.

#### 4.1.h Stakeholder Engagement

The MEIA identifies two communities in the Project's Area of Indirect Impacts ("All"). The first is the Asociación Justo Pastor Ramírez ("Justo Pastor"), which is located 470 m away from the original site polygon but 7.6 km away from nearest windmill. The town is composed of 17 families living in 10 houses. The other community in the All is the larger San Juan de Marcona, which is located 34 km away from the Project site. This community was included in the All because it is anticipated to be a source of goods and services for the Project. There are no human settlements within the Project's Area of Direct Impacts.

The MEIA identifies two types of Project stakeholders. The first are representatives of Justo Pastor (six people and two open positions) and the District of Marcona (the mayor). The second type of Project stakeholders are local organizations, institutions, and associations. These include regional (Ica), provincial (Nasca), and municipal (Marcona) governmental agencies; the San Fernando

National Reserve; the local office of the Peruvian National Police; local artisanal fisher groups; local worker groups; and local business associations. The MEIA also includes the results of stakeholder mapping for the Project, including an assessment of stakeholder positions towards the Project (favorable, neutral, or unfavorable), levels of interest, levels of influence, and scope (local, district, or provincial). The MEIA presents the results of a perception study for residents of Justo Pastor, as well as an analysis of regional perceptions, expectations, and concerns about the Project. The MEIA also includes a description of the social programs for community residents implemented by EGP Peru as part of its development of Wayra I. These included: i) constant dialogue; ii) an entrepreneurial support program for community women; and iii) installation of 23 solar panels for community homes. EGP Peru also implemented a participatory monitoring committee (*Comité de Monitoreo y Vigilancia Ciudadana*) during the construction of Wayra I, with the participation of seven institutions and 16 representatives.

The Project's EMP includes a Community Relations Plan, which is composed of the following programs: i) Communication and Consultation Program; ii) Temporary Personnel Hiring Program; iii) Community Relations and Code of Conduct Training Program; iv) Institutional Management Capacity Support Program; v) Acquisition of Local Products Program; vi) Local Development Support Program; and vii) Citizen Monitoring and Surveillance Program. The plan also includes an implementation schedule, tables that list key performance indicators ("KPIs") for each program, and budgets for each program.

#### 4.1.h.i Disclosure of information

The Project's Communication and Consultation Program has the following objectives: i) establish mechanisms and channels of permanent dialogue with communities to achieve transparent relations and mutual understanding; ii) respect and listen to the opinions and concerns of communities to be able to address and manage them; and iii) ensure that communication contributes to an understanding of Wayra Extension, keeping communities informed of the Company's short, medium, and long term actions. These objectives are to be achieved through the following activities: i) guided visits to the Project site; ii) stakeholder meetings; iii) implementation of a community grievance mechanism; and iv) communication tools (e.g., informative pamphlets).

In addition, EGP has a publicly accessible website on Wayra I<sup>9</sup> that includes basic information on the power plant, including its capacity, energy production, CO<sub>2</sub> emissions avoided, construction status (for the original plant), and workers (for construction of the original plant). It also includes an e-mail and telephone number for people to contact EGP Peru.

EGP Peru will update the Wayra I website to include information on the Project (i.e., expansion of the power plant).

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

The MEIA includes a Citizen Participation Plan that describes the public consultation EGP Peru conducted as part of the MEIA, which took place in two stages. The first stage, which took place

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<sup>9</sup> <https://www.enelgreenpower.com/our-projects/highlights/wayra-wind-project>.

prior to completion of the MEIA, involved the following activities: i) informative meetings with interest groups (four meetings on June 3 and 4, 2019; ii) a participative workshop; iii) interviews with interest groups by a social promoter; and iv) distribution of informative pamphlets. The second stage took place during evaluation of the MEIA and involved the following activities: i) participative workshop; ii) public audiences; iii) visits to the plant; iv) distribution of informative pamphlets; and v) public access to the MEIA.

#### 4.1.h.iii Indigenous Peoples

The Project is not located near any indigenous communities and is not anticipated to impact any Indigenous Peoples.

#### 4.1.h.iv Private sector responsibilities under government-led stakeholder engagement

Stakeholder engagement is the sole responsibility of the Company. No Government-led stakeholder engagement has taken place or is envisioned to take place.

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

##### 4.1.i.i External communication

The Project has a Communication and Consultation Program that describes how the Company communicates with local communities and other stakeholders. Wayra I also has a publicly accessible website by which it shares information with the public.

##### 4.1.i.ii Community grievance mechanism

Enel has a community grievance mechanism (*Atención de quejas y reclamos – Stakeholders*) that is specific to Peru and is managed by its Sustainability Peru team. Enel periodically discloses information about the mechanism to local communities (flyers, at stands at community events, on Enel's website, and during information campaigns), and provides various means for people to lodge grievances (including in person, suggestion boxes, by telephone, and by e-mail). The mechanism has procedures for grievance classification and prioritization, as well as for receiving, registering, investigation, responding to, addressing, and monitoring the outcome of such grievances. It also includes a description of roles and responsibilities, timelines<sup>10</sup>, and judicial options that can be used should the outcome of the grievance mechanism not satisfy the complainant.

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

Enel's community grievance mechanism does not have specific provisions for vulnerable groups but is open to anyone free of charge, is widely disclosed, and can be accessed by multiple means.

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<sup>10</sup> First-time grievances are to be responded within 10 business days; repeated grievances within 15 business days.



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

In addition to that which is described above, Enel produces an annual Sustainability Report that is available to the public. The Sustainability Report 2020<sup>11</sup> presents KPIs for emissions, energy consumption, use of raw materials, effluents, waste, human resources, social investment, sustainable supply chain, occupational health and safety, and governance.

#### 4.2 Labor and Working Conditions

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

The expansion of Wayra I will require an average of 280 workers, with a peak of 450 workers, over a period of 16 months.

##### 4.2.a.i Human resources policies and procedures

EGP Peru has an Internal Work Regulation (*Reglamento Interno de Trabajo*) that was approved by the Ministry of Work and Employment Promotion (*Ministerio de Trabajo y Promoción del Empleo*) on December 7, 2018. The regulation covers the following topics: i) selection of personnel; ii) entry requirements; iii) recruitment and induction; iv) worker termination; v) working hours; vi) overtime; vii) breaks; viii) attendance and punctuality; ix) permits, licenses, and absences; x) days off and vacations; xi) performance evaluation policy; xii) training; xiii) power and obligations of the Company; xiv) rights, obligations, and prohibitions of male and female workers; xv) remuneration regime; xvi) disciplinary measures; xvii) use of work tools; xviii) occupational health and safety; xix) security and surveillance; xx) attention to labor matters and promotion of harmony; xxi) union facilities; xxii) gender equality; xxiii) prevention and treatment of violence against women; xxiv) rights of working mothers; xxv) leave for breastfeeding; xxvi) breastfeeding facilities; xxvii) prevention and punishment of sexual harassment; xxviii) measures against AIDS and HIV; xxix) measures against tuberculosis in the workplace; xxx) prevention and control of the risks of tobacco consumption; and xxxi) deliberative procedure for the design of reasonable accommodations.

In addition, Enel has several standalone, corporate human resource policies, including a Diversity and Inclusion Policy, Health Policy, Policy on Stress at Work Prevention and Wellbeing at Work, Workplace Harassment Policy, and Human Rights Policy.

EGP also has a Code of Conduct (*Código de Conducta para Trabajadores*) that applies to employees, contractors, and suppliers.

##### 4.2.a.ii Working conditions and terms of employment

The Company provides each worker with a copy of its Internal Work Regulation, Code of Conduct, Occupational Health and Safety Regulations, and other internal norms. It also informs all workers about their working conditions.

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<sup>11</sup> [https://www.enel.com/content/dam/enel-com/documenti/investitori/sostenibilita/2020/sustainability-report\\_2020.pdf](https://www.enel.com/content/dam/enel-com/documenti/investitori/sostenibilita/2020/sustainability-report_2020.pdf).

#### 4.2.a.iii Workers' organizations

The Company respects trade union rights. Collective relations are governed by current legislation and applicable agreements, and the Company collaborates, to the extent possible, with trade union activities, provided they are not linked to political or religious activities.

#### 4.2.a.iv Non-discrimination and equal opportunity

The Company does not discriminate against personnel based on religious belief, politics, sex, race, or any other prohibited motive. It also ensures that discriminatory acts are not exercised against its staff based on religious, political, or other beliefs, as well as their place of origin, language, race, gender, and diseases such as tuberculosis, Human Immunodeficiency Virus ("HIV"), and Acquired Immune Deficiency Syndrome ("AIDS").

Enel's Diversity and Inclusion Policy prohibits political, national, ethnic, racial, linguistic, gender, and age discrimination, as well as discrimination based on personal beliefs, sexual orientation, and trade union membership and activity. The policy, which guarantees equal opportunity based on all types of diversity, also includes a Diversity Action Plan, with actions to ensure diversity of gender, age, nationality, disability, and cross-diversity dimensions.

EGP Peru's Code of Conduct, which applies to contractors and suppliers, requires workers to avoid discriminatory conduct based on gender, age, disability, race, language, culture, political or affiliation convictions, philosophy, religion, or any other illegal category.

#### 4.2.a.v Retrenchment

EGP Peru's Internal Work Regulation states that workers can only be dismissed for reasons permitted by law. This includes fulfillment or expiration of a fixed-term contract.

#### 4.2.a.vi Grievance mechanism

EGP Peru's Internal Work Regulation states that workers have the right to lodge grievances, claims, and suggestions, by means of a physical or virtual document, to the Company's management and to human resources. EGP Peru will develop and implement a Worker Grievance Mechanism to operationalize this requirement.

#### 4.2.b Protecting the Workforce

##### 4.2.b.i Child labor

Enel's Human Rights Policy states that the Company respects the rights of children and rejects the use of child labor as defined by host country legislation and in compliance with the minimum age requirements established by International Labour Organization ("ILO") Convention No. 138<sup>12</sup>.

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<sup>12</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C138](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138).

EGP Peru's Internal Work Regulation states that prior to being hired, workers must demonstrate that they are at least 18 years old. In exceptional cases, the Company can hire minors only after having complied with applicable laws and regulations. In Peru, this means that the minimum age for work is 14 years old, and that workers from 14 to 18 years old cannot engage in hazardous work<sup>13</sup>.

#### 4.2.b.ii Forced labor

Enel's Human Rights Policy states that the company rejects the use of any form of forced or compulsory labor as defined by ILO Convention No. 29<sup>14</sup> and does not confiscate money or identify papers upon commencing employment to retain workers against their will.

#### 4.2.c Occupational Health and Safety

Enel's Health Policy includes a Health Prevention Plan with actions regarding: i) prevention of alcohol related diseases; ii) prevention of drug addiction; iii) smoking; iv) health habits; v) prevention of psychosocial diseases; and vi) prevention campaigns.

EGP Peru's Internal Work Regulations has a section on occupational health and safety that includes the following requirements: i) workers to inform management of accidents; ii) worker prohibition on changing, altering, moving, or destroying safety devices; iii) workers to maintain orderly and clean work spaces to prevent accidents; iv) Company provision of medical facilities to care for workers that suffer accidents or sudden illness and transport them to a suitable medical center; v) Company provision and worker use of personal protective equipment; vi) Company provision and worker acceptance of medical exams; and vii) workers to follow all Company occupational health and safety standards and procedures.

The Project EMP includes a basic Occupational Health and Safety Plan (*Plan de Salud y Seguridad en el Trabajo*) with sections on: i) periodic inspections; ii) technical inspections; iii) safety inspections; iv) audits; v) training; vi) medical evaluations; vii) management of workplace accidents; viii) personal protective equipment; and ix) measures for work in public roads.

EGP Peru will develop and implement a standalone Occupational Health and Safety Plan for the Project.

#### 4.2.d Provisions for People with Disabilities

EGP Peru's Internal Work Regulation includes detailed requirements to provide reasonable accommodations for workers with disabilities in compliance with Peru's Technical Standard for the Design, Implementation, and Execution of Reasonable Adjustments for the Employment of People with Disabilities in the Private Sector (*Norma Técnica para el diseño, implementación y ejecución de ajustes razonables para el empleo de personas con discapacidad en el Sector Privado*)<sup>15</sup>. Reasonable accommodations include changes in physical workspace, provision of technical aids, support

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<sup>13</sup> Articles 51 and 58 of the Child and Adolescent Code.

<sup>14</sup> [https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100\\_ILO\\_CODE:C029](https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C029).

<sup>15</sup> Approved by Ministerial Resolution No. 127-2016-TR.

services, adaptation of work tools, and adjustments in work organization and schedules based on the needs of the person with the disability.

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

Enel's Human Rights Policy, which rejects the use of child and forced labor, states Enel's commitment and respect for human rights within its business relationships and adherence of its human rights standards by its contractors, suppliers, and business partners.

EGP Peru will develop a Contractor Management and Assurance Plan for the Project.

#### 4.2.f Supply Chain

Enel's Sustainability Report 2020 states that the Company assessed 98% of qualified suppliers for health and safety aspects, environmental aspects, and human rights or business ethics in 2020. In addition, Enel is developing a new control system for real time recognition and monitoring of supplier performance, and trained 1,300 people on the use of applications developed for the Enel's new Supplier Performance Management in 2020, with a focus on a new evaluation category dedicated to human rights.

### 4.3 Resource Efficiency and Pollution Prevention

#### 4.3.a Resource Efficiency

During construction, the Project will utilize a 150 kilovolt-ampere ("kVA") diesel generator for electricity at the work site, as well as two 500 kVA generators plus backup at the concrete plant. The Project will also have small-scale mobile diesel generators for mobile work fronts. The Project is estimated to require 15,000 m<sup>3</sup> of fuel per month during construction.

During operations, the power plant will produce its own electricity, backed up by a battery-based Uninterruptible Power System (*Sistema de Alimentación Ininterrumpida*, or "UPS"). The Project will also have a 100-kilowatt ("kW") generator in case of a UPS failure. The Project is estimated to require 0.6 m<sup>3</sup> of fuel per month during operations.

#### 4.3.a.i Greenhouse Gases

Greenhouse gas ("GHG") emissions will be limited to fuel consumption by vehicles, construction equipment, and generators during construction and are considered not material. GHG emissions will be negligible during operations.

#### 4.3.a.ii Water Consumption

The MEIA estimates the following industrial water consumption requirements for the Project: i) 7,000 m<sup>3</sup> for the manufacture and curing of concrete; ii) 10,400 m<sup>3</sup> for the watering of access roads; iii) 5,200 m<sup>3</sup> for the watering of platforms, iv) 1,000 m<sup>3</sup> for the cleaning of mixer trucks; and v) 750

m<sup>3</sup> for the watering of roads with dust reducing agents (e.g., *bischofita*<sup>16</sup>). Industrial water will be obtained from local providers and stored in an on-site, 50 m<sup>3</sup> Industrial Water Pool (*Piscina de Agua Industrial*).

During its construction, the Project will also require approximately 7,200 m<sup>3</sup> of domestic water, which will also be obtained from a local provider. Domestic water consumption for the operational phase is estimated to be 216 m<sup>3</sup> per year.

#### 4.3.b Pollution Prevention

The Project's EMP includes an Emissions and Noise Management Program (*Programa de manejo de emisiones y ruido*) that describes measures to mitigate the impact of particulate emissions (PM<sub>10</sub> and PM<sub>2.5</sub>) and the emissions of vehicles and machinery, as well as noise impacts. The former include: i) regular maintenance of vehicles and machinery; ii) watering of access roads; iii) use of dust reducing agents on roads; iv) prohibition against burning waste; v) speed limits; and vi) the use of adequate containers to limit bad odors. Noise mitigation measures include: i) restricting the use of vehicle horns; ii) restricting vehicle use at night; iii) regular maintenance of vehicles and machinery; iv) noise monitoring; and v) auditory protection for workers in locations where noise exceeds 85 dBA.

##### 4.3.b.i Wastes

During construction, solid waste will be temporarily stored in an on-site, 72 m<sup>2</sup> waste storage facility (*bodega de residuos*) divided into four independent spaces for the following types of waste: i) non-hazardous industrial waste; ii) non-hazardous domestic waste; iii) hazardous waste (e.g., lubricants, oils, and greases); and iv) acidic hazardous waste (e.g., batteries). Construction is estimated to produce 28,000 m of cable remains, 160 metric tons of other non-hazardous industrial waste (e.g., metallic waste, cardboard, wood, and debris), 36 metric tons of domestic waste, and 2 metric tons of hazardous waste (e.g., lubricants, oils, and greases).

The Project EMP includes a Solid Waste Management Plan (*Plan de manejo de residuos sólidos*) that describes measures for waste minimization, segregation, storage, reuse (including recycling of wood, metal, plastic, paper, and cardboard), and transportation. Although the plan does not indicate where the waste will ultimately be disposed, it requires that the transportation and final disposal of waste be conducted under permits emitted by and under the supervision of Peruvian authorities.

Industrial effluent is estimated to total 15 m<sup>3</sup> per week. Industrial water will be discharged into a pool so that solids can settle to the bottom. The solids will be removed by an authorized service provider, and the decanted water will be reutilized for road irrigation. Domestic wastewater will be discharged into a 6 m<sup>3</sup> biodigester to be buried on site. Treated water will be released into the ground, and mud will be removed approximately once a year by an authorized service provider.

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<sup>16</sup> Bischofita is a hydrous magnesium chloride mineral with formula MgCl<sub>2</sub>·6H<sub>2</sub>O. It is often used to stabilize unpaved roads, preventing dust production.

The Project EMP includes an Effluent Management Plan (*Plan de Manejo de Residuos Líquidos*) that describes the Project's sewage system, implementation of portable bathrooms, and wastewater treatment system.

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

Hazardous materials (oils, lubricants, nitrogen, and hexafluoride-“SF6”) will be stored in an on-site, 72 m<sup>2</sup> chemical storage facility with the required safety measures. The following amounts of hazardous materials are estimated to be produced during operations: i) fuel, 0.6 m<sup>3</sup> per month; ii) lubricant grease and oils, 3,000 kg per year; iii) hydraulic oil, 2,000 l per year; iv) antifreeze, 30 gallons per year; v) refrigerant, (350 l per year; vi) SF6, two tanks a year; vii) nitrogen gas, six tanks a year; viii) paint, 10 gallons a year; ix) stone material, 2,000 m<sup>3</sup> per year; and x) dust reducing agents (e.g., *bischofita*), 200 metric tons per year.

The Project EMP includes a Hazardous Materials Management Program (*Programa de manejo de sustancias o materiales peligrosos*) that describes measures for the acquisition, transportation, reception, identification and classification, and storage of hazardous materials. Requirements for the hazardous materials storage area include: i) signage in compliance with Peruvian regulations; ii) frequent inspections to identify leaks and mechanical damage; iii) keeping storage areas clean; iv) cleaning of materials and equipment after use; v) disposal of materials in hazardous waste containers; vi) fire detection system; vii) spill kits; viii) proper labeling of hazardous materials.

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

The use of pesticides is not anticipated for the Project.

### 4.4 Community Health, Safety, and Security

#### 4.4.a Community Health and Safety

##### 4.4.a.i Infrastructure and equipment design and safety

Although the MEIA did not identify any Project impacts to community health and safety, it does mention vehicular accidents involving the public as a moderate risk. Measures in the Project EMP to mitigate this risk include speed limits and training for drivers. EGP Peru will develop and implement a Traffic Management Plan for the Project.

The Project ESMP includes the following additional measures regarding community health and safety: i) installation of signs with information on the risks and security measures to adopt to enter the site; and ii) establishment of security points at all access roads into the site to identify people that are not authorized to enter.

#### 4.4.a.ii Hazardous materials management and safety

The Project EMP includes a Hazardous Materials Management Program with detailed requirements for the safe transportation and storage of hazardous materials. Due to the nature and quantity of the latter, as well as the significant distance between the Project site and nearby communities, the risk of hazardous materials to community health and safety is considered to be negligible.

#### 4.4.a.iii Ecosystem services

The MEIA assessed the Project's potential impacts to provisioning, regulating, cultural, and support services. The only provisioning service identified was guanaco, as a genetic resource. The minimal vegetation (*Tillandsia*) within the Project site was identified as the only regulating and supporting service. No cultural services were identified. The Project's potential impacts to guanaco and *Tillandsia* will be mitigated through the biodiversity management plans in the Project's EMP.

#### 4.4.a.iv Community exposure to disease

The Project's only risk for community exposure to disease is the influx of non-local workers for the Project. A minimum of 14 workers to be hired will be local. The remainder will be non-local Peruvian and foreign workers. These workers will be housed in hotels in the nearby city of Nasca, which has a significant number of hotels due to tourist and industrial activities. The Project's ESMP includes the following measures to mitigate this risk: i) accommodate non-local workers in hotels with adequate capacity; ii) ensure worker compliance with the Project's Code of Conduct; iii) feeding of most contractors in a cafeteria at the Project site; iv) conduct a background check on non-local workers; and v) coordinate with local authorities regarding community safety.

#### 4.4.a.v Emergency preparedness and response

The Project EMP includes a Contingency Plan that includes an Emergency and Contingency Response Program but no provisions to share the program with local communities or notify them in the event of an actual emergency. EGP Peru will therefore update the Project's Emergency and Contingency Response Program to include these two provisions.

#### 4.4.b Security Personnel

Enel's Human Rights Policy states the Company's commitment to guaranteeing that private security forces protecting its personnel and properties act in a way consistent with applicable national laws and regulations and international standards (referencing the Voluntary Principles on Security and Human Rights), while also encouraging public security forces to act in the same manner.

Enel has Security Standards for Industrial Installations (*Estándares de Seguridad Física para Instalaciones Industriales*) that specifically apply to Peru. The document states that firearms are prohibited on installations except when carried by the National Police and Armed Forces.

EGP Peru will develop and implement a Security Management Plan specific to the Project.

#### 4.5 Land Acquisition and Involuntary Resettlement

The Project will be implemented within the existing Wayra I property. As a result, it will not involve any land acquisition or produce any involuntary resettlement.

#### 4.6 Biodiversity Conservation and Natural Habitats

##### 4.6.a General

A biological baseline survey was conducted as part of the MEIA. The survey identified six plant species, none of which are protected under Peruvian legislation or listed by the International Union for Conservation of Nature (“IUCN”). One of the species, the Green Machay (*Tillandsia latifolia*), is endemic. None of the plants are known to be utilized by the local population. The survey identified 12 species of birds, none of which are protected nationally or listed by the IUCN. One species, the Ringed Storm-petrel (*Oceanodroma hornbyi*), is considered to be sensitive and of local importance. The survey identified two mammal species, the guanaco (*Lama guanicoe*), listed as critical according to Peruvian legislation but not by the IUCN, and the gray fox (*Urocyon cinereoargenteus*), that is data deficient according to Peruvian legislation and is not listed by the IUCN. Neither species is endemic. Finally, the survey identified five species of herpetofauna, one of which (*Phyllodactylus agustidigitus*, a type of gecko) is listed as endangered according to Peruvian legislation and by the IUCN, and another of which (*Ctenoblepharys adspersa*, known locally as cabezona) is listed as vulnerable in both. Both species are endemic, and none of the species are utilized by humans.

##### 4.6.b Protection and Conservation of Biodiversity

The Project’s EMP includes a general list of measures to mitigate impacts to flora and fauna, as well as the following biodiversity management plans: i) Tillandsia Relocation Plan; ii) Reptile Management Plan; and iii) Guanaco Management Plan. The Tillandsia Relocation Plan indicates that these plants will need to be removed from six construction areas (mostly access roads), one of which is considered to be a Tillandsia habitat (Tillandsial). Although the relocation areas are not defined, the plan provides criteria for these areas, as well as detailed procedures for the removal, transportation, and replanting of the plants.

The Reptile Management Plan includes measures to prevent herpetofauna mortality (specifically lizards), as well as procedures for relocating lizards, noting, however, that these animals generally leave the area on their own when construction personnel arrive. The Guanaco Management Plan focuses on the risk of vehicle collisions with these animals by adopting mitigation measures that include the posting of guanaco crossing signs along roads and enforcing speed limits and other traffic control measures.

##### 4.6.b.i Modified Habitat

Approximately 9,889.9 hectares (98.9%) of the Project site has been identified as coastal desert (*desierto costero*), which is characterized by sandy sediment and an almost complete lack of vegetation. An undefined percentage of this area has been identified as intervened (*área*



*intervenida*) due to the presence of Wayra I windmills, substations, access roads, and associated infrastructure.

#### 4.6.b.ii Natural and Critical Habitat

Approximately 106.7 hectares (1.1%) of the Project site has been identified as Tillandsia ecosystem (*Tillandsial*). This qualifies as natural but not critical habitat. A small portion of the Tillandsia habitat will be impacted by the Project, mostly through the construction of access roads. These impacts will be mitigated by relocation of impacted Tillandsia plants.

#### 4.6.b.iii Legally protected areas and internationally recognized areas

Approximately 1,210.35 hectares (12%) of the Wayra I property overlaps with the buffer zone of the San Fernando National Reserve. This entire area, however, falls within the existing footprint of Wayra I. The Wayra Extension is not located within the buffer zone, and no construction activities associated with the Project will take place within it.

The closest Important Bird Area (PE038) is located 83 km from the Project site, in the Paracas National Reserve. The Project site, however, is located within the Peru-Chile Pacific Slope (Vertiente del Pacífico Perú-Chile) Endemic Bird Area (EBA052). The MEIA does not consider this to be significant, however, due to the large size of the Endemic Bird Area (95,000 km<sup>2</sup>). The closest Ramsar wetland is located 85 km from the Project site, in the Paracas National Reserve.

#### 4.6.b.iv Invasive alien species

Due to its location in a desert that supports minimal vegetation that is highly adapted to the environment, invasive alien species are not considered to be a significant Project impact.

#### 4.6.c Management of Ecosystem Services

The MEIA assessed the Project's potential impacts to provisioning, regulating, cultural, and support services. The only provisioning service identified was guanaco, as a genetic resource. The minimal vegetation (Tillandsia) within the Project site was identified as the only regulating and supporting service. No cultural services were identified. The Project's potential impacts to guanaco and Tillandsia will be mitigated through the biodiversity management plans in the Project's EMP.

#### 4.6.d Sustainable Management of Living Natural Resources

The Project will not involve the primary production of living natural resources.

##### 4.6.d.i Supply chain

Enel's Sustainability Report 2020 states that the company assessed 98% of qualified suppliers for environmental aspects (including biodiversity) in 2020. In addition, Enel is developing a new control system for real time recognition and monitoring of supplier performance, and trained 1,300 people

on the use of applications developed for the company's new Supplier Performance Management in 2020.

#### 4.7 Indigenous Peoples

The Project is not located near any indigenous communities and is not anticipated to impact any Indigenous Peoples.

#### 4.8 Cultural Heritage

EGP Peru obtained a Non-Existence of Archaeological Remains Certificate (*Certificado de Inexistencia de Restos Arqueológicos*, or "CIRA") for the original Wayra I site in 2014<sup>17</sup>. An Archaeological Monitoring Plan (*Plan de Monitoreo Arqueológico*, or "PMA") was approved for the area in 2016<sup>18</sup>. A CIRA for an expansion of the site (Sectors 1 and 2) was obtained in 2017<sup>19</sup>, which identifies nine archaeological zones to be avoided by construction activities. The area covered by this CIRA was incorporated into the PMA in 2017<sup>20</sup>. A total of 15 chance finds (windbreaks and geoglyphs) have been identified and protected to date under the PMA.

No other types of cultural heritage (e.g., historic structures, living heritage sites) have been identified within the Project site.

##### 4.8.a Chance Find Procedures

The PMA for the Project site includes a chance find procedure that will be triggered in the event of the unanticipated discovery of archaeological resources during ground-disturbing activities.

### 5. Local Access of Project Documentation

General information on the Wayra I Wind Power Plant can be accessed at the following website: [The Wayra wind project, Peru | Enel Green Power](#).

Enel's most recent annual Sustainability Report (2020) can be accessed at the following website: [https://www.enel.com/content/dam/enel-com/documenti/investitori/sostenibilita/2020/sustainability-report\\_2020.pdf](https://www.enel.com/content/dam/enel-com/documenti/investitori/sostenibilita/2020/sustainability-report_2020.pdf).

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<sup>17</sup> CIRA No. 262-2014/MC, 31-Dec-2014.

<sup>18</sup> Resolución Directoral No. 080-2016-DDC-ICA-MC, 31-Oct-2016.

<sup>19</sup> CIRA No. 006-2017/MC, 20-Jan-2017.

<sup>20</sup> Resolución Directoral No. 020-2017-DDC-ICA-MC, 15-Mar-2017.