

Environmental and Social Review Summary (ESRS) VIVA Negocio Inmobiliario - PERU

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

This transaction consists of a long-term loan to finance part of Viva Negocio Inmobiliario S.A.'s ("Viva", the "Company" or the "Client") investment plan for the period 2020-2024 (the "Project"), which focuses on the social housing ("SH") business. This plan includes: i) development of the "Parque Comas"¹ project located in the city of Lima, Peru, which, to date, is approximately 49% complete; ii) land purchases for SH development² projects mainly in Lima and Callao; and iii) working capital. Viva's main line of business is SH, aimed at low-income socioeconomic levels ("SEL") B-, C, and D³ located in areas of urban expansion, renovation, and in the process of urban consolidation. In addition, the homes it builds are part of government assistance programs such as "Mi Vivienda"⁴ and "Techo Propio".⁵

As part of the environmental and social due diligence process ("ESDD"), IDB Invest conducted a review of relevant environmental and social information, including an analysis of: i) the Company's Environmental and Social Management System ("ESMS"); ii) environmental permits and certifications in force; and iii) information on existing projects (Comas Project), among other documents.

Due to mobilization restrictions resulting from the COVID-19 pandemic, the ESDD included several virtual meetings (held in January and February 2022) with Company officials.

2. Environmental and Social Categorization and Rationale

The Project has been classified as a Category B operation according with BID Invest's Environmental and Social Sustainability Policy since it will likely generate the following impacts among others during real estate project construction phases: i) particulate matter and combustion gas emissions into the atmosphere; ii) noise generation; iii) potential labor accidents; iv) variations in the demand for labor; iv) increased probability of traffic accidents due to the increased circulation of vehicles and trucks to and from the projects; v) generation of hazardous and non-hazardous solid and liquid waste; vi) demand for water resources; and vii) modification of the landscape. These impacts and risks are considered to be of low or medium intensity.

¹ Parque Comas is the largest low-income housing project in the country. It has around 13,000 apartments and 4,000 parking spaces on a site of almost 300,000 m².

² At present, Viva has developed its business in 2 provinces of Peru (Piura and Lima).

³ <https://www.ipsos.com/es-pe/caracteristicas-de-los-niveles-socioeconomicos-en-el-peru>

⁴ <https://www.mivivienda.com.pe/PortalWEB/>

⁵ <https://www.mivivienda.com.pe/portalweb/usuario-busca-viviendas/pagina.aspx?idpage=30>

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) PS8: Cultural Heritage

3. Environmental and Social Context

3.1 General Characteristics of the Project’s site

The Company has developed its real estate projects (housing, offices, and shopping centers) since 1987, mainly in the metropolitan area of Lima, El Callao, and, to a lesser extent, in the cities of Piura and Huancayo.

"Comas Park" is located in the district of Comas, province and department of Lima. The project has a usable area of 295,762.66 m² in a residential land use zone, where the Collique aerodrome, headquarters of the Peruvian Civil Aviation School, used to operate. The property was acquired from the DHMont Consortium⁶ and is currently surrounded by urbanized areas.

Parque Comas, which started in 2014, includes the construction of 94 apartment buildings distributed in 19 condominiums of multi-family buildings as follows: i) 11 of them under the Conjuntos concept; ii) 4 under the Villas concept; and iii) 4 under the Club Residencial concept; all of them with communal facilities. Product development is planned in stages or generations,⁷ to build 13,124 apartments, of which, to date, 6,392 have been built and of these, 5,893 have already been delivered. All projects also include green areas and other recreational common areas.

At its peak, Parque Comas generated more than 700 direct and indirect jobs.

3.2 Contextual Risks

In Peru, financial poverty in 2020 reached 30.1% of the country's population,⁸ an increase of 9.9 percentage points compared to 2019. For this reason, many middle- and low-income families, lacking access to the financial system, opt to purchase informal housing on the outskirts of cities, or buy plots of land from land traffickers.

The Comas district is one of the most populated districts of Metropolitan Lima, occupying 5% of the total population of Lima and El Callao. It has a population of approximately 520,450 inhabitants⁹ and a high financial poverty rate. The northern part of Lima is a violent region where crime and drug trafficking have increased significantly in recent years. Moreover, Peru has become the second country in the region with the largest Venezuelan migrant population,¹⁰ with the city of Lima being one of their main destinations.

⁶ DHMont is a neighbor of the property, where it also has a real estate project.

⁷ First generation: 2015-2019; second generation 2019-2022; third generation 2022-2025; and fourth generation 2025-2027.

⁸ Source: National Institute of Statistics and Informatics (INEI).

⁹ <https://www.municomas.gob.pe/resources/upload/transparencia/informacion-adicional/DIAGNOSTICO-DE-BRECHAS-DEL-DISTRITO-DE-COMAS-PMI-2021-2023.pdf>

¹⁰ https://www.unodc.org/documents/human-trafficking/2021/Track4Tip/Relatorio-Unodc-PERU-07-06-2021_compressed.pdf

Piura, located near the border with Ecuador, is Peru's second most populated region and one of the country's main fishing areas. In recent years, this city has become a transit zone for Venezuelan migrants arriving in the country. This and its border location have exacerbated the illicit trafficking of narcotic substances.

Huancayo, located in the Department of Junín, is one of the six most populated cities in Peru, with a population of 400,271 inhabitants according to the INEI. It is a city that, according to the "List of Indigenous or Native Peoples"¹¹ has indigenous Amazonian¹² and Andean¹³ populations.

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

The Company has an "Integrated Management System ("IMS") Manual for Risk Prevention and Environmental Management", based on the requirements of the OHSAS 18001¹⁴ and ISO 14001¹⁵ standards, which is part of VIVA's general management system and is designed under the concept of continuous improvement. The manual is based on seven pillars: i) organizational structures; ii) planning activities; iii) division of responsibilities; iv) best practices; v) procedures; vi) processes; and vii) resources.

Nevertheless, the Client will adapt its IMS to convert it into an ESMS commensurate with the nature and size of the Project and commensurate with the level of social and environmental risks and impacts. To this end, the ESMS will include: i) an environmental and social policy; ii) risk and impact identification protocols; iii) management programs; iv) organizational capacity and competency requirements; v) emergency preparedness and response protocols; vi) stakeholder participation; vii) external communications protocols and grievance mechanisms; viii) procedures for periodically informing affected communities; and ix) monitoring and evaluation mechanisms.

4.1.b Policy

The Company has the following policies in force: i) "Integrated Quality, Environment, and Safety System Policy"; ii) "Risk Prevention and Environment Policy"; iii) "Policy for the Prevention of the Possession and Consumption of Alcohol, Drugs and Pharmaceuticals"; iv) "General Policy for the Recognition of Good Performance in Risk Prevention and Environmental Management"; v) "Preventive Policy for the Refusal of Hazardous Work"; vi) "Policy for the Prevention of Fatigue and

¹¹https://bdpi.cultura.gob.pe/sites/default/files/archivos/paginas_internas/descargas/Lista%20de%20Pueblos%20Indi%CC%81genas%20u%20Originarios%202021.pdf

¹² Asháninka; Caquinte, Poyenisati; Atiri, Nomachiguenga; Amage, Amajo, Amuesha, Amuexia, Omage.

¹³ The Quechua peoples do not have other denominations, but rather a set of identities, which include: Chopccas, Huancas, Chankas, Huaylas, Q'eros, Cañaris, Kana

¹⁴ OHSAS 18001 is the international standard for Occupational Health and Safety (OHS) and occupational risk management.

¹⁵ ISO 14001 is the international standard for certifying environmental management systems (EMS).

Drowsiness". It also integrates the following corporate policies in its management¹⁶: i) Anti-Corruption; ii) Responsible Business Practices; iii) Prevention and Punishment of Sexual Harassment; iv) Conflict of Interest Management; v) Information Security; and vi) Salary. The Client will, however: i) update the Risk Prevention and Environmental Policy to align it with international best practices; ii) disseminate such policy with stakeholders; iii) review and update its policies on a regular basis; and iv) maintain a record of updates.

4.1.c Identification of Risks and Impacts

Viva's projects have been categorized as low risk under the environmental legislation in force.¹⁷ Nevertheless, for those projects that do require it, the Company has Environmental Impact Statements ("EIS" s), approved by the General Directorate of Environmental Affairs ("DGAA", for its acronym in Spanish) of the Ministry of Housing, Construction and Sanitation ("MVCS", for its acronym in Spanish).

To develop Parque Comas, the Company prepared an EIA that included the Identification and Evaluation of Environmental Risks and Impacts ("IEERI") for the environmental, social, and health and safety components, as well as the corresponding management plans. The Company also maintains the "Hazard Identification, Risk Evaluation, and Controls Matrix" ("HIREC") and a specific matrix "Identification of Significant and Non-Significant Environmental Aspects" evaluated by means of its "Significance Evaluation Matrix".

In coordination with the competent authorities, a Road Impact Study was also prepared as part of the Parque Comas development—as required by the regulations in force¹⁸—to identify and evaluate the impacts on traffic and transportation in the Project's area of influence, which establishes measures to improve current traffic conditions.

As was the case with Parque Comas, the Company will develop procedures applicable to all projects to: i) identify hazards, assess risks and impacts; ii) determine controls in all activities, processes, and facilities; iii) consult with stakeholders to proactively identify risks; iv) identify environmental and social ("E&S") risks and impacts of its suppliers; and v) perform a periodic analysis of performance indicators.

4.1.c.i Analysis of Alternatives

In order to define and implement the new projects it develops, Viva performs an alternatives analysis that includes the prospecting of potential land and the evaluation of the purchase option, through a financial pre-feasibility and risk assessment study.

¹⁶ Viva is part of Grupo Aenza, which is a regional corporation, integrated and specialized in engineering and construction services, infrastructure and energy concessions, and real estate management. <https://www.aenza.com.pe/quienes-somos>

¹⁷ According to Law No. 27446 of the National Environmental Impact Assessment System (SEIA) and its regulatory decrees, projects are classified into three risk assessment categories; the first category (low risk) requires the submission of an Environmental Impact Statement (EIS), the second category (medium risk) requires the completion of a semi-detailed Environmental Impact Assessment (EIA), while the third category (high risk) requires a detailed EIA.

¹⁸ Ordinance No. 1404-MML of the Municipality of Lima

4.1.c.ii Gender Risks

The northern area of Lima, where the municipality of Comas is located, is also characterized by some of the highest rates of domestic and gender violence (physical, sexual, and psychological violence). This has led the Ministry of Women and Vulnerable Populations ("MIMP", for its acronym in Spanish) and the municipality to join forces to coordinate preventive actions in the fight against gender violence in the district, and to reverse the number of acts of violence that are currently being recorded there.

Viva's administrative staff is approximately 45% female, including management, project, and administrative positions. The Company has a sexual harassment prevention policy. The reception of complaints and reports of gender-based violence are set out in the Internal Labor Regulations ("ILR") and in Viva's Code of Ethics. Although it is developing a "Procedure for Pregnant Mothers", the Company has breastfeeding rooms both at its main office and at the Comas project. Viva also provides separate changing rooms and showers for men and women at its construction sites.

Viva, through its AYNI¹⁹ program, trains the population on gender and inclusion issues, promoting and encouraging gender equality, with a focus on children as agents of change.

The Company has agreed to implement IDB Invest's Gender Risk Assessment Tool²⁰ ("GRAT") to prevent and manage gender-related risks in its operations.

4.1.c.iii Climate Change Exposure

Peru is characterized as a semi-desert region. Summers are hot, arid, and cloudy, while winters are long, cool, dry, and mostly clear. During the year, the temperature varies from 15 °C to 28 °C and rarely falls below 14 °C or rises above 30 °C.

The assessment of climate-change-related physical risks and natural hazards at the Project sites showed moderate exposure to drought and high exposure to sea level rise and tsunamis in coastal areas, and medium to high changes in precipitation patterns. The analysis, under a pessimistic climate scenario, qualified the Piura area as moderately exposed to river flooding and heat waves.²¹

4.1.d Management Programs

The Company is implementing an Environmental Management Plan for Parque Comas that defines activities to mitigate the identified risks and impacts. This plan includes operational controls through Operational Control Matrices based on the Environmental Aspect Identification Matrix. The Company also has a Risk Prevention and Environmental Management Plan, which is implemented in each project through an Annual Safety, Occupational Health, and Environment Program.

¹⁹ During the Inca Empire, the AYNI was a work system based on family reciprocity among the members of the Ayllu, which consisted of mutual help given by the families to each other and to all the members of the Ayllu. Viva's AYNI Program aims to create a model citizen culture of healthy coexistence and good resource management, contributing to the self-management and economic, administrative, and social sustainability of the community and its condominiums.

²⁰ <https://www.idbinvest.org/es/publications/herramienta-de-evaluacion-de-riesgos-de-genero>

²¹ Viva GyM - 13466-01 - Climate Risk Screening-combined

However, Viva has yet to develop corporate environmental, social, and health and safety management programs. The Client will therefore: i) develop and implement operating procedures for its own management as well as for that of its contractors and suppliers; ii) include the management of its different departments in the formulation and review of action plans; and iii) implement an action plan to manage risks to the community during the implementation of all its projects.

4.1.e Organizational Capacity and Competency

Responsibility for the Client's social issues, as well as the generation of related reports and the resolution of social conflicts, lies with the Business Development Manager, who reports directly to the General Manager ("GM"). Responsibility for environmental and occupational health and safety issues lies with the Health, Safety, and Environment ("HSE") Engineer within Operations Management, who reports to GM. There are also HSE supervisory positions (supervisors and operators) designated to each of the projects being implemented. Two positions have been assigned to address community relations issues, occupied by social workers who are mainly responsible for the implementation of the AYNi program, reporting directly to the Business Development Manager, with the support of an external consulting firm.

Nevertheless, the Company will define a person responsible for ESMS integration to promote the development, implementation, and monitoring of environmental, social, and health and safety management plans, programs, and procedures, including contractors and suppliers. This position shall report directly to the GM.

4.1.f Emergency Preparedness and Response

The Company has an Emergency Response Plan ("ERP") for Parque Comas in line with local legal requirements and applicable to direct workers, contractors, suppliers, and visitors. This plan considers emergencies associated with fires, earthquakes, leaks, explosions, landslides during excavations, environmental and social conflicts, among others. Company employees are trained in emergency preparedness and response, including first aid. Depending on the risks identified, Viva conducts emergency drills (fire, earthquake, being run over, falling from heights, electrocution, cave-ins, among others) more than once a year.

However, the Company will develop a corporate ERP, and will adapt it to each of the projects it executes.

4.1.g Monitoring and Review

The Parque Comas Environmental Management Plan ("EMP") contains the main prevention, mitigation, or correction measures for the following potential impacts: i) ambient air quality alteration; ii) soil quality alteration; iii) noise level increase; iv) waste generation; and v) effluent generation. Monitoring reports are sent to the competent authority, with the frequencies required by local legislation. In addition, Viva maintains an Operational Control and Follow-up Matrix of the environmental aspects identified that defines preventive actions, application criteria, and the responsible parties.

Regarding Occupational Health and Safety ("OHS") issues, the Company monitors its employees' occupational accidents and incidents using the Accident Frequency Rate (LTIFR) and Severity Rate (LTISR).

The Company has a Non-Compliance Procedure as part of the IMS that describes how to identify and investigate actual and potential deviations from compliance, and details procedures to follow when implementing and monitoring corrective and preventive actions.

Viva also has a matrix to identify and evaluate legal requirements and other requirements for all legal obligations in environmental and OHS matters.

Nevertheless, the Client will: i) determine E&S targets and key performance indicators (KPIs); ii) develop and implement an internal environmental and social audit procedure; iii) implement action plans derived from internal audits; iv) report to GM on the effectiveness of the ESMS; and vi) extend the monitoring and evaluation of E&S management to contractors, key suppliers, and affected communities.

4.1.h Stakeholder Engagement

The EIA approval process for the Parque Comas project included an information and consultation stage with the Project's neighboring communities. In addition, VIVA has carried out stakeholder mapping, including: i) communities; ii) educational institutions; c iii) the municipality; iv) the police station; v) hospitals and clinics; and vi) the fire department.

To ensure stakeholder participation, prior to the implementation of the Parque Comas project, VIVA also conducted a social diagnosis by means of which it collected quantitative and qualitative baseline information from the communities. This study identified the needs of the population, its leaders, and possible social risks. Throughout the Project execution stage, the Company has also engaged with the communities and local authorities through coordination meetings and contact with the leaders or representatives of the areas surrounding the projects via campaigns and programs, and by improving some public spaces. Moreover, the AYNi program—which is part of VIVA's Corporate Social Responsibility ("CSR") program—has contributed to establishing strong, interactive ties with the community.

Nevertheless, the Company will develop and implement a corporate-level stakeholder engagement procedure appropriate to the Project's risks and impacts, which allows for the effective participation of groups identified as vulnerable and which includes timely and effective disclosure of project-related information, including the results of the environmental and social risk and impact identification process, and the mitigation measures to be implemented.

4.1.i External Communication and Grievance Mechanisms

The Company currently operates an Ethics Hotline through a confidential platform provided by the external firm Ernst & Young, where employees, customers, and suppliers can report concerns related to unethical behavior and legal, regulatory, or internal policy violations. The communication

channels include: i) an online form;²² ii) email (contacto@canaletico.net); iii) voice mail (0-800-1-8113); iv) postal address;²³ v) telephone line (0-800-1-8113); and vi) personal interviews. The reported information is collected, registered, and communicated, always protecting confidentiality and anonymity.

Complaints, claims, and queries from the Company's customers are received by the Customer Service and After-Sales area through the following channels: i) call center (206-7270); ii) emails atencionalcliente@viva.com.pe and postventa@viva.com.pe; iii) emergency number²⁴ (206-7290); iv) sales (206-7200); v) WhatsApp sales (942947065). Additionally, through its website, the Company provides access to the portal of the National Institute for the Defense of Competition and Protection of Intellectual Property ("IDECOP", for its acronym in Spanish), where Viva's record of violations and penalties²⁵ can be verified.

Nevertheless, the Company will develop a corporate procedure applicable to all projects for handling external communications that includes methods for: i) receiving and recording external communications from the public; ii) analyzing and evaluating the issues raised in such communications and determining how to address them; and iii) responding to, following up, and documenting them.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

As of December 2021, the Company had 313 direct employees, 99 subcontractors (workers from civil construction contractors and others), and 453 employees through labor intermediation.²⁶ The percentage of female direct employees was 25%, and under labor intermediation it was 14%.

The Company has an ILR governed by Peruvian labor regulations that allows it to organize labor relations with its employees. The ILR contains provisions for the following topics: i) recruitment and induction (selection process and incorporation into the company); ii) perfect and imperfect suspension and termination of the employment contract; iii) workers' rights and obligations; iv) powers and obligations of the Company; v) the working day, working hours, and attendance; vi) attendance and punctuality control; vii) permits, leaves, and absences from the workplace; viii) weekly rest and paid annual leave; ix) disciplinary measures; x) labor relations (submission of complaints); xi) welfare, safety, hygiene, and environment; xii) measures against HIV and AIDS in the workplace; xiii) prevention and sanction of labor or sexual harassment (complaints and sanctions); and xiv) use of software, internet, and e-mail. The Code of Ethics also details labor considerations that include issues such as: respect for human rights; diversity; non-discrimination; equal treatment and opportunities; personal and professional development; and conditions regarding remuneration and promotions.

²² <https://www.canaletico.net/formulario.html>

²³ Av. Victor Andrés Belaunde 171, San Isidro, Lima 27, Lima - Perú

²⁴ Flooding problem, total absence of electricity, or any failure that prevents the use of elevators.

²⁵ <https://enlinea.indecopi.gob.pe/miraaquienlecompras/#/inicio>

²⁶ A form of contracting under Peruvian labor legislation whereby a service company assigns personnel to the user company for complementary, temporary, or specialized work.

The Company has an annual training program for each position of its operating and administrative staff. During 2021, the Company allocated 4% of its Human Development Management (“HR”) budget to implementing employee training in the different areas of the organization, to strengthen the necessary skills, including soft skills for leadership positions.

4.2.a.i Human Resources Policies and Procedures

In line with its corporate Code of Conduct, the Company has corporate labor policies for: i) the prevention and punishment of sexual harassment; and ii) salaries. It also maintains a Pregnancy Protection Policy. Nevertheless, the Company will develop a Human Resources Policy appropriate to the size of its workforce, including direct workers, indirect workers, and its supply chain.

4.2.a.ii Working Conditions and Terms of Employment

The Company's permanent employees are governed by the regulations established for the private sector²⁷ labor regime and the provisions of the ILR. Moreover, Peru is a signatory to the conventions of the International Labor Organization (“ILO”) and has extensive labor legislation with specific provisions regulating, among other aspects, the following: i) labor contracting provisions; ii) working hours, schedules, and overtime; iii) paid breaks; iv) minimum remuneration; v) family allowance; vi) legal bonuses; and vii) occupational health and safety.

4.2.a.iii Workers’ Organizations

The Company has a civil construction union governed by the collective bargaining agreements between the Peruvian Chamber of Construction (“CAPECO”), the Peruvian Federation of Civil Construction Workers (“FTCCP”) and the applicable regulations. These agreements are renewed annually.

4.2.a.iv Non-discrimination and Equal Opportunity

In accordance with its ILR, the Company makes no distinction based on gender and, on the contrary, seeks equality in all its processes, providing the same opportunities to its employees to achieve the required performance.

4.2.a.v Grievance Mechanism

Viva employees can channel their complaints through the Ethics Hotline, which has been in place since 2013, allowing anonymity, independence, and confidentiality. The Ethics Hotline is available to all directors, employees, partners, clients, suppliers, and third parties, including the communities in the projects' areas of influence, who can access it through the following means: e-mail, dedicated website, telephone, voicemail, postal address, and personal interview. This hotline is operated by the Company, through an independent Ernst & Young (EY) platform that guarantees confidentiality, the reception, registration, and classification of the reports made, and then forwards them to the Compliance Committee,²⁸ which is responsible for evaluating them. This means of capturing and

²⁷ Supreme Decree No. 003-97-TR Labor Productivity and Competitiveness Act

²⁸ At the level of the Aenza Group

processing internal grievances serves to communicate any irregularities sensitive to the Company that relate to potential deviations or failures to comply with the Code of Business Conduct or Code of Ethical Conduct. The ILR and the Code of Ethics also define the channels for receiving complaints of sexual harassment, workplace harassment, and gender-based violence.

4.2.b Protecting the Workforce

Pursuant to the Peruvian Civil Code, the minimum age for workers in Peru is 18 years old. This provision applies to Viva's customers, suppliers, and contractors. The Client complies with this provision.

4.2.c Occupational Health and Safety

The Company has an Internal Occupational Health and Safety Regulation ("IOHSR") prepared pursuant to the regulations in force.²⁹ The IOHSR is applicable to all direct employees, contractors, suppliers, visitors, and other persons on Viva's premises. It also has a Risk Prevention and Environmental Plan that defines measures to avoid and mitigate possible risks that may arise during the construction and closure stages of the works.

As required the national regulations in force, Viva has a Joint Occupational Health and Safety Committee ("JOHSC"). The JOHSC is a bipartite and joint body consisting of Viva and employee representatives, which has powers and duties regarding the Company's OHS management, including, among others: i) approval of the IOHSR; ii) participation in the development of the annual OHS program; iii) policy development, review and approval; iv) approval of the annual employee training plan; v) monitoring compliance with national regulations; vi) conducting periodic inspections; and vii) participating in accident investigations.

For all its projects, Viva has implemented the Safe Work Analysis System ("SWAS"), which requires that, before any work is performed, a form is completed to identify the hazards associated with the activities to be carried out and to establish the necessary control measures to minimize them. In addition, a work permit system has been implemented for non-routine activities, which allows for greater control of high-risk work (e.g., work at heights, hot work, excavation and trenching, hoisting, electrical work). Viva also performs internal inspections of industrial safety aspects at its worksites, which generates the corresponding corrective actions, as well as their deadlines and responsible parties for both direct employees and contractors.

The Company has a medical area and a full-time occupational physician who is responsible for providing medical care and training on health issues, as well as interpreting the results and recommendations of the annual occupational check-ups performed on site. It is also responsible for the execution of the annual risk agent monitoring program for personnel in the production area.

Through its Contractor or Service Provider Responsibilities Standard and its Risk Prevention and Environment Plan, the Client guarantees that its contractors, subcontractors, and suppliers comply with the safety, health, and environmental regulations in force.

²⁹ Occupational Health and Safety Act (Law No. 29783); Regulations of the Occupational Health and Safety Act (Supreme Decree No. 005-2012-TR); Occupational Health and Safety Regulations for the Construction Sector (Supreme Decree No. 011-2019-TR).

Nevertheless, the Client will conduct a gap study of the Company's OHS management system using international standards (e.g. ISO 45001) as a benchmark, based on the risk analysis of the operational activities performed by own and third party (contractors, subcontractors, and suppliers) workers, who will apply to all of the Company's projects.

4.2.d Workers Engaged by Third Parties

The Company, through its Code of Conduct, ensures compliance with Peruvian labor laws regarding the prohibition of child and forced labor. Likewise, its Contractor or Service Provider Responsibilities Standard extends this precept to its contractors and subcontractors and to its suppliers.

The ESDD did not find any evidence of child or forced labor.

4.2.e Supply Chain

To date, the Company has an extensive list (101) of contractors, subcontractors, and suppliers. Viva does not currently manage the environmental and social risks associated with its supply chain, however, and will develop and implement a Supplier Policy and a Supplier Management Procedure, which will include: i) the identification and management of its key suppliers' risks and impacts; ii) a training plan to help manage environmental and social issues; iii) performance monitoring for procurement policy review; and iv) the design of E&S capacity building programs for its critical suppliers.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

Viva keeps a monthly record of consumption of: i) electricity; ii) diesel for vehicles, machinery and electric generators; and iii) natural gas for vehicle use. It also accounts for the use of cement, paints, solvents, and other products used in construction.

The Company has obtained the "Bono Verde" (Green Bond) certification for Parque Comas, granted through the "MIVIVIENDA Sostenible" Program of Fondo MIVIVIENDA S.A. ("FMV").³⁰ This certification has allowed the Company to implement actions to reduce water and energy consumption in the projects it has already developed. These actions include: i) the installation of low water consumption faucets, toilets, and accessories;³¹ ii) the installation of low consumption LED lighting; iii) the incorporation of technified irrigation systems for green areas; iv) the installation of technology according to the bioclimatic strategy of the area (e.g., solar capture, wind protection); v) the reuse of gray water treated in wetlands as irrigation water; vi) the installation of eco-materials (cement, steel with ISO 14001 certifications); and (vi) the implementation of areas for waste management, promoting recycling.

³⁰ Company under the Ministry of Housing, Construction and Sanitation (MVCS)

³¹ EPS SEDAPAL S.A. Saving Product Seal (SPA, for its acronym in Spanish) or International Certification.

4.3.a.i Greenhouse Gases

Greenhouse gases (“GHG”) produced during the Project's construction stage are linked to the use of earthmoving machinery. When projects are completed and handed over, such generation decreases significantly.

The Company will prepare an annual inventory of GHG emissions and implement a plan to reduce them.

4.3.a.ii Water Consumption

Viva has obtained the necessary water use permits for Parque Comas from Lima's Potable Water and Sewerage Service (“SEDAPAL”, for its acronym in Spanish). This includes water to be used for the project's administrative offices (site staff and professional toilets), and for construction activities. The Company keeps a monthly record of water consumption.

However, the Client will integrate energy efficiency and water use standards in the construction phase of current and future projects.

4.3.b Pollution Prevention

The Parque Comas Surveillance and Monitoring Plan sets out the Company's obligation to carry out periodic monitoring of the following parameters: i) ambient noise; ii) air emissions (PM₁₀, total suspended solids, CO, SO₂, NO_x, H₂S, stack gases); iii) electricity consumption; iv) water consumption; v) hazardous materials; vi) hazardous and non-hazardous solid and liquid waste; and vii) vehicular traffic. Monitoring frequency is semiannual, and the sampling points are located outside the Project site.

Liquid industrial effluents (effluents from chemical baths, residual oils, residual petroleum, oily waste, among others) produced during the construction stage of the projects are managed by Solid Waste Operating Companies (SWOCs).

In the operational phase of its projects, the Company includes gray water treatment systems (from showers and toilets) in wetlands, which allows it to reuse this water to water the green areas of the housing complexes as well as the public green areas outside. Sewage is connected to public sewage systems in compliance with the Maximum Allowable Values (“MAV”) concentration specified in local legislation.

4.3.b.i Waste

Parque Comas has an Operational Project Solid Waste Management Plan for the proper segregation,³² storage (initial and central), transportation, and final disposal of waste generated during the construction phase. Waste is classified into: i) municipal waste (toilet waste, organic waste, tecnopor containers and single-use wrappers); ii) non-hazardous waste (metallic, glass, paper

³² Peruvian Technical Standard NTP 900.058.2019 ENVIRONMENTAL MANAGEMENT (Waste management. Color Coding for Waste Storage Devices)

and cardboard, plastic, non-recyclable inorganic waste, waste rock, concrete); iii) hazardous waste (tecnopor with paint, rags with grease, bags contaminated with paint, tin waste, gallon containers, buckets, empty bottles contaminated with paint and thinner); and iv) biohazardous waste (masks, gloves, gauze, etc.). Waste from portable toilets is collected and managed by contracted external companies. Overall, the transportation, treatment, and final disposal of hazardous and non-hazardous waste is carried out by duly registered and authorized solid waste service providers (“EPS-RS”, for its acronym in Spanish).

4.3.b.ii Hazardous Materials Management

During the construction of its projects, Viva uses some hazardous materials (fuels, paints, solvents, among others). It does not, however, currently keep an inventory of these materials, nor does it keep track of the conditions in which these products are stored. The Company will therefore develop a procedure to handle hazardous materials, including, among other issues, the following: i) storage conditions in accordance with national regulations; ii) material safety data sheet (MSDS) for each product; iii) information on the incompatibility of substances; and iv) contingency plan in case of spills or accidents.

4.3.b.iii Pesticide Use and Management

Viva will verify that the products used for integrated pest management (“IPM”) or integrated vector control (“IVC”) during the construction of its projects are not included in classes "Ia" (extremely hazardous) and "Ib" (highly hazardous) of the World Health Organization's (“WHO”) recommended classification of pesticides by hazardousness. In the case of class "II" (moderately hazardous) pesticides, it will use them as long as it establishes appropriate controls for the use of these chemicals and will also control access for personnel who lack adequate training, equipment, and facilities to properly handle, store, apply, and dispose of these products.

4.4 Community Health, Safety and Security

Viva's AYNÍ Program, aimed at future condominium owners, provides tools for coexistence and the generation of citizenship, promoting spaces for dialog to plan and organize the smooth operation of the condominium. The program includes topics such as environmental sustainability, inclusion and diversity, and gender equality. As part of its CSR management, the Company also provides the community with certain urban infrastructure works, such as green areas and street lighting.

During the pandemic, the Company developed and implemented the COVID-19 Workplace Surveillance, Prevention and Control Plan, which allowed controlling the spread of the virus among its staff and preventing the spread of the pandemic to the inhabitants of the Project's direct area of influence.

There is currently no formal community Emergency Preparedness and Response plan. The risk and impact assessment conducted to date has not included community emergency scenarios, nor does it consider situations that require a coordinated response with the communities. The Client will therefore evaluate these risks prior to the development of each Project and will develop an Emergency Preparedness and Response procedure specific to each Project, establishing guidelines

for proper identification and the response of its employees, contractors, visitors, and the communities in the event of possible risk scenarios.

4.4.a Security Personnel

Viva subcontracts security services with accredited companies qualified by the competent authority.³³ The guards, as required by law, do not carry weapons, since the purpose of the service they provide is preventive security. At the national level and during the last few years, there have been no incidents or complaints against the company's security personnel in any of the projects. The Company will train its Projects' security personnel on human rights issues in accordance with the International Finance Corporation's ("IFC")³⁴ *Good Practice Handbook. Use of Security Forces: Assessing and Managing Risks and Impacts. Guidance for the Private Sector in Emerging Markets*.

4.5 Land Acquisition and Involuntary Resettlement

The Company purchases land for urban development through sale and purchase processes with individuals or companies that sell their properties at market prices and conditions and with sufficient information for such decision making. There is no involuntary physical or economic displacement of people in this process.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Given that the real estate projects are developed on heavily disturbed urban or semi-urban land of little ecological or biological interest, there will be no material impacts to biodiversity or living natural resources.

4.7 Indigenous Peoples

The Comas Project is developed in an intervened urban site that does not affect native populations or intersect lands of traditional use. Moreover, future projects will not overlap with these Indigenous territories, nor will they generate adverse impacts on Indigenous populations.

4.8 Cultural Heritage

Parque Comas sits on a former airfield and on a heavily intervened urban area. Earthworks required for foundations and other underground structures have not recorded any archaeological or cultural findings. Nevertheless, in the case of chance finds, the Company will follow the provisions of Peruvian law, immediately suspend the work, and notify the Ministry of Culture ("MINCU", for its acronym in Spanish) about it. The Company will also develop a Mandatory Chance Finds Procedure for contractors and subcontractors.

³³ National Superintendency for the Control of Private Security Services, Arms, Ammunition and Explosives for Civilian Use - SUCAMEC -, as established by Legislative Decree No. 1127.

³⁴ https://www.ifc.org/wps/wcm/connect/5e74e4d6-f977-49f3-85cb-e626519b0e49/p_handbook_SecurityForces_2017_Spanish.pdf?MOD=AJPERES&CVID=nzgFMTI

5. Local Access of Project Documentation

Documentation relating to Viva and its existing projects can be accessed at the following link:

<https://www.viva.com.pe/>