

Classification and Environmental and Social Strategy (ESS) Lima Airport – PERU

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1. Project Scope and Objective and IDB Invest Participation

Lima Airport Partners S.R.L. ("LAP" or "the Company") is the exclusive concessionaire to build, operate, and maintain Jorge Chávez International Airport ("AIJC" or "Lima Airport"), the main airport facility for the movement of cargo and passengers to domestic and international destinations in Peru. The AIJC is located in the Constitutional Province of Callao, and is the gateway to the country (85% of international O/D passenger traffic) and a very important hub for South America. Lima Airport is one of the most important in the region, connecting Lima with 19 domestic and 24 international destinations and serving 16 airlines.

In 2015, LAP started creating the conceptual design for the AIJC expansion. Following the handover of the land in October 2018, LAP started construction in 2019. The expansion project is divided into 3 work packages (WP). To date, the first work package (WP1) for earthworks and demolition has been completed; the second (WP2), which includes the construction of a new control tower and runway, is in progress and is expected to be completed in July 2022; and the third (WP3), which includes the design and construction of a new passenger terminal and aircraft aprons, will be awarded to a contractor in August 2021 and construction is expected to take approximately 38 months. The total cost of this expansion is approximately US\$1.7 billion.

This transaction will finance the design, development, and construction of the new passenger terminal and aircraft apron, as well as the repayment of an existing bridge loan acquired by LAP for the execution of the initial works (collectively "the Project").

2. Classification and Environmental and Social Strategy

The Project has been pre-classified as Category A, in accordance with IDB Invest's Environmental and Social Sustainability Policy (ESSP), because the Project and its associated facilities (runway, taxiway, internal and external accesses, etc.) will produce, among others, the following impacts: i) dust generation from excavation and earthworks activities, as well as vehicular traffic; ii) production of polluting gases due to the transit of vehicles and machinery during construction and aircraft operation; iii) increased noise levels due to the use of heavy machinery during construction and thereafter due to the operation of aircraft; iv) domestic and industrial wastewater production; v) possible soil contamination; vi) generation of household solid waste, industrial waste (excavation material, pavement waste, debris, paper, wood, metal debris, rags impregnated with grease, etc.), and hazardous waste (generated by aircraft operations, etc.); and vii) generation of expectations regarding the employment opportunities that the activities associated with the construction and subsequent operation of the Project may provide. It is anticipated that most of the impacts will be moderate, with some of high significance.

For the Project's execution, the Company has prepared the environmental management instruments required by Peruvian sectorial environmental legislation (Law No. 27446) and has complied with the requirements of the Directorate of Environmental Assessment for Infrastructure Projects (DEAIN, for its acronym in Spanish) of the National Environmental Certification Service for Sustainable Investments (SENACE, for its acronym in Spanish), and of the General Directorate of Social and Environmental Affairs (DGAAM, for its acronym in Spanish) of the Ministry of Transportation and Communications (MTC).

Due to restrictions arising from the COVID-19 pandemic, the Environmental and Social Due Diligence (ESDD) process will be mainly conducted remotely and will be supported by an Environmental and Social Consulting firm. During this process, IDB Invest will, among other activities: i) conduct interviews with executives from key areas of the Company (environmental, social, occupational health and safety); ii) analyze LAP's Environmental and Social Management System (ESMS), including any related plans and procedures; iii) evaluate the social and labor information related to the Project; iv) analyze the issues associated with the management of cumulative impacts and the risks and impacts of climate change; v) review emergency preparedness and response plans and procedures for anthropogenic and natural emergencies; vi) evaluate the stakeholder consultation and engagement process; vii) analyze the noise management plans; and viii) evaluate the land acquisition and release process carried out by the MTC. As a result of the ESDD, IDB Invest will confirm the Project's categorization, identify any compliance gaps with respect to its ESSP, and define, together with other lenders, an Environmental and Social Action Plan (ESAP) to close such gaps.

Based on the information received and reviewed so far, the Performance Standards (PS) that the Project is likely to trigger are: PS1 Assessment and Management of Environmental and Social Risks and Impacts; PS2 Labor and Working Conditions; PS3 Resource Efficiency and Pollution Prevention; PS4 Community Health, Safety, and Security; PS5 Land Acquisition and Involuntary Resettlement; PS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources; and PS8 Cultural Heritage. The final determination of the PS triggered by the Project will be done by the end of the ESDD process.

Once the ESDD process is completed, an Environmental and Social Review Summary (ESRS) will be prepared along with the ESAP and both will be published on this website.

3. Additional Information

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Name: IDB Invest Communication Group Email: requestinformation@idbinvest.org In addition, affected communities can access IDB Invest's Independent Consultation and Investigation Mechanism (ICIM) as follows:

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