

Under IDB Invest's Environmental and Social Sustainability Policy ("PSAS"), the Project was classified as a Category B transaction as it presents low to medium risks and impacts, which may be mitigated using the measures available and feasible within the context of the proposed transaction. The main risks and impacts identified during the construction (civil works) are related to: (i) occupational safety (e.g. work at height or in confined spaces), (ii) occupational health (measure to contain COVID-19), and (iii) generation of solid waste, effluents and hazardous materials. During the operational phase, the main risks and impacts will be of the nature of those currently existing (occupational safety, air emissions -GHG and pollutants- dust emissions; generation of solid waste, effluents, and hazardous materials). These potential environmental and social risks are limited and moderately significant and low in number, localized, highly reversible and speedily addressed through mitigation measures.

The Environmental and Social Due Diligence (ESDD) was carried out virtually (remotely) in a first phase during May and June 2020 due to the travelling and social distancing restrictions imposed because of the coronavirus pandemic (COVID-19). Later, an in-person inspection was carried out of T39's facilities at the SOP in July 2020 (site visit) by a local independent E&S consulting firm. The ESDD included videoconference interviews with the Company's main representatives, a review of E&S and occupational health and safety (OHS) and physical assets' information furnished by T39, including: (i) a neighborhood impact study ("EIV"), an Air Dispersion Assessment ("AAE"); (ii) an integrated management system; (iii) HR procedures and policies; (iv) outsourced personnel management procedures; (v) an environmental management procedure (e.g. solid waste and hazardous materials); and (vi) certificates, licenses and certifications, among others, under Brazilian regulatory requirements and international best practices.

The Performance Standards (PS) applicable to the Project are: PS1: Assessment and Management of Environmental and Social Risks and Impacts; PS2: Labor and Working Conditions; PS3: Resource Efficiency and Pollution Prevention; and PS4: Community Health, Safety, and Security.