

1. Scope of the Environmental and Social Review

The environmental and social ("E&S") review conducted by IDB Invest included meetings in Mexico City and calls with Enel's corporate environment, sustainability, human resources ("HR"), legal, land acquisition, and procurement managers. The review included an analysis of the company's E&S management process, in addition to its supply chain management approach.

The environmental and social due diligence ("ESDD") process included visits to the Magdalena project in Tlaxcala and the Dolores project in Nuevo León on November 14 and 19, respectively. Additionally, a review of complementary information was carried out, which included environmental management policies, plans, manuals, and procedures; HR policies; occupational health and safety ("OHS") programs; information on non-hazardous waste and hazardous or special waste management; monitoring and follow-up of environmental and workplace conditions (for example, air emissions, noise, and effluents); and emergency plans, among other documentation.

Given the nature of this financing, the review focused on: i) Enel's corporate environmental, social, and occupational management procedures, policies, operating instructions, and other tools; and ii) an evaluation of the management of Enel's renewable energy projects (Dolores, Amistad, and Magdalena) and the company's compliance with E&S requirements, both in relation to Mexican regulations and the IDB Invest Environmental and Social Sustainability Policy, which includes the International Finance Corporation ("IFC") Performance Standards ("PS").

2. Environmental and Social Categorization and Rationale

This is a Category B operation under the IDB Invest Environmental and Social Sustainability Policy, given that its potential E&S risks and impacts are, in general, limited, largely reversible, subject to being managed through measures available with current technologies, and capable of being feasibly implemented in the context of this operation.

The Project will trigger the following Performance Standards (PS):

- PS 1: Environmental and Social Assessment and Management System;
- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention; and
- PS 8: Cultural Heritage

3. Environmental and Social Context.

Enel Rinnovabile, S.A. de C.V. ("Enel Rinnovabile") is a holding duly incorporated as a limited company under Mexican law and owned by Enel Green Power, S.p.A. ("EGP"), which in turn is controlled by Enel. Its corporate activities include the ownership, operation, and management of non-financial companies and electric power generation and transmission.

With the finalization of the Magdalena project, EGP has exceeded 2,300 MW of managed capacity, of which 977 MW are generated through wind energy, approximately 1,308 MW through solar energy, and 53 MW through hydroelectric energy.

Enel has placed environmental, social and economic sustainability at the heart of its corporate culture and is contributing to the current evolution of the energy system with a sustainable

development program based on the exchange of value creation both within and outside of the company.

Enel is part of the United Nations Global Compact ("UNGC") and has made specific commitments in relation to six of the 17 Sustainable Development Goals ("SDGs"), such as: increasing energy access; increasing school education; contributing to the socioeconomic development of communities in which the Group operates; promoting innovation, fostering responsible industrialization and resilient infrastructure; creating sustainable cities and communities; and fighting climate change, with the aim of achieving carbon neutrality in 2050.

As of the present date, Enel has attained several local and international certifications, including: ISO 14001, ISO 37001, and OHSAS 18001. It has also received the following international awards: Ethical Boardroom Corporate Governance Awards (January 2018), Diversity Awards 2018, Fortune Change the World List (August 2018), and the Real Innovation Awards - People's Choice 2018. Additionally, Enel is part of the following energy and sustainability groups: Sustainable Energy for All, CSR Europe, Eurelectric, International Integrated Reporting Council, European Commission Multi-Stakeholder Platform on SDGs, Global Reporting Initiative ("GRI"), World Business Council for Sustainable Development, and the UNGC. As part of its ongoing certification process, Enel conducts regular internal and external E&S audits based on its sustainability and occupational safety key performance indicators ("KPIs").

The proposed financing transaction includes the construction, operation, and maintenance of the following Portfolio Projects:

- Amistad IV Wind Farm Project, located in Acuña Municipality, Coahuila State, Mexico, with an installed capacity of 149 megawatts ("MW"), which will generate approximately 541 gigawatt hours per year ("GWh/year") that will be injected into Mexico's National Electric System ("SEN"). This project has been authorized through the Unified Technical Document, modality B ("DTU-B") and its complementary information, issued by the Undersecretary of Environmental Protection Management ("SGPA") of the Ministry of Environment and Natural Resources ("SEMARNAT"), as well as the Social Impact Assessment ("SIA") issued by the Directorate-General for Social Impact and Land Use ("DGISOS") of the Ministry of Energy ("SENER").

- Magdalena II Solar Plant Project, located in the Tlaxco and Hueyotlipan Municipalities in Tlaxcala State, Mexico, with a nominal capacity of 220 MW to generate approximately 640 Gwh/year that will be injected into Mexico's SEN. This project has been authorized by the Regional Environmental Impact Statement ("MIA-R") and its Additional Information issued by the SEMARNAT's SGPA; and the SIA issued by the SENER's DGISOS.

- Dolores Wind Farm Project, located in China Municipality, Nuevo León State, Mexico, with an installed capacity of 244 MW to generate approximately 850 GWh/year that will be injected into Mexico's SEN. This project has received authorization for its environmental impact and change of land use in forest areas through the complementary information issued by the SEMARNAT's SGPA, as well as the SIA issued by the SENER's DGISOS.

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

Enel has implemented a fully integrated E&S management model in all of its operations and production facilities. Enel's work is guided by the Creating Shared Value ("CSV") model.

The application of environmental management systems ("EMSs") certified under the ISO 14001 standard throughout the organization is one of the strategic environmental objectives defined in Enel's environmental policy. In line with this objective, at the end of 2018, almost all of the company's operating assets (power plants, networks, services, real estate, sales, etc.) were covered by a certified and active EMS.

Given the complexity and variety of its operations, the Enel Group decided to adopt management systems based on a modular approach. As such, in 2018 it defined a management system with ISO 14001:2015 certification for the entire holding in order to manage and coordinate environmental issues across its business lines. Each business line then introduced its own EMS focused on its own specific activities.

At an international level, both Enel Rinnovabile and EGP have implemented sustainability strategies as a basis for their operations and are working to achieve long-term profitability while ensuring proper environmental management and social responsibility throughout their value chain.

4.1.b Policy

Enel has implemented many global policies that are adhered to by its subsidiaries around the world. In compliance with PS-1 and best practices on social, environmental, and OHS issues, Enel Rinnovabile has implemented: (i) a Quality, Safety and Environmental Policy; (ii) an Anticorruption Policy; (iii) A Stop Work Policy; (iv) an Environmental Policy; and (v) a Code of Ethics.

Disclosure of these corporate policies is governed by the company's senior management team based in Italy. Once disclosed at a corporate level, Enel Rinnovabile's environmental, health and safety, HR, and sustainability departments are responsible for implementing these policies in each of the company's projects.

4.1.c Identification of Risks and Impacts

In keeping with its sustainable approach, Enel Rinnovabile has set itself the goal of reducing its negative E&S impacts. To achieve this, the company works to identify the impacts and risks that must be managed at a corporate level and in accordance with national regulations. At a global level, EGP has implemented an Operating Instruction titled Social, Environmental and Economic Context Analysis and Stakeholder Analysis ("SEECA") in which the social impact and risk assessment process is divided into five main phases: (i) identification of risks and impacts; (ii) identification of stakeholders; (iii) definition of stakeholder relevance; (iv) assessment of priorities assigned to impacts and risks by stakeholders; and (v) assessment of priorities assigned to impacts and risks in the corporate strategy.

As such, in compliance with Mexican legislation and based on the SEECA, Enel Rinnovabile conducts SIAs and a MIA-R or DTU-B, as applicable.

4.1.d Management Programs

Enel Rinnovabile has also implemented Operating Instruction No. 885 - Sustainable Construction Site, which acts as a guide for all parties involved in project development to improve energy efficiency and reduce negative impacts on the environment, supporting decision-making to identify,

measure, and improve the sustainable development of each venture.

In that sense, based on the CVS model and within the scope of environmental impact assessment tools in Mexico (MIA-R or DTU-B), Enel Rinnovabile defines E&S management programs and plans in accordance with its internal policies, such as its comprehensive solid and liquid waste management program, its OHS program, and contingency and emergency response plans, among others. Additionally, Enel Rinnovabile implements programs to promote best practices in reducing the consumption of electricity, fuel, water, and raw materials.

With regard to the social management of the Portfolio Projects, in addition to Operating Instruction No. 885, Enel Rinnovabile has implemented an Operating Instruction titled CSV Process Definition and Management, and Policy No. 56, titled Applying the CVS Model, which together establish the general guidelines for proper social management (including communities in the area of influence and project employees) and on-site safety, in line with the United Nations SDGs.

At the Portfolio Projects level, the company has implemented social management programs ("**SMPs**") based on the specific needs of each project, in keeping with the analysis and identification of social risks and impacts included in the SIA. The SMPs for each project comply with the legal requirements established by Mexico's SENER, as well as EGP's global requirements.

4.1.e Organizational Capacity and Competency

Enel Rinnovabile has implemented a country-level corporate organizational structure that is responsible for environmental, social, and OHS matters, composed of the following teams: (i) quality, environment, and health and safety; (ii) sustainability; (iii) legal and corporate affairs; (iv) regulatory affairs; (v) institutional affairs; and (vi) procurement and land ownership. Said teams interact with each other in accordance with corporate policies and operating instructions to ensure proper environmental, social, and OHS management throughout the various project phases, defined by Enel Rinnovabile as: business development, engineering and construction, and operation and maintenance.

Enel Rinnovabile's organizational structure is based on the structure defined by Enel Group at a global level, in accordance with the "Organizational and Management Model as per Italian Legislative Decree No. 231/2001 and 231 Guidelines for Non-Italian Subsidiaries".

4.1.f Emergency Preparedness and Response

Enel Rinnovabile has implemented corporate Stop Work and Emergency Management Policies, which are applied in case of emergency to prevent or eliminate potential environmental impacts, in line with each country's laws and E&S requirements.

Additionally, in compliance with OHS regulations in Mexico, the emergency measures outlined in the Emergency Response Plan must be prepared, implemented and kept up-to-date for each project according to the activities carried out at each permanent or temporary work center and project phase. Depending on the work center, these plans contain action plans for all emergency scenarios that have been deemed significant during the identification, analysis, and assessment phase. These action plans specify the tasks that must be carried out in the event of an emergency, as well as the person responsible for each task, when and where the task must be carried out, the necessary equipment, any relevant instructions, and the required information flow.

At a group level, Enel has implemented a Shared Crisis and Critical Event Management System in the various countries in which it operates. This system provides an assessment of the impact

generated by a critical event through a three-level standard reference scale (high, medium, and low). High-impact crises are managed comprehensively, while medium and low-impact crises are managed within the specific organizational structure of each country. In the event of a high-impact crisis ("Group Code Red"), a central active crisis committee is established in the Safety Control Room at the company's offices at Viale Regina Margherita, Rome, in order to provide 24/7 support for communication and coordination of information flows. This committee is responsible for defining strategies and actions to address the critical event, as well as for coordinating activities to limit damage to Enel Group's property, profitability, and reputation.

4.1.g Monitoring and Review

Enel Rinnovabile adheres to the Global Compliance Program, through which it monitors each of its projects' compliance status. The company has adopted an environmental management system that adheres to standard ISO 14001 in its power generation plants and distribution networks, which includes extensive systems to monitor environmental KPIs and actions to minimize the company's environmental footprint, going above and beyond legal requirements. As part of this continuous improvement process, each plant defines specific objectives regarding how to reduce impacts and improve efficiency and documents and reports its progress and any new procedures.

For each project, Enel Rinnovabile adopts the international standards defined in the G4 Sustainability Reporting Guidelines, a document prepared by the GRI.

4.1.h Stakeholder Engagement

Through the CSV model, Enel Rinnovabile aims to replace traditional philanthropy models with collaborative work. Under this approach, the concept of "beneficiaries" is replaced by "participants", making communication between Enel Rinnovabile and its stakeholders a key pillar of its projects. Enel Rinnovabile has implemented a Stakeholder Engagement and Materiality Guideline to ensure appropriate relations with its stakeholders.

Enel Rinnovabile is committed to listening to and addressing the needs of different stakeholders through its Ethical Channel, which provides a telephone line to attend to its clients, suppliers, consumers, shareholders, employees, and the general public.

In order to ensure effective stakeholder communication in each project, Enel Rinnovabile holds kick-off meetings prior to starting the construction phase. Based on the stakeholder identification performed in the SIA, first contact is made, and stakeholders are informed about the project's activities. Once first contact has been made, a community relations manager, who is responsible for ensuring continuity of the communications plan with the project's specific stakeholders, is appointed for each project.

4.1.i External Communication and Grievance Mechanisms

4.1.i.i External Communications

Since 2003, Enel Group has published a yearly sustainability report (together with its annual report), the purpose of which is to document the actions implemented to meet the Group's sustainability objectives and to meet the legitimate expectations of its stakeholders. Global Reporting Initiative

Sustainability Reporting Guidelines (2016) have been taken into account to prepare these sustainability reports, and GRI 403 - Occupational Health and Safety and GRI 303 - Water and Effluents have been implemented as of FY2018. Similarly, the company's sustainability reports adhere to the principles of inclusivity, materiality, and responsiveness outlined in the AccountAbility Principles Standard (AA1000APS) issued in 2008 by AccountAbility, an international institute dedicated to applied sustainability research.

Moreover, a stakeholder relations plan is implemented for each Enel Rinnovabile project, based on the Stakeholder Engagement and Materiality Guideline. This plan is led by the sustainability team at the corporate level and the community relations manager at the project level. Through this plan, relevant and transparent information is provided on the company's environmental performance and the progress of its works and projects, and key stakeholder concerns are also identified. The external communication channels used by Enel Rinnovabile to disclose information to stakeholders include the following: corporate reports, website, face-to-face meetings, social events, participation in associations, and direct contact with on-site staff, among others.

4.1.i.ii Grievance Mechanism for Affected Communities

As part of the Stakeholder Engagement and Materiality Guideline, in addition to the SMPs for each of its projects, Enel Rinnovabile has adopted verbal communication with stakeholders as a grievance mechanism. The purpose of this communication is to report any situation in which adequate levels of transparency, trust, or safety are deemed not to have been met, in order to improve Enel Rinnovabile's practices in the project.

A specific anonymous feedback protocol has been implemented for Enel Rinnovabile's Portfolio Projects, as well as a clear procedure that defines how to register complaints or grievances (<https://secure.ethicspoint.eu/domain/media/en/gui/102504/index.html>) through: (i) a physical on-site mailbox and form (outside, next to the main access to the projects); (ii) an international toll-free service ("ITFS"), 001-844-451-1638 for Mexico; and (iii) an online platform available in several languages, including English and Spanish:

<https://secure.ethicspoint.eu/domain/media/en/gui/102504/index.html>. The research, assessment, monitoring, and closure or resolution processes form part of Enel's ethics and grievance management framework, which is confidential, to ensure transparency and protect all participants.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Management of Worker Relationships

4.2.a.i Human Resources Policies and Procedures

Enel Rinnovabile has implemented several HR policies and guidelines. These include its Code of Ethics, Zero Corruption Plan, and Diversity, Inclusion and Equity Policy. These management tools establish the principles of gender equality, non-discrimination, equal opportunity, prohibition of child labor, fair treatment, prohibition of workplace harassment, and penalties for sexual harassment, in accordance with proper working conditions and terms of employment, as well as notice of dismissal and severance pay.

4.2.a.ii Working Conditions and Terms of Employment

Enel Rinnovabile complies with the requirements of PS-2 and Mexico's Federal Labor Law (LFT^[1]) and its reforms, as well as the country's Federal Occupational Health and Safety Regulation. At a corporate and project level, Enel Rinnovabile has clearly defined standards and conditions for personnel selection and recruitment; working hours and breaks; vacation days; paid and unpaid

leaves of absence; flexible work schedules to promote collaboration and productivity; remuneration and benefits; rights and duties of both the employer and employees; conduct and disciplinary measures; property security; risk prevention; and employees with disabilities, among other aspects.

In 2018, Enel launched a new global IT platform to manage its employee recruitment process both internally and externally, which enables closer monitoring and therefore greater effectiveness throughout the process. During that year, more than 3,400 people were hired, particularly in North, Central, and South America, Italy, and Spain.

Given the fact that many of Enel Rinnovabile's employees for each project are employed by third parties, the company ensures that its contractors are bound to adhere to the aforementioned labor requirements as part of their contracts.

4.2.a.iii Workers' Organizations

Mexico has signed several International Labour Organization ("ILO") conventions and treaties on workers' rights, including the Convention on Freedom of Association and Protection of the Right to Organize (No. 87) and the Convention on the Right to Organize and Collective Bargaining (No. 98). As such, Enel Rinnovabile allows its employees to join the union of their choice.

4.2.a.iv Non-discrimination and Equal Opportunity

Mexico has signed several ILO conventions and treaties on workers' rights, including the Convention on Equal Remuneration (No. 100) and the Convention on Discrimination (Employment and Occupation) (No. 111). In addition to complying with these ILO conventions and treaties, Enel Rinnovabile has also implemented a Corporate Diversity, Inclusion, and Equity Policy that promotes the principles of diversity, inclusiveness, and equal opportunity. This policy aims to foster a working environment in which people are treated with dignity, decency, and respect, participation in workplace activities is encouraged, and the highest level of wellbeing and work-life balance is achieved.

4.2.a.v Grievance Mechanism

Enel Rinnovabile has opened several communication channels with its employees. One of these is the Ethical Channel, which applies to all employees at a corporate and project level and includes a robust ethics and compliance program inspired by international best practices adapted to local circumstances and legislation. This program: (i) is clearly described to employees; (ii) guarantees anonymity; (iii) is documented; and (iv) can be audited. The company will also launch a general campaign and training session for its entire workforce to promote this mechanism and guarantee its correct implementation.

Enel Rinnovabile will ensure that the specific internal grievance mechanism for each project is available for all direct employees and those employed by third parties.

4.2.b Protecting the Workforce

Mexico has signed several ILO conventions and treaties on workers' rights, including the Convention on Minimum Age (No. 138), the Convention on the Worst Forms of Child Labor (No. 182), the Convention on Forced Labor (No. 29), and the Convention on the Abolition of Forced Labor (No.

105). Similarly, in compliance with the Federal Labor Law, Enel Rinnovabile has implemented an Internal Employment Regulation ("IER") which regulates labor relations, establishes the minimum rights and duties of employers and employees, and promotes equality and equity in the protection of human, civil, political, economic, social, and cultural rights between men and women.

4.2.c Occupational Health and Safety

For Enel Rinnovabile, protecting the physical integrity of its employees is of paramount importance. In addition to adapting its facilities with the necessary measures to prevent accidents, the company provides ongoing training to its employees through various programs and workshops.

Enel Rinnovabile has implemented a Quality, Safety and Environmental Policy and a Stop Work Policy, the objectives of which are to ensure the health and safety of its employees, contractors, suppliers, and the communities in which the company operates, taking appropriate measures to prevent and avoid accidents and damage to human health. The company has also implemented a management system to detect, identify, assess, control, and prevent risks in order to ensure accident-free working conditions throughout its value chain. Additionally, compliance with all existing Mexican OHS laws and regulations is mandatory, as is for all employees, contractors, suppliers, and visitors to take responsibility for their physical integrity and that of others, compelling them to carry out all of their activities safely and to comply with the provisions of existing health and safety standards, procedures, and regulations.

Furthermore, Enel Rinnovabile has implemented basic guidelines and procedures for high-risk tasks. As part of its management system, the company monitors: i) accident rates, measuring lost time accidents; ii) accident severity; and iii) days lost. In the event of accidents or incidents, Enel Rinnovabile has implemented a procedure to investigate their cause and identify measures to prevent recurrence.

Occupational health and safety requirements are incorporated into the engineering and construction services contract. Once the supplier or contractor has been selected and approved, Enel Rinnovabile drafts a contract that includes the environmental, social, and health and safety requirements related to the service provided by the contractor or supplier, or the activity that it will carry out.

4.2.d Workers Engaged by Third Parties

EGP's global HR department issues standards and conditions regarding employee selection and recruitment and that of those employed by third parties (contractors and subcontractors), in accordance with each country's labor regulations and the ILO's conventions.

Enel and its subsidiaries have implemented a corporate contractor selection procedure that defines the minimum requirements for contractors and subcontractors that work on behalf of Enel or any of its subsidiaries.

Similarly, Enel Rinnovabile imposes certain safety requirements on its employees and its subcontractors. The company offers a safe and healthy working environment to all parties, and the contractual specifications for contractors include provisions that fulfill Enel Rinnovabile's OHS requirements to minimize its projects' risks and liabilities.

4.2.e Supply Chain

To identify any risk of child or forced labor in its main supply chain, Enel has implemented a "Supplier Qualification System" at a corporate level, in accordance with the laws and regulations that apply to both local tenders and tenders in the European Union. This system enables the precise selection and assessment of companies that intend to participate in procurement processes.

The assessment of suppliers includes technical, economic and financial, legal, environmental, safety, human rights, ethics, and integrity considerations to ensure a suitable level of quality and reliability when awarding tenders in the energy sector. Each supplier is qualified based on one or more specific merchandise categories ("MC") and eligibility for qualification is only granted to suppliers that meet all requirements. These requirements vary depending on the specific implications and impacts associated with each group. The main assessment categories are health and safety, environment, and human rights.

Once a supplier has been hired, Enel and its subsidiaries require, through the contract's general conditions, that their contractors and subcontractors comply with the ten principles of the UNGC and other standards, including respecting the protection of internationally proclaimed human rights, as well as respect for ethical and social obligations in the fight against child labor and the protection of women, equal treatment, non-discrimination, freedom of association and representation, the elimination of forced labor, safety and environmental protection, and hygienic conditions, in addition to regulatory, remuneration, social security, insurance, and tax requirements.

Enel and its subsidiaries assess suppliers on human rights issues, regardless of their risk level, through a specific questionnaire that evaluates the potential supplier's profile in terms of inclusiveness and diversity, safeguarding of employees' privacy, verification of its own supply chain, and other aspects such as forced or child labor, freedom of association and the right to collective bargaining, and fair working conditions (including fair wages and working hours). Only suppliers that receive a positive rating are included in the Qualified Supplier Register (or remain on the register if they have qualified previously) and are invited to participate in the Group's procurement activities.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

In order to establish the necessary instructions to achieve efficient resource use at a corporate level, Enel and its subsidiaries have implemented Operating Instruction No. 885, which acts as a decision-making guideline for all parties involved in a project's development in terms of identifying, measuring, and improving its sustainable performance. Additionally, this operating instruction supports Enel and its subsidiaries in the analysis of sustainable options and approaches during project development, design, construction, and operation, focusing on environmental protection, rational use of resources, health and safety, innovation, circular economy, and stakeholder interests.

4.3.a.i Greenhouse Gases

Reducing greenhouse gas emissions is a key objective of Enel's corporate environmental policy, demonstrated through the gradual expansion of renewable energy production and improvements in energy efficiency.

Enel and its subsidiaries have implemented Operating Instruction No. 885, which aims to reduce hazardous emissions, including greenhouse gas emissions and other dangerous pollutants, during all

phases of the project life cycle, as well as increasing resilience to climate change. One of this operating instruction's strategies is to measure and monitor direct and indirect greenhouse gas emissions (carbon footprint) and, by conducting a comprehensive carbon life cycle assessment, plan how to reduce emissions in advance in order to curb the company's contribution to climate change.

The respective Environmental Monitoring Plans ("EMPs") for the Portfolio Projects include strategies to monitor and reduce greenhouse gas emissions that comply with local environmental protection laws and regulations. Additionally, all contractors involved in any project development phase must implement their own greenhouse gas emission reduction strategies based on Enel's specific guidelines contained in the Quality, Safety and Environmental Policy, as well as the Occupational Health and Safety and Environmental Regulation, and Occupational Health and Safety and Environmental Requirements specified in Enel Rinnovabile's contracts. Finally, Enel Rinnovabile supervises its contractors' performance on these parameters through the strategy outlined in the "MEX ENV PO 446 - Environmental Supervision of Contractors" policy, which applies to all infrastructure projects developed in Mexico.

4.3.a.ii Water Consumption

Regarding water consumption, Operating Instruction No. 885 includes targets for reducing total water consumption and increasing the use of reclaimed and recycled water during project construction. The strategy to achieve this involves monitoring and assessing water availability to verify whether the level of water consumption is reasonable and, if necessary, reduce water consumption through reclaiming and recycling.

During the ESDD for the portfolio's solar project, the lack of a specific water management strategy to regulate solar panel cleaning during the operation and maintenance ("O&M") phase was noted, which would ensure efficient consumption of this resource and provide for an analysis of demand, frequency, types of use and efficient use, and water consumption logs and monitoring measures. As such, Enel Rinnovabile will develop a water management strategy for solar panel cleaning that will include a comparative analysis of water demand in other solar projects in the country and the region. A water balance will also be conducted to evaluate the project's water requirements and the water demand of the ecosystems and communities located in each project's area of influence.

4.3.b Pollution Prevention

Enel's corporate pollution prevention objective, outlined in Operating Instruction No. 885, is to minimize waste generation and maximize recycling through the following strategies: (i) waste generation prevention and reduction; (ii) product reuse and preparation for reuse before they become waste; (iii) recycling and composting; and (iv) elimination or final waste disposal, whether via landfills, incineration, pyrolysis, gasification, or other similar solutions.

Similarly, Enel Rinnovabile has implemented the specific guidelines contained in its Quality, Safety and Environmental Policy, Occupational Health and Safety and Environmental Regulation, and Occupational Health and Safety and Environmental Requirements to prevent or minimize adverse impacts on health and environmental pollution generated by its activities. These specific guidelines are part of the contract between Enel Rinnovabile and its contractors.

4.3.b.i Waste and Recycling

Operating Instruction No. 885 includes the goal of reducing the total amount of material used and

increasing material use efficiency through a "circular economy" approach, in line with efforts to conserve the world's natural resources.

The application of recycling strategies for waste and packaging, as well as for scrap material (primarily wood) in the Portfolio Projects was verified, as was the reuse of recycled materials (donation of wood originating from transmission line cable reels to people who transform them into furniture and playground equipment).

4.3.b.ii Hazardous Materials Management

Enel's Quality, Safety and Environmental Policy, and its Occupational Health and Safety and Environmental Requirements aim to identify, control, minimize, add value, and comprehensively manage hazardous waste generated by each work unit and develop a comprehensive waste management culture. These guidelines define measures for each type of hazardous and infectious waste that must be implemented by all contractors. These measures govern internal waste collection and temporary storage procedures, as well as the final disposal service provided by an authorized third-party supplier.

Enel's Occupational Health and Safety and Environmental Regulation outlines conditions to identify, manage, store, transport, and dispose of hazardous substances based on their characteristics and on official safety regulations, standards, and procedures in each country.

4.3.b.iii Pesticide Use and Management

Neither Enel nor its subsidiaries plan to use agrochemicals for vegetation removal in any of the projects visited.

4.4 Community Health, Safety and Security

4.4.a Community Health, Safety and Security

Operating Instruction No. 885 defines the requirements for proper employee health and safety management, as well as health and safety management for members of communities within each project's area of influence.

In the Portfolio Projects, the SMPs prepared as part of the SIA define the type of specific considerations that must be taken into account for each project to prevent or reduce any accident or incident that puts the safety of communities within the project's area of influence at risk (elimination of noise and dust; prevention of radiation and traffic accidents; modifications in the availability and quality of water resources, etc.). In that sense, Enel Rinnovabile includes the process of identifying and assessing all potential risks and impacts on community health and safety during the project life cycle within its SIA.

4.4.a.i Infrastructure and Equipment Design and Safety

In accordance with EGP's global sustainability principles, the design and layout of the Portfolio Projects does not constitute a safety risk for adjacent communities. However, Enel Rinnovabile has implemented rigorous traffic regulations within its project sites, including signposting, speed limits, and traffic control measures. In Mexico, the company has implemented significant road safety

improvements, which have subsequently been replicated in other Enel projects around the world.

4.4.a.ii Emergency Preparedness and Response

The SIA requires an Emergency Reporting Plan to be prepared based on Mexican regulation NOM-030-STPS-2009. In compliance with the above and within the framework of the Emergency Preparedness and Response Procedure for each project, prior to starting the construction phase of each venture, Enel Rinnovabile prepares a specific emergency and contingency plan which is appropriate to the scale and scope of the project activities. This plan must take into account the limited public resources available to respond to serious accidents and inform the local authorities, emergency services, and neighboring communities of the nature and scope of the effects on the environment and on human health that may result from emergencies related to the project, both within and outside of its facilities, as well as of the action plans and safety measures in place should an incident occur.

4.4.b Security Personnel

Through the Internal Control and Risk Management System, Enel Rinnovabile will hire a security company for each of its projects to protect its employees and assets via both preventive and defensive measures. The company hired will be responsible for conducting a risk analysis and defining appropriate measures based on the context of each site.

As part of their contract, Enel Rinnovabile requires the security companies it hires to adhere to its guidelines and allow it to: (i) carry out reasonable investigations to ensure that security personnel do not have a criminal record and have not been involved in cases of abuse; (ii) verify the details of the necessary training on the use of force; (iii) verify restrictions on firearms use; and (iv) identify the details of E&S awareness training, including human rights issues.

4.5 Land Acquisition and Involuntary Resettlement

The three Portfolio Projects included in this financing transaction are currently in advanced phases of development and have obtained all necessary permits for their implementation. As such, they do not involve any type of involuntary physical or economic displacement of the population.

4.6 Biodiversity Conservation and Management of Natural Resources

4.6.a General Aspects

Protecting biodiversity is a recurring theme in Enel's Sustainability Policy, which is addressed in Operating Instruction No. 885, the Quality, Safety and Environmental Policy, the Occupational Health and Safety and Environmental Regulation, and the Occupational Health and Safety and Environmental Requirements.

Similarly, Enel Rinnovabile has implemented a Corporate Biodiversity Policy that substantiates the company's commitment, and that of its subsidiaries, to planning activities that may have an impact on natural species and habitats, respecting the principle of the "mitigation hierarchy" in order to : i) avoid or prevent negative impacts; ii) minimize damage and remediate its consequences when

impacts cannot be avoided; iii) provide compensation for inevitable residual adverse impacts such that a positive net gain is achieved in terms of biodiversity; iv) conduct an impact study for each new facility that includes a systematic assessment of the effects on biotypes, animal and plant species to avoid operating in areas with the highest levels of biodiversity, as well as adopting the best solutions to reduce pressure on biodiversity in other areas; v) cooperate with local communities, academia, and NGOs to identify biodiversity levels and develop projects to safeguard and restore ecosystems; vi) monitor the effectiveness of the measures implemented; and vii) regularly report its biodiversity performance.

4.6.b Protection and Conservation of Biodiversity

The aforementioned sustainability and biodiversity policies are reflected in the Portfolio Projects' planning and implementation as follows: i) the three projects have prepared robust and detailed biotic baselines, which are contained in the MIA-R, the Unified Technical Documents and the additional information presented to the SEMARNAT; ii) the environmental impact assessments have been prepared and include the direct, indirect, cumulative, and residual impacts associated with each project; iii) the environmental mitigation measures proposed to implement fauna and threatened and protected plant species rescue and relocation programs have been established and implemented from the start of these projects and throughout their construction phases; iv) for the wind farm projects, monitoring of bird, bat, and monarch butterfly species (which are the most vulnerable to these types of projects) has been performed by renowned institutions such as Universidad Autónoma de Nuevo León; and v) in addition to the requests made by the SEMARNAT in its environmental authorizations, Enel Rinnovabile is implementing actions to support biodiversity conservation in areas where its projects are located, such as: community talks to dispel myths regarding certain species that are incorrectly believed to be poisonous; the formation of garbage cleaning brigades in the areas surrounding the projects; and training in wild fauna management for supervisors, among others.

4.6.b.i Legally Protected Areas

None of the Portfolio Projects are in national or international legally protected or recognized areas or in areas with a high biological value. Despite this, as part of said projects, comprehensive actions have been carried out to rescue and relocate wild fauna and protected plant species, as required by the SEMARNAT's authorizations.

4.6.b.ii Invasive Exotic Species

The Portfolio Projects do not foresee the introduction of exotic species.

4.7 Indigenous Peoples

The Portfolio Projects are in advanced phases of development and have obtained all necessary permits for their implementation. As such, in compliance with Mexico's Electric Industry Law, Enel Rinnovabile has carried out an SIA for each project that identifies indigenous communities and peoples and vulnerable social groups located within the area of influence of electric industry activities, as well as characterizing, predicting, and assessing the consequences for the population that may result from these projects and establishing the corresponding mitigation measures and SMPs within the specific SMPs.

The final statement of the SIA for each of the three Portfolio Projects concluded that no indigenous

communities are present in the area of influence of any of the Projects. Therefore, the Projects' various development phases are not expected to generate any significant impacts.

4.8 Cultural Heritage

Enel Rinnovabile's business development area has implemented protocols that ensure that all projects comply with the provisions of Mexican Law.

Despite the fact that no areas of archaeological interest have been identified in any of the Portfolio Projects, Enel Rinnovabile will develop a Chance Find Procedure (which will also apply to contractors) to ensure proper management in the event that unknown cultural heritage sites or archaeological ruins are discovered during the excavations that will be carried out. It will also obtain official authorization from the National Institute of Anthropology and History ("INAH") before starting any excavation activities.

5. Local Access of Project Documentation

Additional information on Enel Rinnovabile's sustainability initiatives can be found at the following link: <https://www.enelgreenpower.com/about-us/a/2017/09/sustainability>.

6. Contact Information

For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary tab**), or IDB Invest using the email divulgacionpublica@iadb.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.

7. Environmental and Social Action Plan

A summary of the Environmental and Social Action Plan can be found in [Annex 1](#).

Annex 1: Environmental and Social Action Plan

No.	Reference	Action	Final product /deliverable	Completion Date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts				

No.	Reference	Action	Final product /deliverable	Completion Date
1.1	Projects' compliance with applicable regulations	<p>1. Through an independent, third-party environmental and social expert endorsed by national environmental authorities (an external auditor) and acceptable to IDB Invest, prepare a consolidated report on the compliance status with all environmental, social, and occupational health and safety (OHS) policies applicable to the Project works, including: (i) progress on the environmental management system (EMS) actions regarding the established key performance indicators (KPIs); (ii) the compliance status with the IDB Invest Environmental and Social Sustainability Policy; and (iii) compliance with Mexican environmental and OHS regulations.</p>	1. Environmental and social compliance report.	1. Annually during the life of the loan or the period agreed in the loan agreement.
PS 2: Labor and Working Conditions				
2.1	Internal Grievance Mechanism	<p>1. Implement an internal grievance mechanism in the Portfolio Projects through a general workforce dissemination and training campaign to ensure that it is available to all direct employees and those employed by third parties.</p>	1. Evidence of the implementation of this internal mechanism.	1. With each E&S Compliance Report.
PS 3: Resource Efficiency and Pollution Prevention				

No.	Reference	Action	Final product /deliverable	Completion Date
3.1	Water Consumption	1. Develop a water management strategy for solar panel cleaning that includes a comparative analysis of water demand in other solar projects in the country and the region, and conduct a water balance to evaluate the project's water requirements and the water demand of the ecosystems and communities located within each project's area of influence.	1. Copy of the water management strategy for solar panel cleaning in the Portfolio's solar project.	1. 90 days after signing the Loan Agreement.
PS 8: Cultural Heritage				
8.1	Chance Find	1. Develop a Chance Find Procedure in accordance with the requirements of PS-8 for the implementation of any additional works associated with the Portfolio Projects that require excavation and/or removal of earth.	1. Copy of the Chance Find Procedure for the Portfolio Projects.	1. 90 days after signing the Loan Agreement.

[1] The most recent reform was published in the Official Journal of the Federation on November 30, 2012.