

XINA SOLAR ONE

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT SUMMARY FOR THE XINA SOLAR ONE PROJECT

The project (**Xina Solar One**) consists of the construction and operation of a 100 MW concentrating solar power (“CSP”) project near the town of Pofadder, in South Africa’s Northern Cape Province. CSP is a term used to describe a variety of technologies by which solar energy is concentrated onto a receiver to heat steam for use in industrial or electricity generation applications.

Xina Solar One (RF) (Pty) Ltd will sell electricity to the state owned utility, Eskom, under a twenty year power purchase agreement.

Environmental and Social Impact Assessment (ESIA) summary

The development of an ESIA involves a range of parties with different roles and responsibilities including the developer of the facility, independent consultants, the relevant authorities and government departments, external reviewers, financial institutions, local residents and communities, NGOs and interest groups. This falls part of an Environmental Impact Assessment (EIA) process.

The EIA process refers to that process (in line with the EIA Regulations) which involves the identification of and assessment of direct, indirect, and cumulative environmental impacts associated with a proposed project/ activity. The EIA process comprises two main phases: i.e. Scoping Phase and EIA Phase. The EIA process culminates in the submission of an EIA Report (including an Environmental Management Programme (EMPr)) to the competent authority for decision-making.

The proposed CSP plant has under gone the process of application and approval for Environmental Authorisation (EA) received from the Department of Environmental Affairs.

The principle of identifying all environmental and social issues and associated impacts allows for proactive planning and implementation of adequate mitigation measures corresponding with the adverse impacts, and in consultation with locally affected populations, during both construction and operations phases, particularly with regard to; i) surface water resources; ii) fair, safe and healthy working conditions for both construction and operations work force; iii) wastewater, solid

and hazardous waste; iv) handling and storage of hazardous/harmful chemicals and v) impacts of construction and operations on the natural flora and fauna, and the human populations surrounding the project area.

The identified environmental and social impacts and the associated mitigation measures are recorded in an Environmental Management Plan (EMP) specifically drawn up for the project. This EMP is approved by the DEA and utilised throughout the project as parameters to which compliance is compulsory.

Above and beyond these requirements the project is required to comply with International Finance Corporation requirements (IFC). IFC provides comprehensive solutions to clients in developing countries to address today's greatest development challenges. The IFC is a member of the World Bank Group. IFC financial products enable companies to manage risk and broaden their access to foreign and domestic capital markets. Their standards help unlock private sector investment, which is essential for expanding businesses, creating jobs, and growing economies.

Lastly the project is also expected to comply with The Equator Principles (EP). The EP is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making.

For inquiries about the project, please contact:

Rudolph Christiaan van Rooyen

Stakeholders Manager

christiaan.vanrooyen@abengoa.com