	Code: AE-01-P04 Preparation Date: 27/11/2017 Review No.: 00 Date: January 29, 2019
DIRECCIÓN DE REGULACIÓN AND INDUSTRY	
Prepared by: Valery Madero	Authorized by: Sergio Romero

SOCIAL IMPACT ASSESSMENT PREPARATION PROCEDURE

1. Purpose and Scope

Establish the procedure for the preparation of the Social Impact Assessment (“SIA”) for IEnova’s and its subsidiaries’ energy infrastructure projects.

Specific Objectives:

- Establish the elements that must be contained in all the SIAs of IEnova’s projects.
- Specify the steps to be followed during the phases of a project, as well as the scope of the activity assigned to the external consultants responsible for conducting the SIA prior to its submittal the relevant authorities and the responsibility of the departments involved.

The scope of this procedure includes preparing of the SIA for its presentation to the relevant authorities, obtaining the respective resolution and following-up on the Sener’s recommendations.

2. Definitions and Terminology

Stakeholders: persons, communities, organizations, institutions, authorities or any other that may have an influence on the design, implementation and sustainability of the project (Sener, 2016).

Analysis of Stakeholders: method used to: i) identify the stakeholders affected or involved in a project; ii) evaluate their interests; and iii) analyze the effect of these interests on the implementation and viability of the project.

Simplified Risks Analysis: a study conducted to identify the stakeholders that are most prone to conflict and to define the level of risk that they may represent for the development of the project.

Area of Influence: physical area that will most likely be affected by the development of all the phases of the energy project, including in the medium and long terms (Sener, 2016).


Direct Area of Influence: the physical area surrounding or adjacent to the core area inhabited by people and house the socio-economic and socio-cultural elements that may be affected directly by the works or activities performed during the different stages of the energy project (Sener, 2016).

Indirect Area of Influence: the physical area surrounding or adjacent to the core area inhabited by people and house the socio-economic and socio-cultural elements that may be affected indirectly by the works or activities performed during the different stages of the energy project (Sener, 2016).

Core Area: the physical area in which the infrastructure of the project is intended to be built and where the component activities and processes will be performed. This area includes a buffer zone in which the activities may have a different impact on the people who live in existing settlements.

Community: a group of people who inhabit a specific place and share a sense of identity, interests and daily interactions and have common political and/or social institutions.

Indigenous Community: members of an indigenous people who form a social, economic and cultural unit settled in a territory and that recognizes its own authorities based on its uses and customs, in the terms established in Article Two of the Political Constitution of the United Mexican States (Sener, 2016).

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Free, Prior and Informed Consultation: a fundamental right of indigenous peoples to participate in the taking of decisions on the implementation of projects, works and activities in their territory. The purpose of this procedure is to reach agreements or achieve consent on the decision in question.

External Consultants: individuals and/or companies engaged by IEnova to prepare specific studies for its projects, such as the Social Impact Assessment, the Environmental Impact Statement, the Environmental Risk Study, the Technical Justification Study, among others.

Right of Way: a temporary or permanent space, area or land that in accordance with the Applicable Legislation, can be occupied by a permit holder in order to build, house, operate, inspect and maintain its hydrocarbons transportation and electricity transmission systems.

General Administrative Provisions for Social Impact Assessment in the Energy Sector (DACGs): the guidelines, guide and format for the presentation of the SIA, as well as the methodologies for the definition of the area of influence and the identification, characterization, prediction and valuation of the social impacts of energy sector projects generated by the Sener.

Company: Infraestructura Energética Nova, Variable Capital Public Limited Company, engaged in the development, construction and operation of energy infrastructure.

Construction Phase: the phase of the project in which IEnova or the contractor performs the activities necessary for the preparation of the site, the construction and installation of the energy infrastructure in question.

Permit Obtainment Phase: phase in which all the permits necessary (Environmental Impact Authorization, Use Changes on Forest Lands Authorization, Social Impact Resolution, among others) are obtained to be able to develop a project once its viability is confirmed in the prospecting phase.


Operation and Maintenance Phase: the phase in which the preservation activities of the functioning of the installation or equipment, measurement and evaluation of the installation or equipment are performed to avoid or mitigate possible malfunctions and if applicable, replace and/or correct any element during its useful life.

Prospecting Phase: the initial phase of any project, which represents the first approach to the physical space in which the works will be performed to install any type of energy infrastructure.

Social Impact Assessment (SIA): the document that states the identification of the communities and peoples located in the area of influence of the energy sector project, as well as the identification, characterization, prediction and evaluation of the consequences that may arise therefrom and the respective mitigation measures and social management plans (Sener, 2015).

Form A: Document of the **DACGs** that must be attached to the SIA "A" and is applicable to the following projects:

- Sale to the public of fuels through gasoline and diesel service stations.
- Sale to the public of the natural gas and liquefied petroleum gas through service stations, specific purpose service station or multi-purpose service station.
- Sale to the public of the natural gas and liquefied petroleum gas through Sales Warehouse.
- Compression and decompression of natural gas.
- Public electricity distribution service (extensions not exceeding a 2-km radius).

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- Energy generation inside industrial, productive, commercial and/or service installations in operation, with a capacity equal to or less than 10 MW.

Form B: Document of the DACGs that must be attached to the SIA “B” and is applicable to the following projects:


- Non-invasive land seismic surface exploration that does not involve infrastructure.
- Pipeline distribution of natural gas and fuels.
- Fuel distribution via Distribution Plants.
- Transportation of hydrocarbons, fuels, and petrochemicals through pipelines equal to or less than 10 km in length.
- Distribution and transportation of hydrocarbons and fuels via means other than pipelines.
- Public electricity transmission service located in industrial zones or parks.
- The generation of electricity with the capacity equal to or less than 10 MW, except hydroelectrical projects or electricity generation projects of capacities greater than 10 MW and less than 250 MW, provide that they are located inside industrial, productive, commercial and/or service installations in operation.

Form C: Document of the DACGs that must be attached to the SIA “C” and is applicable to the following projects:

- Surface maritime exploration.
- Invasive land surface seismic exploration or involving infrastructure.
- Public electricity transmission and distribution service.
- Natural gas and fuel storage.
- Liquefaction and regasification of natural gas.
- Transportation of hydrocarbons, fuels, and petrochemicals through pipelines greater than 10 km but less than 100 km in length.
- Generation of electricity by solar radiation with a capacity greater than 10 MW but less than 200 MW.
- Hydraulic generation of electricity with a capacity of less than 80 MW.
- Wind generation of electricity with a capacity greater than 10 MW but less than 100 MW.
- Co-generation and thermal generation of electricity with a capacity greater than 10 MW but less than 300 MW.
- Electricity generation inside industrial, productive, commercial and/or service installations in operation, with a capacity equal to or greater than 250 MW.
- Other electricity generation activities using clean energy with a capacity greater than 10 MW but less than 200 MW.

Form D: Document of the DACGs that must be attached to the SIA “D” and is applicable to the following projects:

- Petroleum treatment and refining.
- Transportation of hydrocarbons, fuels, and petrochemicals through pipelines equal to or greater than 100 km in length.
- Exploration and extraction of hydrocarbons in contractual area or area of assignment;
- Generation of electricity by solar radiation with a capacity equal to or greater than 200 MW.
- Hydraulic generation of electricity with a capacity equal to or greater than 80 MW.
- Wind generation of electricity with a capacity equal to or greater than 100 MW.

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- Co-generation and thermal generation of electricity with a capacity equal to or greater than 300 MW.
- Other electricity generation activities using clean energy with a capacity equal to or greater than 200 MW.

Social Impact: all the changes and consequences, either positive or negative, that result from the development of a project. They may be experienced perceptually or physically, individual and collectively and may have an effect on the ways of life of male and female members of the community, on their culture, cohesion, stability, fears and aspirations, services and installations, decision-making systems, their physical surroundings, health and well-being, as well as on their rights (Sener, 2016).

Social Investment: funds allocated by the Company to strengthen the social aspects of a community and foster its short- and long-term development.

Base Line: first measurement taken by the sponsor of the socio-demographic, socio-economic and socio-cultural indicators of the communities in which the core area and the area of influence are located and that may undergo changes as a result of the project activities. They also provide a point of reference for the characterization of the communities, as well as the identification of social impact and monitoring of the Social Management Plan (Sener, 2016).

Performance Indicators: measurement parameters that enable the monitoring and evaluation of the compliance with the objectives of the institutional activity.

Land Management: the process that identifies the type of land ownership in the area of influence of the project and the actions to be taken to negotiate, contract and sign the contracts of the lands to be occupied by IEnova's projects in such a manner so as each project can be developed respecting the owners' rights.

Grievance Mechanism (MAC): a set of procedures, functions and guidelines to receive, record, evaluate and deal with any external communication methodically, whether a request, suggestion or complaint.


Extension Measures: steps taken to maximize the positive social impacts generated by the development of the project (Sener, 2016).

Prevention and Mitigation Measures: steps taken to avoid or reduce the negative social impacts generated by the development of the project (Sener, 2016).

Level of Influence/Power: the capacity of a stakeholder to exert influence on the results of the project taking into account their leadership and capacity to mobilize human and/or financial resources in such a manner that may facilitate or affect the development of the project.

Level of Interest: the importance given to a project by a stakeholder, either based on their involvement or on the level at which it may be affected by the development of the project.

Social Work: construction, improvement and maintenance activities undertaken generally by public entities for common benefit and are focused on facilitating access to different services by the population.

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Communication Plan: strategy that forms part of the Social Management Plan and that proposes the information circulation mechanism (timely, impartial and accurate) that applies to the project, its associated risks, as well as the social management measures being or to be taken by the Company.

Social Management Plan (SMP): the system, strategy or program that includes steps to be followed by the Company to promote the participation and engagement with stakeholders, communicate the main aspects of the project, present the social investment guidelines and manage the social impact and other actions that guarantee the sustainability of the project correctly.


Promoter: the assignee, contractor or any party interested in obtaining a permit or authorization to develop a project in the energy sector and who is required to submit a Social Impact Assessment to the Sener (Sener, 2016)

Project: denomination given by the sponsor of new works or activities to be developed in relation to task to be permitted and based on which the Social Impact Evaluation will be submitted (Ministry of Energy, 2016).

Sener: the authority empowered to receive and evaluate the SIA and issue the respective resolution.


3. Responsible Parties

Responsible Party	Functions and Responsibilities
Environmental and Social Regulation Manager / Regulation and Industry Department	Pursuant to the DACGs and based on the type of project, determines the form of SIA to be submitted to the Sener.
	Prepares the terms of reference for the selection of the external consultants to conduct the SIA.
	In coordination with the Purchasing Department, manages the contracting of the external consultants selected to conduct the SIA.
	Coordinates the external consultants who will prepare the SIA and IEnova's work team that will ensure its review and submittal to the Sener.
	Collects the information on the technical description and the policies and procedures associated with the social management of the project and sends them to the external consultants.
	Provides the external consultants with the structure and minimum content of the SMP to be included in the SIA.
	With the assistance of the external consultants, prepares the SIA in accordance with the agreed work plan.
	Checks that the SIA has been prepared in accordance with the current administrative and technical specifications and provisions, as well as with IEnova's standards.

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	<p>Supervises to ensure that the SIA includes: the identification of the area of influence, the characterization of the population, the identification of the stakeholders, (analysis of the social context of the area of influence, an analysis of the stakeholders, a simplified risks analysis and that the elements to be included in the Stakeholders' Participation and Engagement Strategy are proposed); the identification, characterization, prediction and valuation of the impacts and the SMP based on IEnova's standards.</p> <p>In conjunction with the Institutional Relations and Sustainability Department, reviews the SMP because this outlines the commitments assumed by IEnova to the Sener.</p> <p>Ensures that the SMP contains a monitoring plan with clear and measurable indicators.</p> <p>Sends the respective sections of the SIA to the different departments involved for review.</p> <p>Coordinates with the external consultants to make the respective changes, if any, and works on the final version of the document.</p> <p>Submits the SIA to the Sener and follow-up until the resolution is obtained.</p> <p>In the event of a preliminary hearing of the study, attends to it as instructed by the authority.</p> <p>Reports the main results of the SIA to the Project Manager and the External Affairs Manager for their correct implementation.</p> <p>Informs the Compliance Department of the Sener's obligation times to be entered in the MAXIMO system.</p>
Regulation and Industry Department	<p>Through the Environmental and Social Regulation Manager, reviews: i) the characterization of the area of influence, ii) the characterization of the indigenous peoples and communities, iii) the analysis of stakeholders;, iv) the social impact analysis, v) the SMP and vi) that the methodologies proposed by the external consultants are in line with IEnova's standards.</p> <p>Reviews the resolution of the SIA and contact the Sener if there are any questions or comments.</p> <p>Transfers the responsibility to be Project Director/Manager, who shall be in charge of monitoring the compliance with the obligations of the resolution issued by the Sener.</p>

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Project Manager / Executive Vice Presidency of Engineering and Construction	Assisted by the Real Estate Legal Manager, based on the pre-feasibility studies conducted beforehand, defines the geographical location of the route or area in which the project will be developed, including alternatives.
	Prior to submitting the SIA, collects the information on the technical description of the project and sends it to the Environmental and Social Regulation Manager for the preparation of the SIA.
	Reviews i) the technical description of the project, ii) the analysis of stakeholders, if already in contact with the community where the project is to be developed, and iii) the Social Management Plan.
Operations Manager / Executive Vice Presidency of Operations	Prior to submitting the SIA, reviews i) the technical description of the project, ii) the analysis of stakeholders, if already in contact with the community where the project is to be developed, and iii) the SMP.
Executive Vice Presidency of Development / Development Department	In conjunction with the Institutional Relations and Sustainability Department, determines and evaluates the budget considered for the steps proposed in the SIA before submitting it to the Sener.
External Affairs Manager	In conjunction with the Project Director / Manager, prepares a plan for the implementation of the steps proposed in the SIA, the SMP and the Sener's recommendations.
	Reviews i) the analysis of stakeholders, if already in contact with the community where the project is to be developed, and ii) the Social Management Plan.
	In conjunction with the Project Director/Manager prepares a plan for the implementation of the steps proposed in the SIA and the Sener's recommendations.
Institutional Relations and Sustainability Department	Collaborates with the Environmental and Social Regulation Manager and the external consultants to define the SMP that will include the Social Investment Plan.
	In conjunction with the Environmental and Social Regulation Manager, reviews the SMP because this outlines the commitments assumed by IEnova to the Sener.
	Ensures that the SMP contains a monitoring plan with clear and measurable indicators.
	Prior to submitting the SIA, review: (i) the social impact analysis, (ii) the analysis of stakeholders: and iii) the SMP. Collaborates with the

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	<p>Environmental and Social Regulation Manager and the external consultants to define the SMP that will include the Social Investment Plan, prior to the review of the Environmental and Social Regulation Manager.</p> <p>In conjunction with the Executive Vice-Presidency of Development, determines and evaluates the budget considered for the steps proposed in the SIA before submitting it to the Sener.</p> <p>Prepares the respective reports and submit them to the Sener.</p>
Project Director/Manager (construction and/or operations)	<p>Documents and concentrates the evidence for the compliance with the obligations of the resolution issued by the Sener.</p> <p>In conjunction with the External Affairs Manager, prepares a plan for the implementation of the steps proposed in the SIA and the Sener's recommendations.</p>
Purchasing Department	In coordination with the Environmental and Social Regulation Manager, engages the external consultants selected to prepare the SIA in accordance with the Purchasing Policy and Procedures.
Real Estate Legal Manager	Together with the Executive Vice Presidency of Engineering and Construction, based on the pre-feasibility studies conducted beforehand, defines the geographical location of the route or area in which the project will be developed, including alternatives.

4. References

AE-01-P02. Community Relations and Stakeholder Engagement Procedure.

AE-01-P03. Grievance Mechanism Procedure.


AE-01-P05. Social Investment Procedure.

AE-01-P06. Indigenous Communities and Peoples Procedure.

AE-01-P07. Land Management Procedure.

Electricity Industry Law. The purpose of this Law is to regulate the planning and control of the National Grid, the Public Electricity Transmission and Distribution Service and the other activities of the electricity industry. It includes the minimum requirements to be met by petitioners in terms of Social Management (area use and occupation), Social Impact Assessment and Prior, Free and Informed Consultation).

Hydrocarbons Law. The purpose of this Law is to regulate the different activities related to the use of hydrocarbons in Mexican territory. It includes the minimum requirements to be met by petitioners

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in terms of Social Management (area use and occupation), Social Impact Assessment and Prior, Free and Informed Consultation) for the development of projects in the hydrocarbons sector.

Electricity Industry Law Regulations. The Regulations contain the provisions that regulate the activities of the electricity sector, as stipulated in the respective law. It covers in greater detail the requirements to be met by petitioners in terms of area use and occupation, Social Impact Assessment and Prior, Free and Informed Consultation.

Hydrocarbons Law Regulations. The Regulations contain the provisions that regulate the activities related to the use of hydrocarbons, as stipulated in the respective law. It covers in greater detail the requirements to be met by the parties interested in implementing a hydrocarbons project in Mexican territory in terms of area use and occupation, Social Impact Assessment and Prior, Free and Informed Consultation.


Regulation of the Activities Referred to in the Third Title of the Hydrocarbons Law. The purpose is to regulate the permits for the treatment and refining of oil, natural gas processing, exportation and importation of hydrocarbons and fuels, the shipping, storage, distribution, compression, decompression, liquefaction, regasification, sale and dispatch to the public of hydrocarbons, oils or petrochemicals, as applicable, as well as the management of Integrated Systems.

5. Procedure

5.1 Contracting the SIA

- 5.1.1. The Executive Vice Presidencies of Development and Engineering and Construction, assisted by the Real Estate Legal Manager, based on the pre-feasibility studies conducted beforehand, shall define the geographical location of the route or area in which the project will be developed, including alternatives in order to reduce the social impact to the minimum.
- 5.1.2. Once the geographical location of the project has been defined, the Environmental and Social Regulation Manager shall determine the form of SIA to be submitted to the Sener based on the DACGs and the types of project.
- 5.1.3. The Environmental and Social Regulation Manager shall then prepare the terms of reference for the selection of the external consultants to conduct the SIA. These shall include a brief description of the project, the current legislation on which the SIA is to be based, the activities expected of the external consultants (including field work), the profile sought of the team, the performance time and the deliverables with their respective specifications.

If the project is being financed by any institution that is a signatory to the Equator Principles, two studies must be conducted and two terms of reference must be prepared separately; on the one hand, in line with the Sener requirements and on other, in line with the respective terms of the Equator Principles.
- 5.1.4. Once the terms of reference have been sent, the technical-economic proposals received, the scope of the activities confirmed and the amount offered is confirmed as being within the budget authorized for the respective caption, the Environmental and Social Regulation

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Manager, in coordination with the Purchasing Department, shall proceed to engage the external consultants selected to prepare the SIA in accordance with the Purchasing Policies and Procedures.

5.2 Reception of External Communications

- 5.2.1. The delegate of the Executive Vice Presidency of Engineering and Construction shall collect the information on the technical description of the project and send it to the Environmental and Social Regulation Manager for the preparation of the SIA. Said information shall be duly validated.
- 5.2.2. The Environmental and Social Regulation Manager shall collect the information on the technical description and the policies and procedures associated with the social management of the project and send them to the external consultants. Said manager shall also provide the external consultants with the structure and minimum content of the SMP to be included in the SIA.
- 5.2.3. The Environmental and Social Regulation Manager, assisted by the external consultants, shall prepare the SIA in accordance with the work plan agreed, the technical information provided and the information on the field visit, following the Sener's guidelines and the best international practices. The following procedures must be considered when preparing the Social Impact Assessment:

AE-01-P02. Community Relations and Stakeholder Engagement Procedure.


AE-01-P03. Grievance Mechanism (MAC) (procedure must be followed and adapted to social context of project).

AE-01-P04. Social Impact Assessment Development Procedure.

AE-01-P05. Social Investment.

- 5.2.4. Once the external consultants complete the first draft of the SIA, the Environmental and Social Regulation Manager shall confirm that the SIA has been prepared in accordance with the current administrative and technical specifications and provisions and IEnova's standards. The SIA shall comply with the minimum requirements set by the Sener, the minimum criteria set forth in the terms of reference and IEnova's quality standards, considering the type and capacity of the project in question (for further detail of the requirements of each of the forms defined by the Sener in the DACGs, consult the Social Impact Assessment forms for projects already evaluated: AE-01-P04-F1, AE-01-P04-F02, AE-01-P04-F03). The Environmental and Social Regulation Manager shall ensure that all the evaluations include:

- **Identification of area of influence:** three areas must be demarcated; core, direct and indirect influence. Each of these areas shall be determined based on a combination of qualitative and quantitative criteria, considering territorial units, land ownership, settlements and towns, tangible or intangible equity, paths and roads, economic activities, environmental systems, territory management instruments, among others.
- **Characterization of the Population of the Area of Influence:** identification of the towns in the area of influence and their main demographic, socio-economic, cultural, political characterization, etc. The characterization shall be based mainly on field work and will be complemented by a documentary review and a review

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of the relevant official statistics. This section must include a characterization of vulnerable groups. In the same manner, the presence, or not, of indigenous communities must be identified.

If there an indigenous population in the area of influence, said communities must be duly characterized in accordance with the criteria set by the Sener, as well as a complete analysis to help the Ministry to determine whether or not these communities are subject to a right of consultation.

- **Identification of Stakeholders:** the main stakeholders must be identified and the benefit-harm ratios of the project determined. The analysis must include the stakeholders who participate actively in decision-making, as well as those who may have an influence, power or interest in the development of the project. It shall also contain a Simplified Risks Analysis and propose the elements to be included in the Stakeholder Participation and Engagement Strategy Based on this identification and characterization, an approach strategy for each of these stakeholders must be proposed.
- **Identification, characterization, prediction and valuation of impacts:** all the positive and negatives impacts that will arise from the construction, operation and dismantling of the project must be identified. These impacts shall be measured using a methodology that involves at least the criteria of timing, space, severity, probability and reversibility, in accordance with the Sener's provisions.


Each negative impact shall also include the prevention and mitigation measures considered, whereas the positive impacts shall include the respective extension measures. These measures shall be in line with IEnova's policies and procedures and shall include a plan for their implementation.

If there are impacts on specific groups, the SIA must mention them and include the measures to manage them.

- **Social Management Plan (SMP):** is a supervision instrument that enables IEnova to inform the population, liaise with the stakeholders (please refer to Procedure 2: Community Relations and Stakeholder Engagement), establish a protocol to cope with risks and emergencies, comply with the official standards and legislation, create a Social Investment Plan that contributes to the development of the communities to which IEnova belongs (please refer to Procedure 5: Social Investment) and a dismantling plan to guarantee that this procedure will be conducted pursuant to the current standards and legislation.

The Institutional Relations and Sustainability Department shall collaborate with the Environmental and Social Regulation Manager and the external consultants to define the SMP that will include the Social Investment Plan.

The Environmental and Social Regulation Manager, in conjunction with the Institutional Relations and Sustainability Department, shall review the SMP because this outlines the commitments assumed by IEnova to the Sener. All actions and/or programs proposed must be assured to be in line, to the extent possible, with IEnova's Sustainability Policy and the social investment lines of the

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IEnova Foundation (for further information on the design of social investment plans, please refer to Procedure 5).

In the same manner, they shall ensure that the SMP contains a monitoring plan with clear and measurable indicators to be able to follow-up on its implementation and the impacts identified. These indicators shall be the base for the preparation of the periodic reports to be sent to the Sener.

All social contractual commitments, if any, that arise from the award of the project, must be reflected in the SMP.

5.2.5. The Environmental and Social Regulation Manager shall then send the respective sections of the SIA to the different departments involved for review.


- The Regulation and Industry Department, through the Environmental and Social Regulation Manager, shall review: i) the characterization of the area of influence, ii) the characterization of the indigenous peoples and communities, iii) the analysis of stakeholders; iv) the social impact analysis, v) the SMP and vi) that the methodologies proposed by the external consultants comply with and are in line with IEnova's standards.
- The delegates of the Vice Presidency of Engineering and Construction and the Vice Presidency of Operations, prior to submitting the SIA, shall review i) the technical description of the project, ii) the analysis of stakeholders, if already in contact with the community where the project is to be developed, and iii) the SMP.
- The Institutional Relations and Sustainability Department shall review (i) the social impact analysis, (ii) the analysis of stakeholders: and iii) the Social Management Plan. Collaborates with the Environmental and Social Regulation Manager and the external consultants to define the SMP that will include the Social Investment Plan, prior to the review of the Environmental and Social Regulation Manager.
- The External Affairs Manager shall review (i) the social impact analysis, (ii) the analysis of stakeholders: and iii) the SMP.
- In the event that another department involved in the implementation of the SMP, the Environmental and Social Regulation Manager shall send them this chapter to ensure that the implementation of the SMO commitment is fully in line.

5.2.6. Once the respective departments have reviewed the respective sections of the SIA, the Environmental and Social Regulation Manager shall coordinate with the external consultants to make the respective changes and work on the final version of the document.

5.2.7. The Institutional Relations and Sustainability Department and the Executive Vice-Presidency of Development shall determine and evaluate the budget considered for the steps proposed in the SIA before submitting it to the Sener.

5.3 Submittal of SIA to the Sener

5.3.1. The Environmental and Social Regulation Manager shall submit the SIA to the Sener in digital and printed form and follow-up until the resolution is obtained. The

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acknowledgment of receipt must be kept to follow-up on the resolution issuance procedure.

- 5.3.2. In the event that the Sener issued a block on the study, the Environmental and Social Regulation Manager shall deal with it within the term set by the authority, assisted by the consultants.

5.4 Implementation of the SIA

- 5.4.1. Once the resolution of the SIA is received, the Regulation and Industry Department, through the Environmental and Social Regulation Manager, shall review it and contact the Sener if there are any questions or comments.

- 5.4.2. The Environmental and Social Regulation Manager shall report the main results of the SIA to the Project Manager and the External Affairs Manager for their correct implementation. This submittal shall place emphasis on the SMP to the implemented and the functions and responsibilities to be exercised by the business unit's delegates. The Compliance Department shall be informed of the obligation times for entry in the MAXIMO system.

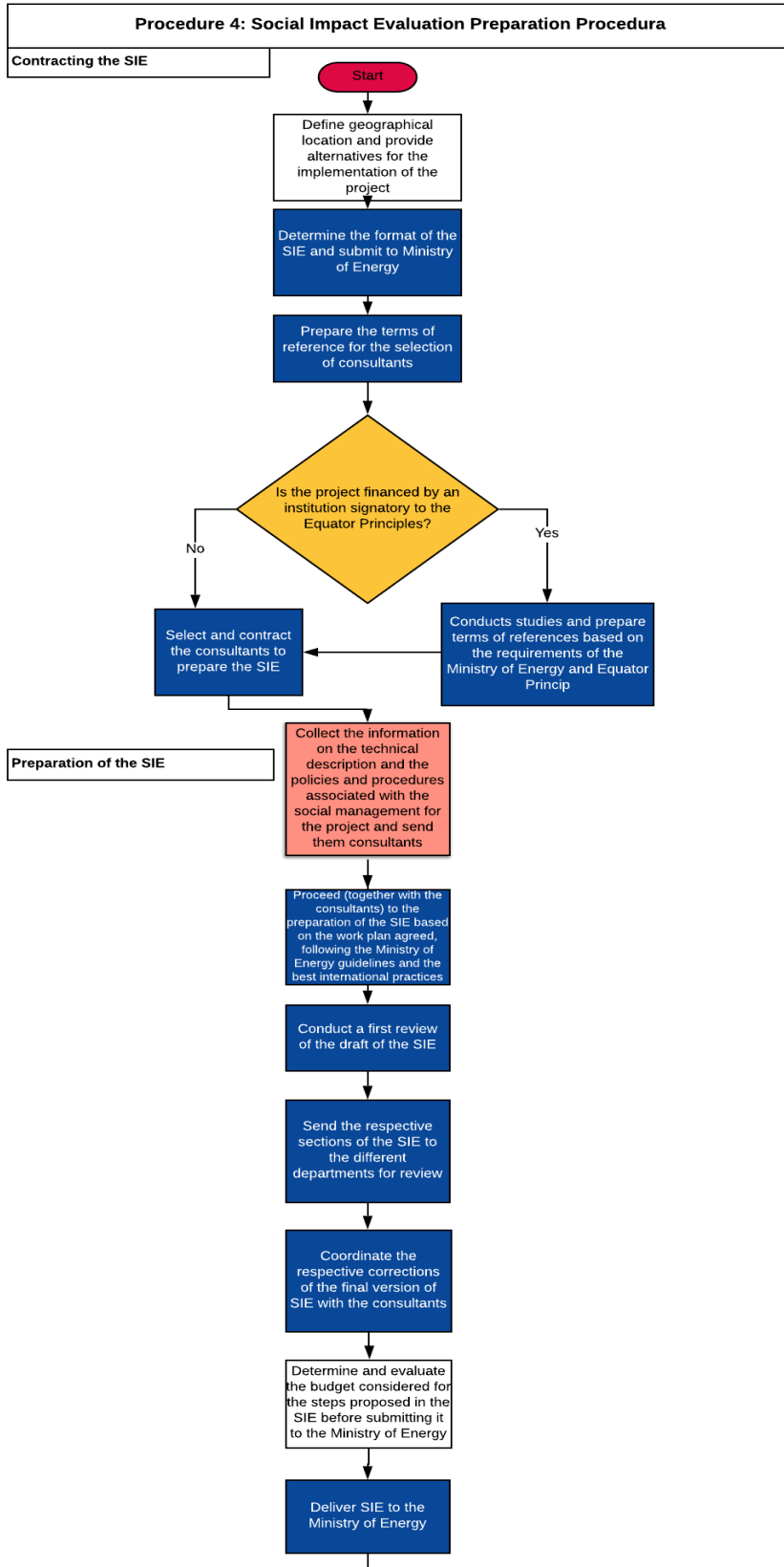
From this time, the Regulation and Industry Department shall transfer the responsibility to be Project Director/Manager, who shall be in charge of the documentation and concentration of evidence for the compliance with the obligations of the resolution issued by the Sener.


- 5.4.3. The External Affairs Manager, in conjunction with the Project Director/Manager, shall prepare a plan for the implementation of the steps proposed in the SIA, the SMP and the Sener's recommendations. Particularly in terms of the implementation of prevention and mitigation measures of negative impacts, extension measures of positive impacts, the Communication Plan and the Social Investment Plan. For further detail, please consult Procedures 2, 3 and 5.

- 5.4.4. The Institutional Relations and Sustainability Department shall be responsible for preparing the respective follow-up reports and sending them to the Sener.

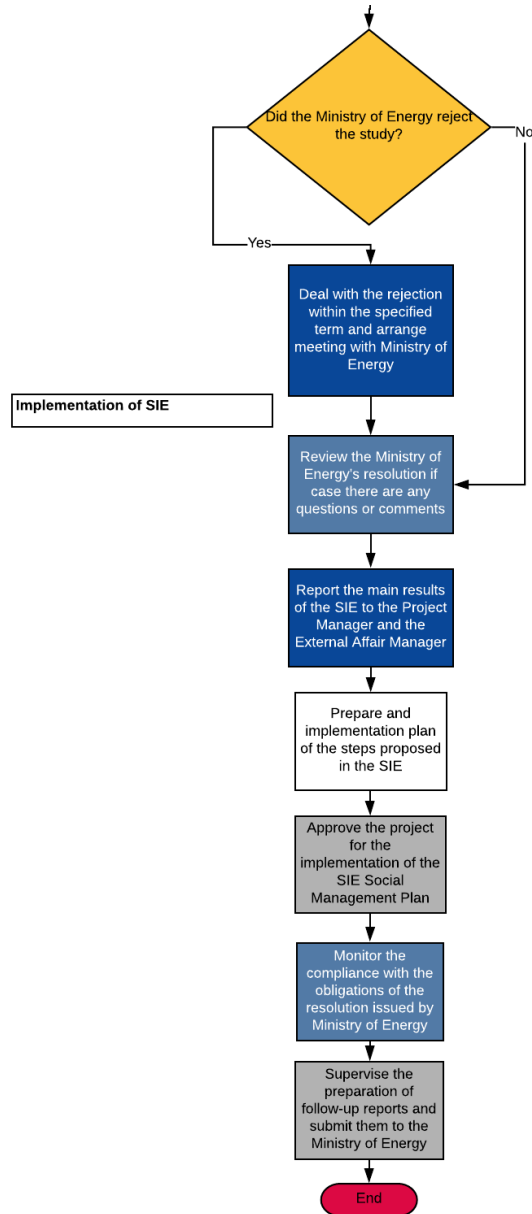
6. Diagram and/or Narrative


SOCIAL IMPACT ASSESSMENT PREPARATION PROCEDURE



	Code: AE-01-P04 Preparation Date: 27/11/2017 Review No.: 00 Date: January 29, 2019
DIRECTION OF REGULATION AND INDUSTRY	
Prepared by: Valery Madero	Authorized by: Sergio Romero

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SOCIAL IMPACT ASSESSMENT PREPARATION PROCEDURE

7. Exhibits (Forms, documents and/or standards)

AE-01-P04-F01	Social Impact Assessment Form (A)			
AE-01-P04-F02	Social Impact Assessment Form (B)			
AE-01-P04-F03	Social Impact Assessment Form (C)			
AE-01-P04-F04	Social Impact Assessment Form (D)			

8. Follow-up and Measurement (Performance Indicators)

NA

9. Authorization

Sergio Romero
Regulation and Industry Director

Ramiro Fernández
Senior Compliance Manager


Roberto Rubio
Comptroller Vice-President

Gerardo Higareda
Auditing Manager

10. Contacts (Doubts and/or Clarifications)

- 11.** Questions related to the implementation of or compliance with this Policy must be discussed with your immediate supervisor. The contact designated as responsible is this Policy will be the Compliance Manager or you can contact the Ethics Helpline on 01 (800) 062 2107. The Ethics Helpline is available 24 hours a day, 7 days a week. All calls received by the Ethics Helpline will be treated as confidential.

Contact	E-mail	Telephone Number
Valery Madero	vmadero@ienova.com.mx	91380411

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12. Change Control

No.	Description	Date	Observations
00	Annual Review	Jan 29, 2019	No Changes