

The Project has been classified as Category A project according with the IIC's Environmental and Social Sustainability Policy.

In addition to those typically associated with the execution of civil linear works, the Project will generate the following negative environmental impacts: i) soil erosion; ii) sedimentation; iii) generation of dust and noise from the movement of vehicles and machinery; iv) vehicle transit alterations; v) increase of the risk of running over indigenous and introduced fauna, mainly during the phase of operation; vi) potential impact on vulnerable populations due to the unfavorable location of the camps and industrial areas; vii) potential issues with local communities due to the use of foreign labor; viii) increase in the risk of accidents; and ix) pedestrian and vehicle mobility issues. These impacts are estimated to have a limited geographical scope, medium to high intensity and are expected to be highly reversible.

Given the environmental characteristics of the area, some of the impacts (soil erosion and pollution of waterbodies) could be magnified based on the physical characteristics of the alignment, specifically upon crossing over the few native vegetation patches.

Under Colombian legislation, all FUs require an Environmental Impact Assessment (EIA). These have been prepared and filed with the ANLA (National Environmental License Authority) as a previous step to obtaining the environmental license. However, regarding the formalities to obtain the approval of the EIAs for FU1, FU2 and FU4, the Concessionaire has submitted suspension requests until the prior consultation process is concluded. The latter became necessary after the Ministry of Interior issued a series of certifications (different from those obtained at the beginning of the concession were it certified that no indigenous or afro-descendant communities were present in the Project's area) certifying the presence of the community councils of San José, La Laguna, El Arado, Apropiando, CURPAQ, Zanjón de Garrapatero and Aires de Garrapatero and of the Indigenous Reservation Nuevo México (*resguardo indígena*).

The EIAs for each FU include the following plans and programs to manage unwanted impacts: i) Environmental and Social Management Plan (ESMP) for the biotic, abiotic and social environments; ii) follow-up and monitoring plan; iii) risk management plan; iv) decommissioning and abandonment plan; v) 1% investment plan; vi) compensation for loss of biodiversity plan; and vii) waste management plan, among the most important.

The IIC intends to hire an Independent Environmental and Social Consultant (IESC) to assist in the Environmental and Social Due Diligence (ESDD), assess the probable environmental risks, confirm the project categorization, evaluate the management plans to mitigate such risks and define a project Environmental and Social Action Plan (ESAP). During the ESDD, the IIC will visit the Project site and assess the environmental, social and health and safety system to be adopted, including the related plans and procedures; it will also inspect camp sites and industrial areas, verify the scope of the public consultation process, evaluate the baseline information and social and labor aspects of the Project.

An Environmental and Social Review Summary (ESRS) will be prepared and published on the IIC's web site once the ESDD process has concluded.