

Citibank, N.A.

Conexión Pacífico 3

**Biannual Environmental and Social
Monitoring Report 14
July - December 2021**

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This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

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1 Glossary of Terms

Abbreviation	Definition
ANI	<i>Agencia Nacional de Infraestructura</i> (The National Infrastructure Agency of Colombia)
ANLA	<i>Autoridad Nacional de Licencias Ambientales</i> (The Colombian National Environmental Licensing Authority)
CAR	<i>Corporación Autónoma Regional</i> (Regional Autonomous Corporations)
DAI	Direct Area of Influence
EIA	Environmental Impact Assessment
EIS	Environmental Impact Study. In Colombia the EIS is the part of the EIA which identifies, describes and rates impacts.
EMP	Environmental Management Plan
EPC	Engineering, Procurement and Construction
EPFI	Equator Principles Financial Institutions
EPIII	Equator Principles III
ESAP	Environmental and Social Action Plan
GHG	Greenhouse Gases
IAI	Indirect Area of Influence
IFC	International Finance Corporation
ILO	International Labor Organization
ICANH	<i>Instituto Colombiano de Antropología e Historia</i> (Colombian Institute for Anthropology and History)
INCODER	<i>Instituto Colombiano de Desarrollo Rural</i> (Colombian Institute for Rural Development)
INVIAS	<i>Instituto Nacional de Vías</i> (Colombian National Road Agency)
JAC	<i>Junta de Acción Comunal</i> (Community Action Council)
PAC3	Conexión Pacífico 3 Toll Road Project
PAGA	<i>Plan de Adaptación de la Guía Ambiental</i> (Environmental Management and Adaptation Plan)
PCSC	<i>Plan de Compensación Social Contractual</i> (Social Compensations Program)
PGSC	<i>Plan de Gestión Social Contractual</i> (Social Management Program)
PS	Performance Standard
ROW	Right of Way
UF	<i>Unidad Funcional</i> (Functional Unit)
VITAL	<i>Ventanilla Integral de Trámites Ambientales en Línea</i> (Integral Processing On-line Window)
ZODMES	<i>Zonas De Disposición de Materiales</i> (Materials Disposal Zones)

2 Executive Summary

The following report aims to present and evaluate the environmental and social compliance of the Project “Concesión Pacífico 3” between July and December 2021. It verifies, through document review and a virtual meeting held in January 17th, 2022 with the Concessionaire staff, the actions that have been implemented by the Concessionaire to fulfill with national and international regulations (IFC Performance Standards and Equator Principles III). Even though the site visit was planned to be carried out on January 17th and 18th, 2021, it was forced to be cancelled because of the peak of COVID-19 cases in Colombia. Therefore, no site visit comments are related within this report.

The scope of this report has been set in the signed contract with the Concessionaire. Progress will be evaluated through environmental and social semi-annual reports. This document is divided into 8 sections, including: Basis of Preparation, Methodology, Licenses and Permits Review, Environmental and Social Compliance, the Action Plan and Photographic record.


In Arup’s opinion, the Concessionaire’s social and environmental programs show adequate Project compliance with national legislation, Equator Principles III and IFC Environmental and Social Guidelines and Performance Standards. Table 5 and Table 9 expose Arup’s evaluation for each Performance Standard and Equator Principles III.




Main environmental and social findings






Arup’s risk evaluation aims to detect and analyze potential and current risks that can impact the Project development as planned by the Concessionaire. The risk rating is classified according to the following colors.

- Red flag: Represents a critical risk that environmental and social aspects will interfere with Project’s development as planned.
- Yellow flag: Represents a medium priority risk regarding the international, national and local environmental and social compliance. These risks may require further diligence to mitigate them before they impact completion and the development of the Project as planned.
- Green flag: Represents risks that are of low consequence and have been addressed during the evaluated period.

The following table summarizes the major environmental and social findings, as of December 2021.

UF	Observation	Rating
All	Environmental Licenses and PAGAs: To date, the Concessionaire has got the approval of the Environmental Licenses, PAGAs and permits required for the construction phase of the Project. Chapter 6 details the status of EIAs/PAGAs.	

UF	Observation	Rating
2	<p>Water treatment in Tesalia Tunnel- License modification: Due to the increase of infiltration water flow in the Tesalia Tunnel, the Concessionaire has requested an environmental license modification to include (i) discharge flow redistribution from exit portal and (ii) change of receiving water stream of infiltration water pumping from Tesalia tunnel, considering the completion of constructive activities. As a result, ANLA issued the Auto N°4486 in June 22, 2021 and initiated the process, and in November 23, 2021 issued the Auto N°9943 shelving the case. Although no clear decision (approve/reject) was taken by ANLA, the modification request does not proceed and the expected result was not obtained. For this reason, the Concessionaire filed an appeal against ANLA's decision on December 7, 2021. Arup remarks no action was taken by ANLA so far and, considering the appeal filed by the Concessionaire, two (2) scenarios may arise: resubmit the license modification request if ANLA denies the appeal or continue the modification license process normally as it was initiated by means of the Auto No. 4486 if ANLA approves the appeal. Neither of them represents risks regarding schedule. In fact, Tesalia tunnel is completed and operational. Arup will continue tracking this process until ANLA's pronouncement and the proposed activities by the Concessionaire are fulfilled in order to comply with the discharge flows amount and quality. Up to date, ANLA's announcement could last two months from now, therefore, there is uncertainty related to the final approval date of the license modification.</p> <p>Arup finds that the environmental authorities and the Owner's supervisor have not reported noncompliances related to water quality or flows. Please refer to Section 6.1 for further information.</p>	
2	<p>Flow rates decrease near Tesalia Tunnel: As of December 2021, the Concessionaire still continues holding workshops with the communities from entrance and exit portal. The Concessionaire has set two (2) targets; one in the short term and another in a long term. The former related to provide resources the communities need and the latter associated to develop pilots studies to connect communities to the regional water supply systems. Besides the above, the Concessionaire has also developed several studies since the contingency. This information includes mainly hydrogeological and piezometer data.</p> <p>Arup finds the Concessionaire has presented complete information to ANLA and every requirement has been explained very carefully. Additional information is still being requested by ANLA which involves isotopic monitoring and climatic fluctuations such as ENSO (El Niño Southern Oscillation). Arup finds those results will give a broader understanding of the flow rates decrease presented in the area. Thus far, Arup finds the Concessionaire has allocated resources and made efforts to address the negative impact. Arup will continue to monitor this aspect in the following construction monthly reports and biannual E&S reports. Further information can be found in Section 6.1.1.</p>	
1, 2	<p>Procedures with Environmental Authorities: There is no material progress of these processes. The Concessionaire has two (2) open environmental sanction procedures with ANLA that have not ended in economic sanctions but are a risk for the project's environmental compliance and reputation. They correspond to (i) Trompeta bridge construction in UF 1 and (ii) the operation of a ready mix concrete plant not approved in the environmental license of UF 2.</p> <p>The Concessionaire has received legal advice and is working on a strategy to solve the issues. Section 6.4 details the status and consequences of each procedure.</p>	

UF	Observation	Rating
All	<p>Procedures with ANI and Supervisor: The Concessionaire has three (3) cure periods open with ANI and its Supervisor. However, it is important to mention that one was closed, and another was opened during this semester (July- December 2021). The current cure periods opened are (i) the intersection with a cycleway in Balboa, (ii) mobility solutions required by the nearby communities of UF 2.3 (Calle Larga sector) and (iii) environmental compensations. To date, the Concessionaire has submitted to the Supervisor and ANI the documentation to show their compliance and explained environmental reasons the bike trails and the pedestrian bridge of UF 2.3 should not be part of the Project. Regarding the environmental compensation, workshops have been held with Supervisor; however, there is no consensus yet.</p> <p>Procedures with ANI and the Supervisor do not directly impact the work schedule of the Project but it does raise reputational risk and possible imposition of fines due to non-compliance of the Concession Contract and the national environmental regulations. Section 6.5 details the status and consequences of each procedure.</p>	
5	<p>Relocations in UF 5: During this period, the Concessionaire kept the resettlement process through the new alternatives. The monitoring over the relocated social units showed the improving of housing conditions. To date, the Concessionaire has re-established 51% of total housing compensation and 44% of social units have been a beneficiary under the new agreement compensation.</p> <p>Arup notices that the new agreements help to unravel the socioeconomic compensation payments and benefits of affected social units. However, the territorial conditions set important challenges to assure the security of tenure over the new properties. The Concessionaire has been working with local authorities and communities to guarantee that the legal process protects future inconvenience with the newly acquired properties.</p> <p>For further information, please refer to section 7, PS 5</p>	
3.1	<p>Archaeological management – El Indial: During this period, the Concessionaire reported periodical monitoring over the archaeological zone. Arup identifies that the potential risk over construction activities was overcome.</p> <p>For further information, please refer to section 7, PS 8</p>	
All	<p>COVID-19 pandemic: Arup finds that the Concessionaire has taken appropriate measures in response to the COVID-19 outbreak; however, other evidences related to disclosure of information and activities developed with nearby communities was not submitted. Despite the above, there is a decrease in the confirmed cases within the Project. As of December 2021, the Concessionaire reported 321 cases, 2 of them still active.</p>	
All	<p>Performance Standards: In Arup's opinion, the Concessionaire's social and environmental programs show adequate Project compliance with national legislation, Equator Principles III and IFC Environmental and Social Guidelines and Performance Standards. Some aspects were found in the compliance of PS1, PS2, PS3, PS4, PS5, PS6 and PS 8, meaning that these PSs are on track to comply. During the evaluated period, no Performance Standard was identified as pending.</p>	

3 Basis of Preparation

This Independent Engineer's biannual Environmental and Social monitoring report is based on the virtual meetings held with the Concessionaire on January 17th, 2021, as well as a review of the following information provided by the Concessionaire:

- *Informe Semestral Socioambiental Arup Julio – Diciembre 2021*
- Appendixes: (A) Permits and Licences, (B) Compliance with IFC Standards, (C) Equator Principles III, (D) Follow up to the Environmental Management Plan, (E) Administrative Acts, (F) Social Compliance, (G) Photographic Record, (H) GHG quantification, (I) Action Plan (J) Archaeology, (K) Monitorings, (L) Land acquisition.
- *Peticiones, Quejas, Reclamaciones y Sugerencias* (Grievance mechanism) up to December 2021.

Arup notes that all the supporting documentation listed above is made available for the Lenders in the “debt domain” of the Project.

4 Introduction

The “Conexión Pacífico 3” Project is located in the departments of Antioquia, Caldas and Risaralda. The road works comprise 146 kilometers, 64 bridges, 1 short tunnel of 430 m (Irra) and one long tunnel of 3.4 km (Tesalia), which are performed by three different contractors: Condor, MHC and MECO.

The Project is divided into five main Functional Units (UFs). UF 2 has three subsections (UF 2.1, 2.2 and 2.3) and UF 3 have 2 subsections (UF 3.1 and 3.2). **Table 1** summarizes the main characteristics of each UF.

Table 1. Summary of the main characteristics of the UFs

UF	Sector	Length (km)	Description	Condor	MHC	MECO
1	La Virginia – Asia	30	- 4km of 2-lane greenfield construction. - Improvement of existing 2-lane road. - Design of second carriageway.	x		
2	Tesalia Bypass	24	- 2-lane greenfield construction. (UF2.1) - <i>La Tesalia</i> Tunnel. (UF 2.2) - Design of second carriageway. (UF2.3)	x		x
3.1	Tres Puertas – Irra	24	- Improvement of existing 2-lane road. - Design of second carriageway.	x	x	x
3.2	La Manuela – Tres Puertas	7	- Improvement of existing 2-lane road. - Construction of second carriageway.		x	

UF	Sector	Length (km)	Description	Condor	MHC	MECO
4	Irra – La Felisa	15	- Improvement of existing 2-lane road. - <i>Tapias</i> and <i>Cauca</i> Bridges. <i>Irra</i> Tunnel. - Design of second carriageway	x		
5	La Felisa – La Pintada	46	- Improvement of existing 2-lane road - Design of second carriageway	x	x	x

The following report aims to present and evaluate the environmental, social, health and safety compliance of the Project between July and December 2021. It verifies the actions that have been implemented by the Concessionaire in order to fulfill with national regulations, the IFC Performance Standards and Equator Principles III. Please refer to the latest quarterly construction monitoring report submitted by Arup in January 2022, for further information related to constructions works.

This document is divided into 8 sections, including: Basis of Preparation, Methodology, Licenses and Permits Review, Environmental and Social Compliance, the Action Plan and Photographic record.

5 Methodology and Document Review

Arup's Environmental and Social Compliance Report (the "Report") presents and evaluates the environmental and social compliance of the Project for the period between July and December 2021. It verifies the actions that have been implemented by the Concessionaire to comply with national and international regulations (IFC Performance Standards and Equator Principles III).

Arup reviewed the relevant documents, including the monitoring reports of the Environmental and Social Management Plans, the biodiversity and socioeconomic compensation plans, the grievance logs, the follow-up of the procedures with the environmental authorities, health and safety indicators, human resources aspects, the archaeological management plans, greenhouse gas emissions reports, and the compliance of the Action Plan, among others.

6 Licenses and Permits Review

To date, the Concessionaire has obtained the approval of the four (4) PAGAs and five (5) Environmental Licenses required for the construction phase of the Project. Also, Arup reviewed the permits required for the Project. To date, more than 120 permits are granted by the regional environmental authorities and no permits that could impact the development of the project are pending. **Table 2** presents an updated version of the status of EIAs/PAGAs.

Table 2. Status of Environmental Licences and PAGAs (December 2021)

EIA/PAGA	UF	Sector	Status (%)	Authority	Administrative Act
EIA	1	La Virginia Bypass	100	ANLA	Approved. Environmental License. Resolution No. 1522, 30/11/15. Approved. Environmental License Modification. Resolution 00530, May 2017.
PAGA		Improvement	100	CORPOCALDAS - CARDER	Approved (Concept of No Objection, EPSCOL-0515-15 28/10/2015)
EIA		Sectors 1 and 3	100	ANLA	Approved. Environmental License. Resolution No. 303, 23/04/16.
		K0+550 to K2+850	80	ANLA	Approved: Environmental License Modification Resolution 814, 6/1/2018.
EIA	2	Sector 2 - Tesalia Tunnel	100	ANLA	Approved. Environmental License Resolution No 1431, 25/11/16 Pending. License Modification ANLA Auto 4486 22/06/2021
EIA		Sector 3.2 and Cabras 3.1	100	ANLA	Approved. Environmental License Resolution No 704, 08/07/2016
	3	K4+320 and K6+120	100	ANLA	Approved. Environmental License modification. Resolution No 1523, 10/09/18.
PAGA		Improvement	100	CORPOCALDAS	Approved (Concept of No Objection, EPSCOL-0280-16, 28/10/2015)
EIA	4	Irra Tunnel and Bridges above Tapias and Cauca rivers	100	ANLA	Approved. Environmental License. Resolution No. 1724, 30/12/15 Approved. Environmental License Modification. Resolution 0061, January 13th, 2017
PAGA		Improvement	100	CORPOCALDAS - CARDER	Approved (Concept of No Objection, EPSCOL-0348-16 del 14/06/2016)
PAGA	5	Improvement	100	CORPOCALDAS CORANTIOQUIA	Approved (Concept of No Objection, EPSCOL-0769-16 del 30/11/2016)

6.1 Environmental Licenses Modifications

Due to the increase of infiltration water flow in the Tesalia Tunnel, the Concessionaire attempted to improve the water treatment system and include those

changes within the license modification. Nevertheless, the redesign was not finally included. In contrast, the modification finally incorporated (i) redistribution of the discharge flow from exit portal and (ii) change of receiving water stream of infiltration water pumping from Tesalia tunnel, and (iii) inclusion of two temporary storage sites. The above-mentioned considering the near tunnel completion stage. In the modified area, the Concessionaire did not identify ethnic communities and assessed a low risk to prior, free and consent processes. The non-presence of communities was certified by the National Authority. Considering that, the EIA was submitted by the Concessionaire in March 2021, therefore, ANLA issued the Auto N°4486 of June 22, 2021, whereby an administrative procedure for the modification license was initiated. Later, in July 2021, additional information was requested by ANLA which was submitted by the Concessionaire on September 14, 2021, complying with the deadline since they had requested a time extension.

During the semester, ANLA issued the Auto N°9943 of November 23, 2021, shelving the case. In other words, no action (approve/reject) regarding the process was taken by ANLA, therefore, the Concessionaire filed an appeal against it on December 7, 2021. Arup remarks no action was taken by ANLA so far, thus, two (2) scenarios can be found as follows:

1. If ANLA denies the appeal, the Concessionaire could resubmit the request through a new procedure.
2. If ANLA approves the appeal, the Concessionaire could continue with the environmental modification process and further announcements from ANLA would be expected.

Regarding the current water quality and flows, Arup opines that, the fact that the Concessionaire has already submitted the information about modification of the environmental license to ANLA, may decrease the potential risk to exceed the authorized values of flow rates and discharge quality; this is because the items included in the modification are linked to redistribution and pumping of infiltrated water what could be understood as an improvement and compliance for Tesalia tunnel's water discharge.

Arup will continue tracking this process until ANLA's pronouncement and the proposed activities by the Concessionaire are fulfilled to comply with the discharge flows. Considering the inconvenience, Arup finds this procedure may be expended over time. However, it does not impact the works schedule. In fact, the Tesalia tunnel has finished construction activities and is now operational. In the meantime, the Concessionaire is authorised to pump and treat the water flow as approved in the environmental license.

6.1.1 Water flow decrease near Tesalia Tunnel

The environmental license modification is linked to the flow rates decrease near Tesalia tunnel since it attempts to change the current discharge point in order to respond to environmental and social issues from nearby communities. It will help the Concessionaire regarding discharge operational feasibility since the tunnel is completed.

Flow rates decrease is no longer an issue. However, during the contingency, the Concessionaire has been carrying out the same activities in order to attend the decrease of water flows which are related to supply labor, physical resources, and technical visits to the nearby communities. According to the information provided by the Concessionaire, 358 and 114 technical visits were carried out in entrance portal and exit portal, respectively. Furthermore, the Concessionaire continues holding workshops with the communities from each portal where it is explained all activities made and results got from it. The Concessionaire has addressed the contingency through actions divided into short term and long-term. In the short term, Arup finds the Concessionaire has allocated resources to address the negative impact. To date, this stage has ended.

For the long term, the Concessionaire is working with the local authorities on alternatives to connect communities to the regional water supply. Arup finds this impact was identified before the start of construction works in the EIA of the Project and that the Concessionaire complies with the mitigation measures approved by the environmental authorities. To date, the Concessionaire has identified different alternatives in accordance with each tunnel portal which involves (i) water supply connection (ii) land acquisition (iii) water intake relocation (iv) infiltrated water pumping to Tesalia stream and (v) pilot studies execution. Regarding the latter, the pilot studies have begun their implementation. As of December 2021, pilot studies *El Cairo*, *la Albania* and *Tesalia* are 20% completed, *Ciénaga Alta*- exit portal is 10% completed and *Tulcan* and *Portugal* are already concluded. Also, *Ciénaga Alta*- entrance portal and *El Guaico* are pilot studies projected to be executed during 2022. Furthermore, the Concessionaire has already submitted the plan for land acquisition (*La Torre* and *El Borique* properties) near the water bodies to preserve them and reduce water pressure in the Tesalia tunnel area. For the entrance portal, Corpocaldas has already given its approval. In contrast, ANLA has not made further announcement regarding the use of Tesalia's infiltrated water for fish farming. It depends on the result of environmental modification of UF2. Arup finds the Concessionaire complies with the mitigation measures approved by the environmental authorities. However, Arup will continue monitoring this aspect in the upcoming reports.

Aside from the activities developed by the Concessionaire in order to attend the flow rates decrease, the Concessionaire has also been requested by ANLA to submit a hydrogeological model which analyses information about tunnel infiltrated water considering geological and structural characteristics along with the technical constructive measures. The above-mentioned in order to clarify the root-cause of the flow rates decrease. The information was updated within the additional information requested by ANLA in July 2021 and submitted by the Concessionaire in September 2021. Also, through the Auto No. 8323 dated of September 30th, 2021, ANLA also requested additional measures related to Tesalia tunnel management such as implementing new flowmeters, piezometer replacement and hydrogeological model update. Because of the information should be presented by February 2022, Arup will continue following up this situation. Regarding the information presented thus far, including the information filed on May 2021, Arup finds the Concessionaire has presented complete

information to ANLA and every requirement has been explained very carefully. Even though there is a correlation between the decrease of piezometer levels and the increase of infiltrated water flow inside the tunnel, more factors should be taken into the account such as type of soil structure, superficial water flows nearby, precipitation and so on. Arup also highlights the fact that ANLA is requesting studies which involve isotopic monitoring and climate fluctuations such as ENSO (El Niño Southern Oscillation) that will give a broader understanding of the flow rates decrease presented in the area. Arup will continue to follow up the issue looking forward to ANLA's pronouncement and requires the Concessionaire to send the all communications with ANLA and the information/studies of the requirements made by the authority regarding this issue.

6.2 Environmental Compliance Reports

For each functional unit with environmental license, the Concessionaire must submit an ICA report biannually after the start date of works. In addition, the Concessionaire must submit a monthly environmental and social report to the Supervisor of the Project for functional units with PAGA. Arup evidenced the Concessionaire presented the reports on time and is responding to the Supervisor requirements. The reports showed compliance with the programmed activities and monitoring indicators for each Program.

6.3 Exculpatory Events– EER

In terms of EHS, the Concessionaire obtained the recognition of one Exculpatory Event of Responsibility for the entire project because of the delays caused by the COVID – 19 pandemic. The Owner and the Concessionaire signed the EER on October, 2020, providing a schedule relief of 98 calendar days. Appendix A. outlines the Exculpatory Events of Responsibility acknowledged by the Owner for the Project.

In Colombia, there were social protests and public order disruptions continuously from April 2021 to the beginning of June 2021. The infrastructure was affected by vandalism and road closures all over the country. Although the Concessionaire did not receive major damages, on July 2nd, 2021 through communication CPT05-138-20210702015292 the Concessionaire requested the Declaration of an EER and on the letter CPT05-138-20210823015865 the recognition of a Special Period equivalent to 105 days because of the delays caused. The request is currently being processed by the Owner and is expected to be approved in the short term. Two other EER were requested regarding Mobility and Row availability; however, they are pending for approval.

For further information regarding the impacts of these EERs on the Project schedule, please refer to the most recent construction technical report issued by Arup in January 2022.

6.4 Procedures with environmental authorities

To date, the Concessionaire still has two (2) open environmental sanction procedures with ANLA that have could end in fines and are a risk for the Project environmental compliance and reputation as well. They correspond to (i) Trompeta bridge construction in UF 1 and (ii) the operation of a ready mix concrete plant not approved in the environmental license of UF 2. The Concessionaire has received legal advice and is working on a strategy to solve the issues. Arup finds that none of the remaining procedures have resulted in fines or direct impacts on the construction works. In fact, UF1 and UF2 are already completed. The issues were addressed correctly on field by that time. Moreover, Arup does not identify impacts caused by these procedures that represent a noncompliance of the IFC Performance Standards. During this semester (July – December 2021), the Concessionaire did not receive any update from the environmental authority.

6.5 Procedures with the Owner and Supervisor

Even though the Concessionaire still has three (3) cure periods open with ANI and its Supervisor, it is important to mention that one was closed and another was opened during this semester (July- December 2021) as explained below:

1. Alleged non-compliance of the environmental management programs (ZODMES, concrete management, and the protection of water streams): ANI informed the Concessionaire through the file No. 20215000174971 dated of June 10th, 2021 that the situation that led to the cure period was successfully overcome. Therefore, the requirements are officially closed.
2. The intersection with a bike trail in Balboa in UF 1: On-site evidence was previously submitted to show their compliance with the EMP and PAGAs. Also, the Concessionaire is arguing the contractual and environmental reasons the cycleway of UF 2.3 should not be considered in the Project. It was not considered within the EIA. To date, the process does not present material progress.
3. Mobility solutions required by the nearby communities of UF 2.3 (Calle Larga sector): Evidence was submitted previously. The Concessionaire is arguing the contractual and environmental reasons the pedestrian bridge does not belong to the Project. It was not considered within the EIA. To date, the process does not present material progress.
4. Environmental compensations: Through the file EPSCOL-1041-21, the Supervisor opened this new procedure requiring the costs of the offsets to be broken down. To date, the requirements set forth within the cure period were responded by the Concessionaire through the file CPT05-138-20210924016247 dated of September 24th, 2021.

Arup opines procedures with ANI and the Supervisor generally do not directly impact work's schedule of the Project but it may raise reputational risk and possible imposition of fines due to non-compliance of the Concession Contract

and the national environmental regulations. As of December 2021 no fines have been imposed.

6.5.1 Environmental closure of UFs

The overall progress of the Project is up to 92%. To date, UF 1, 2, 3, and 4 are 100% completed and operational. Therefore, an environmental closure document is required by the Supervisor. It summarizes the activities developed during construction along with the decommissioning activities in order to leave no environmental liabilities in the direct area of influence. Also, permits and requirements from environmental authorities shall be closed. Arup has been following this activity and has found the Concessionaire is making efforts to close the pending aspects. So far, none of them represent a risk. They are related to ZODMEs or hydraulic structures. The latest UF to become operational are UF2 and UF3. In December 2021, the Concessionaire submitted updated information regarding the environmental closure of UF2 due the completion of construction activities. The information is currently under Supervisor's evaluation. The following table illustrates the completion dates of each UF:

Table 3. UF completion date

UF	Certificate of Completion date
1	May 31th, 2018
2	November 26 th , 2021
3	December 13 th , 2021
4	May 6 th , 2020






7 Project Environmental and Social Compliance

7.1 IFC Performance Standards

Table 4 summarizes the Project compliance with the IFC Performance Standards (PS), and **Table 5** presents Arup's observation' for each PS.' Arup presents the PS compliance results with color codes: if the Concessionaire is partially complying the result is orange (■), if it has fulfilled all the PS requirements the result is green (■) and if it is not complying or has pending aspects is red (■). Project compliance for the majority of IFC Performance Standards is satisfactory. However, some issues were found in the compliance of PS1, PS2, PS3, PS5, PS6 and PS 8 meaning that these PSs are partially complying, and some actions are pending.

Table 4. Summary of IFC Performance Standard Compliance


IFC Performance Standard	Project Compliance
PS1 Assessment and Management of Environmental and Social Risks.	■
PS 2 Labor and Working Conditions.	■
PS 3 Pollution Protection and Abatement.	■

PS 4 Community Health, Safety and Security	
PS 5 Land Acquisition and Involuntary Resettlement	
PS 6 Biodiversity, Conservation and Sustainable Resource Management	
PS 7 Indigenous Peoples	
PS 8 Cultural Heritage	

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Conexión Pacífico 3
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Table 5 IFC Performance Standards Compliance Evaluation (December 2021)

Performance Standard	Project Compliance	Arup's Observations
PS1 Assessment and Management of Environmental and Social Risks.		<p><u>Environmental and Social Assessment and Management System</u></p> <p>Policy: The Concessionaire has established an overarching policy defining the environmental, health & safety and social objectives and principles that guide the project to achieve sound environmental and social performance. The policy provides a framework for the environmental and social assessment and management process and specifies that the Project will comply with the applicable laws and regulations, including national laws and the IFC Performance Standards. Arup evidenced the Concessionaire communicate the policy to all levels through informative billboards and the introduction training of new workers.</p> <p>Identification of risks and impacts: The environmental and social risks and impacts have been identified and evaluated for all UFs and were included in the EIAs and PAGA. The Concessionaire developed a general risk matrix for associated infrastructure. In all cases, the health, environment, safety, and social aspects have been considered. Also, the Environmental Management Programs include mitigation and performance improvement measures to address the identified risks.</p> <p>Management Programs: The Concessionaire has a socioenvironmental management system which is being implemented during the construction phase. According to the Management System, the Concessionaire has a format to record all the obligations established in the administrative acts. Furthermore, Arup evidenced that the Concessionaire is adequately submitting the ICA reports to the environmental authorities, summarizing the aspects contained in the socioenvironmental management plan and the fulfilling indicators which are correctly followed up within the acceptable values. Regarding Social concerns, the Concessionaire has designed a Social Management Plan with nine (9) programs to face the potential adverse impacts that the Project could cause.</p> <p>Organizational capacity and competency: The Concessionaire have a sound social and environmental work team for Project management. Previous period, the Concessionaire informed about 54 people who belong to the social, archaeological and environmental work team. However, no updated information was submitted during this semester (July- December 2021).</p> <p>Emergency preparedness and response: Through the elaboration of Disaster Management Plan, which includes Contingency Plan, the Concessionaire has identify possible risks in order to prevent and/or reduce those risks that are likely to generate impacts as well as be prepared to respond properly if an event happens. It is important to point out to the suitable response procedures that the Concessionaire has have regarding to the decreasing water availability, providing equipment and resources to the affected communities. However, Arup could not find information related to disclosures or trainings made by the Concessionaire to its employees during the semester. Arup remarks it as an important activity since an emergency event could happen anytime and people must be prepared to face it and be able to response effectively.</p>

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		<p>Monitoring and review: By presenting recurrently reports such as Supervisor's reports and I'As, the Concessionaire pursues compliance of the Environmental Management Programs and Licenses and reviews all processes involved in to improve measurements.</p> <p>Stakeholder engagement: in compliance with PS1, the Concessionaire has designed two social programs: 1. Information and community participation program, and 2. Support to institutional management capacity program. Both programs are focused on engaging all the stakeholders at different levels and promote participation scenarios. During this period, the principal activities aligned with the PS5 were:</p> <ul style="list-style-type: none">• Quarterly magazine: The main topics were the advance in construction works, archeological findings, biodiversity and environmental education, engineering works behind Tesalia tunnel, Pacifico II Project.• Community participation committee: the affected community following-up construction schedule, requests amongst other community concerns.• Tv programs, radio broadcasting and site visit with community leaders.• Supporting local entrepreneur initiatives• Meeting with local authorities <p>Grievance Mechanism: Arup evidenced the Concessionaire has had an efficient management of grievances (requests, claims and complaints) submitted by community. As the next table shows, a specific classification which supports the mechanism. The resume of this period is:</p> <table><tr><th>Main issues (requests, claims and complains)</th><th>Total</th></tr><tr><td>Technical: Requesting site visits and periodical maintenance. Potential housing damages. Vehicle and pedestrian access to parcels and houses. Damages in vehicles caused by rocks and construction wastes on the route.</td><td>145</td></tr><tr><td>Social and environmental request: guarantee the access to drinking water; improving the information system about traffic on the way and, watercourse occupation</td><td>3</td></tr><tr><td>Land acquisition: Updating of land acquisition status, general information, delays of payments</td><td>7</td></tr><tr><td>TOTAL</td><td>155</td></tr></table>	Main issues (requests, claims and complains)	Total	Technical: Requesting site visits and periodical maintenance. Potential housing damages. Vehicle and pedestrian access to parcels and houses. Damages in vehicles caused by rocks and construction wastes on the route.	145	Social and environmental request: guarantee the access to drinking water; improving the information system about traffic on the way and, watercourse occupation	3	Land acquisition: Updating of land acquisition status, general information, delays of payments	7	TOTAL	155
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		<ul style="list-style-type: none"> ○ Tesalia Tunnel Decrease Flows: the grievance is still open since August 2020. Communities nearby the Tesalia tunnel (including El Cairo) raised several complains to the environmental authority (ANLA) related to an alleged decrease in groundwater flow rates and the water supply near the Tesalia Tunnel. Immediately, the Concessionaire activated the mitigation measures approved in the Environmental License, and started developing a hydrogeological studies to determine if this impact is caused by the construction of the Tunnel. The latest as an ANLA's requirement. Up to date, the Concessionaire still continues holding workshops with the communities from entrance and exit portal. The workshop schedule in December 2021 had to be moved for January 2022. However, during workshops the Concessionaire explains the activities made during a specific period of time and gave them an overall balance about those activities. Furthermore, the Concessionaire has set two (2) targets; one in the short term and another in a long term. The former related to provide resources the communities need and, the latter associated to develop pilots studies in order to connect communities to the regional water supply systems. Thus far, Arup finds the Concessionaire has allocated resources and made efforts to address the negative impact. Further information can be found in Section 6.1.1. <p>As of December 2021, there were 44 PQRS in process to be answered. Despite the claims does not imply risk to the Project, Arup considers the increasing numbers between past report (122) to the current (155), especially in those requirements concerning with guarantee the access to properties and damages in vehicles. Arup will focus on those issues and the implemented improvements to avoid them.</p> <p>During this period, a third firm evaluated the Grievance Mechanism. As the main conclusions, Arup remarks on the needs to engage technical areas to answer and improve the whole mechanism in terms of language, answer, and legal concerns. Additionally, the Concessionaire has a periodically grievance mechanism assessment which allows them to improve the entire process.</p> <p>Arup opines that Concessionaire's efforts to attend and solve the issues concerning with water supply, this situation is marked as a pending to be solved. To date, the water supply is guaranteed and there was not grievance about it during this period; however, Arup requires the Concessionaire to continue to provide the information from ANLA through the communications in order to being informed of updates on the process.</p>
Conclusions		<p>The Project is on track to comply with this Performance Standard. The Concessionaire has carried out the due diligence for the water treatment modification in Tesalia Tunnel, it is not yet approved, and flows decrease studies and mitigation procedures related to the scarcity of water in the nearby communities remains in process. Also, Arup requests updated information related to the organizational chart and disclosure and trainings associated to the Disaster Management Plan and Contingency Plan.</p>


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PS 2 Labor and Working Conditions.		Human Resources Policies and Procedures: The Concessionaire adopts and implements human resources policies and procedures appropriate to its size and workforce consistent with the requirements of this Performance Standard and national law.
		Working Conditions: It is evidenced that the Concessionaire is hiring its employees according to legal requirements and has established procedures to ensure adequate working conditions. During the reported period, the number of total hired employees is 815, in compliance with the PS and the Contractual Social Management Plan (PGSC), most of the unskilled labor have been hired from the Direct Area of Influence, a total of 629. Moreover, all employees have received induction training according to their functions, including socio-environmental training. Resumes are being received in the users' service offices and through institutional arrangements with SENA and the Reincorporation 'nd Normalization Agency.
		Workforce Layoff: During the evaluated period, the Concessionaire did not submit evidence about implementing the staff layoff programs. This action is requested in the Action Plan. For Arup is important that the adverse impacts will be mitigated and reduced.
		Protecting the Work Force: Arup evidenced that the Concessionaire does not employ forced labor or Children under the age of 18.
		Supply Chain: The Concessionaire has updated certificates of the sources of the materials that are being used in the Project. Also, the companies responsible for the collection and disposal of solid, liquid and hazardous waste have their respective operating and environmental permits. The Concessionaire has provided an updated list of suppliers associated with the Project and the applicable permits and reports monthly all the supply chain information to the Supervisor of the Project.
		Internal labor regulations: The Concessionaire is complying with the internal labor regulations, including contractors and subcontractors. There is strict compliance following the labor legislation. Health and Safety activities are structured in line with the Health and Safety Management System of the International Labor Organization (ILO). They aim to prevent occupational accidents, work-related diseases and promote road safety. The Concessionaire has five main areas of work: Basic legal plan, preventive and work medicine, industrial safety, emergency and contingency plan, and training. Moreover, the Concessionaire has performed monthly meetings with the health and safety committee. In Arup's opinion, the Concessionaire is fully complying with the labor regulations.
		Health and safety on site: Because of the Arup's site visit cancellation, no on site observations can be found within the report. Nevertheless, according to the information and photographic record provided by the Concessionaire, COVID19 and PPE protocols

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		<p>are rigorously maintained. There is evidence of adequate signaling of work fronts. Cleanliness and debris management on work fronts seems to be handle well. Arup will continue tracking this activities through time.</p> <p>Accidents: Between July and December 2021, the Concessionaire and Contractors have reported 22 and 101 minor accidents respectively. None of these accidents were causalities and any occupational disease has been reported. However, it is important to keep implementing additional health and safety measures due to the increase of accidents (especially from the contractors) compared to the last monitored periods. Also, it is worth to mention there is no supporting information related to the breakdown of each of the accidents presented during the semester. Therefore, Arup requires detail information related to accidents where information such as type of accident, causes, consequences and action plan is presented. This information should be share periodically with Arup from this time forth within biannual report as a H&S compliance considering the steady increasing of contractors' accidents. Arup invites the Concessionaire to be attentive and proactive in H&S activities in order to prevent and minimize accidents in the Project. Appendix C summariz's the accidents and near misses reported by the Concessionaire and EPC for the monitored period.</p> <p>COVID-19: Since the World Health Organization declared COVID-19 pandemic' on March 11th, 2020, the Colombian Government and relevant authorities have taken measures to mitigate the impact coronavirus outbreak. The Concessionaire performed a COVID-19 preparedness plan that addresses the safety and wellbeing for the employees, contractors and third parties involved in the Project execution. The plan has been updated according to the evolution of the sanitary emergency and recommendations of local authorities. To date the plan has been approved by the government and is being implemented. However, Arup finds no evidence was submitted during this semester related to activities, measures implemented and photographic record. Considering the rapid change COVID may have through new variants, Arup stresses the importance of submit information as control and follow-up activity. Up to December 2021, the Concessionaire has reported 321 confirmed COVID-19 cases involved in the execution of the Project and two (2) of them were reported as active cases.</p>
Conclusions		<p>Performance Standard no. 2 remains on track, considering that COVID-19 health and safety and human resources policies are in constant adaptation according to the national government and authorities' specifications. Besides, from this time forth the Concessionaire should report within every biannual report supporting information related to the breakdown of each of the accidents presented (type of accident, causes, consequences, action plan) considering the increase of accidents, especially from the contractors. Arup invites the Concessionaire to be proactive in H&S activities in order to prevent and minimize accidents in the Project</p>
PS 3 Pollution Protection and Abatement.		<p><u>Resource Efficiency</u></p> <p>Greenhouse Gases: In contrast with the previous GHG report, the Concessionaire diminished its emissions because of Project progress itself. To date, four (4) out of five (5) UF are operational, which indicates less fuel and energy consumption. According to</p>

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		<p>the quantification of GHG emissions in which the Concessionaire has considered only Scope 1 and 2, 3,343.63 tonnes CO₂eq were reported for 2020 whereas 3,251.51 tonnes CO₂eq are reported now for 2021. These values actually are placed well below of the tracking limit (25.000 tonnes CO₂eq annually). However, Arup suggests that the Concessionaire should submit, as a note, a brief summary related to the chosen international methodology, data interpretation and Concessionaire's good practices.</p> <p>Water consumption: The Project progress is also affecting positively water consumption as it has been progressively decreasing during this semester. Considering previously data, water consumption has decreased in roughly 34% in the entire Project. The information includes data from authorized water sources for UF 2, 3, 4 and 5 included within the environmental licenses and PAGAs. Currently the water supply is being made through authorized companies (third-party water concessions). Arup notices there is an adequate record of the water used in the Project per UF. The consumption is normal considering the stage of the Project. In fact, it is expected values continue decreasing through time.</p> <p><u>Pollution Prevention</u></p> <p>Waste management: The different types of wastes are being properly handle and disposed on most of the work sites as follow:</p> <ul style="list-style-type: none"> ○ Liquid (domestic and hazardous): Regarding to domestic liquid wastes, Arup identifies that portable toilets are placed in all worksites and maintained by a specialized company two times per week. On the other hand, hazardous liquids such as oils, fuels and additives have appropriate containment walls to handle spills by being inside a dike as well as they are delivered, treated and/or disposed to authorized companies. For more information on spill management refer to soil matrix- soil protection. ○ Solid (ordinary, recyclable and hazardous): Bins for waste separation and collection points were evidenced within the photographic record submitted by the Concessionaire. According to this, Arup could find the Concessionaire has adopted the Resolution 2184 of 2019 related to the new waste bin color code in Colombia. Most of the work fronts and camps already applied the Resolution by having white, black and green waste bins. However, not all of them comply with it. Therefore, Arup suggests standardizing color coding across the Project. Also, including red bin where needed. On the other hand regarding transportation and final disposal/treatment, third-parties of specialized companies are carrying out those activities according to the waste type. Arup could find there is an adequate record of the collected amounts of hazardous, ordinary and recyclable wastes, which are delivered to authorized companies including the EMAS (Empresas Metropolitana de Aseo S.A. E.S.P.). Furthermore, custody chain was submitted as an evidence of the correct waste management. Likewise, Arup evidenced that employees have received training in the handling of waste and different educational campaigns continue being implemented with the education institutions located in the area of influence of the Project. During the period evaluated, 95,967 kg of recyclable material, 4,459 kg of hazardous material and 52,095 kg of ordinary materials were disposed. Important to

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		<p>highlight, the amount of waste generated and disposed decreased in contrast with the previous semester. It is likely to be related to the Project progress. As it was requested by Arup, the Concessionaire has provided photographic evidence of the wood collection and its management in the Project. Arup recommends the Concessionaire to be on guard of the entire waste management of the Project in order to prevent inconveniences with environmental authorities and issues related to public health.</p> <ul style="list-style-type: none"> ○ Construction and demolition debris: Accordint to the photographic report and data record presented by the Concessionaire, debris management has improved. Construction and demolition wastes are being collected from worksites and disposed to the authorized zones. The Concessionaire disposed no much debris during this semester. However, Arup will continue tracking this management through time. <p>Air and noise quality: During this semester, air and noise monitoring have been developed for UF2.2, 2.3 and 5 in October/ November 2021. According to the results presented emissions of PM10, SO2, NO2 and CO and the noise levels are in compliance with the limits of the IFC Performance Standards and the local legislation for each monitoring campaign. In the previous report, Arup requested the Concessionaire to present the final schedule where campaigns should be developed over time in orden to verify compliance relating to periodicity. Considering the schedule presented, the Concessionaire is complying with its periodicity as well. Furthermore, the schedule also shows monitoring campaigns will be only developed in UF2.2 (mobile source) and UF5 (stationary source) from now on due to the Project progress. For the fist UF periodicity is half-year basis, for the second one is annual basis. Arup will continue tracking the results obtained by the Concessionaire in each monitoring campaign in order to evaluate pollution prevention.</p> <p>Soil matrix:</p> <ul style="list-style-type: none"> ○ Material disposal (ZODMES): Arup evidenced the Concessionaire has the approval of the required excavation volumes for the current construction activities of the Project which are mostly developed in UF5. In general, the Concessionaire has identified 49 ZODMES, from which 3 are in use, 23 are enclosure process, 6 are already closed, 1 in registration process, 2 are inactive, 2 are completed 100% but used as a parking lot, 4 desisted, and 8 have not been used. Regarding the ZODME which was related with the forest Reserve Substraction (<i>Vitrina 3</i> in UF5) is included within the 8 ZODMEs that have not been used and are expected to be closed sooner. Appendix D summarizes the disposed of volume in each Zodme (up to December 2021) compared with the required volume for the construction of the entire UF. As of December 2021, the Concessionaire has the approval of a volume of 13,113,341m³ of excavation materials and estimates to require 10,934,299 m³. According to the Concessionaire, the ZODMEs that reaches 100% of its capacity is in closing processes with the owner of the properties and the environmental authorities. Arup evidences that the Concessionaire has a wide gap between disposal capacity and demand. It is worth to mention that most of the constructive activities are been developed in UF5.

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		<p>Appendix D shows the ZODMEs that have an advanced start of closure, as well as the subtotal volume disposed per UF. Important to notice, during this period, two (2) more ZODMES were listed within the UF4; <i>Totumo</i> and <i>El Playón</i>. On the other hand, regarding to the management of ZODME itself, most of the ZODME comply with the measures established under the EMP and licenses. The construction of drainage ditches in order to handle well runoff has been developed by the Concessionaire in ZODMES. It is evidenced in Section 10 within the photographic record submitted. Arup recommends the Concessionaire to inform and clarify the reasons for the changes presented in the ZODMEs updated data, especially if they are related to capacity or new ZODMEs included in the Project. Arup will continue tracking this issue.</p> <ul style="list-style-type: none"> ○ Soil protection: The Concessionaire has approved the management actions for the protection of soils including temporary camps, plants, and facilities. Last period, Arup evidenced spillages of hazardous liquid products coming from equipment and machines that have not soil protection measurements. Therefore, the Concessionaire has submitted evidence of the corrective measures taken including soil protection by using plastic or dikes while maintenance is performed. Also they have provided actions regarding hazardous waste management. Arup emphasizes on performing these activities always in order to prevent soil contamination. According to the photographic record provided, containers and materials are isolated from the direct contact with soil. Also, preventive and periodic maintenance has been made to equipment, machines and vehicles to avoid fugitive leak. ○ Slope stabilization techniques: As of December 2021, the Concessionaire has carried out different activities in order to stabilized slopes. Considering the Project's progress most of the slopes have 'lready been intervined by (i) flatt'ng the slope, (ii) reinforcing support by the installation of rock bolts and anchors and (iii) application of a layer of shotcrete. Furthermore, protecting the slope by using geotextiles is highlighted during this period along with implementing hydroseeding or tube-stock planting (depending on the design) as a protection technique. The above measures were evidenced within the photographic report provided by the Concessionaire. Most of the activities were developed in UF 2.3 and 5. <p>Water Management: The Concessionaire carried out different monitoring campaigns in the watercourses of each UF according to the approved monitoring schedule of the environmental licenses and PAGAs; these monitoring results show that water quality is adequate for the development of hydro – biota, and no activities related to the construction of the Project showed to impact water quality. Considering Tesalia tunnel has finished construction activities and is now operational, the Project does not have industrial water discharges which means less environmental impact. Despite the fact, only infiltrated water from the tunnel is been discharge, the Concessionaire will continue developing monitoring campaigns. During this period, water campaigns were developed in UF2.2 and 5. According to the results submitted, the Concessionaire showed compliance with the maximum permissible levels (IFC and</p>

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		<p>local laws) in each points monitored. The water quality parameters were normal and stable. Regarding flow rates in Tesalia Tunnel, the Concessionaire has approved by ANLA within the environmental license a maximum of 59.17 L/s and 48.74 L/s in entrance and exit portal respectively. Arup finds they are currently complying with the authorized flows. However, according to the flows information provided as of December 2021, the average flow rates are 31.30 L/s and 41.99 L/s in entrance and exit portal respectively. Even though there is still a gap between the flow rates, it is evident that exit portal is approaching to the limit. Arup suggests the Concessionaire to continue monitoring flow rates daily especially when rainy season comes. It is important to mention that flow rates are also considered within the last license modification where the compliance of discharge flows could be guaranteed in the future by means of redistribution and pumping the water infiltration for the entire Tunnel. During previous site visits Arup evidenced adequate management, pumping, and distribution of infiltration flows to the WTPs in both portals. However, no photographic record was submitted by the Concessionaire during this semester in order to probe these activities. On the other hand, regarding information related to flow rates monitoring of water springs and superfital streams in Tesalia tunnel surroundings, Arup finds that most of these waterbodies have increased their flow rates (as of December 2021), especially Q01A and Q05 as they are tributaries of Tesalia stream. Also, it is worth to mention that the piezometric network of the Tesalia tunnel shows changes in the groundwater level (high/low) for each of the piezometers. TES-07' and TES-08 especially have shown no groundwater level since March 2019 and December 2020 respectively. However, it cannot be directly related to the tunnel construction, more studies are required including climate studies and hydrogeological models such as those requested by ANLA as a result of the license follow-up. Also, Arup remarks on the maintenance of the piezometers considering some of them are reported as clogged. Considering the above-mentioned, Arup is expecting ANLA's pronouncement on the information submitted on May 2021 and the information that should be submitted by February 2022. Arup believes that wit' this latest information and the future approval of the license modification, the Concessionaire can bring final closure to this issue related to flow rates in the tunnel surroundings. Again it is mentioned that Irra and Tesalia tunnel are currently operational. No constructive activities are developed neither greater environmental impacts are expected.</p> <p>The different types of water management associated with each environmetal regulation is as follows:</p> <ul style="list-style-type: none"> ○ Water springs protection: In Arup's opinion, the implemented protection measurements and the results submitted by the Concessionaire regarding the monit'ring campaigns of flows made monthly during 2021 meet the IFC Performance Standard 3. ○ Watercourse occupations: Overall, Arup finds that the 'oncessionaire is managing well watercourse occupation according with the photographic record submitted. They protect waterbodies by implementing poly-shade mesh in worksites. Furthermore, they still perform water monitoring campaigns biannually. To date, results are normal and in compliance with


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		<p>the IFC standards and local legislation. It is worth to mention that new watercourse occupation permits are requested within the modification of licence. Regarding to the opportunity of improvement found in the previous site visit, the Concessionaire has protected the waterbody by installing poly-shade mesh in order to prevent harm. To date, trespassing is forbidden to the watercourse. Arup will continue tracking measures taken by the Concessionaire in these sensible areas along the Project.</p> <p>Water discharges Tesalia Tunnel and Water Flows Decrease: As it was above-mentioned, there is no longer industrial water discharges because of the Tesalia tunnel. To date, infiltrated water is only discharge into the authorized streams with no environmental issues related. Regarding the water flows decrease, the Concessionaire has been developing several of activities in order to mitigate impacts since the event in 2020. As it was included within the environmental license, the Concessionaire has developed pilot studies to connect communities (El Cairo, Tesalia and Albania), to the Western Regional Water Supply System. Also, they have held meeting with communities and provided physical resources to them. Arup considers that, despite the evidenced impact on water availability in the area, the Concessionaire is managing the situation adequately. However, Arup is waiting for the ANLA's pronouncement in order to evaluate if that impact was caused by the tunnel's construction. This important aspect will continue to be evaluated in the upcoming construction report. For further details please refers to Section 6.1.1.</p> <p>To sum up, considering the schedule provided by the Concessionaire, Arup will expect results of the following monitoring campaigns as a compliance with the IFC PS No. 3 periodically:</p> <ul style="list-style-type: none"> - UF2.2: Hydrochemical: Biannual (October/ May). - UF2.2: Water springs quality: Monthly. - UF2.2: Assimilative capacity and flow dilution: Monthly. - UF5: Watercourse: Biannual (September/ May)
Conclusions		<p>The Project is on track to comply with this Performance Standard. In UF 2.2, the flows decrease mitigation procedures required to be implemented for the nearby communities of the Tesalia Tunnel remains in process. Updated information regarding further studies is expected to be submitted by February 2022 to ANLA and shared with Arup. Also, further pronouncement from ANLA is expecting. On the other hand, Arup recommends the Concessionaire to inform and clarify the reasons for the changes presented in the ZODMEs updated data, especially if they are related to capacity or new ZODMEs included in the Project.</p>


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PS 4 Community Health, Safety and Security		<p>Community relations: The Concessionaire continues implementing different meetings, activities and workshops with the communities located in influence area of the Project, especially with those related to the main six (6) productive projects: ASOCOMPUERTO (Puerto Nuevo-Supía), PURURUKU (foundation of indigenous artisans of Riosucio), AMAFROG (Guamal-Supía), Community Nursery Resguardo Indígena <i>La Albania</i>, Community Nursery <i>El Cairo</i> and <i>Nueva Sonora</i> Orchestra. For instance, the Concessionaire is supporting both Community Nursery by providing them physical resources to technify their processes as well as giving them the opportunity to participate in trainings and studies developed by SENA where organization, project development and marketing tools are given to reach success in their start-ups. In the case of PURURUKU and ASOCOMPUERTO, they also participated in a diploma course with the <i>Universidad de Caldas</i> as a partner. During this semester, many workshops were developed including another productive projects such as ASOPROGUASCAL (Bajo Guascal- Supía) and ASOJAC. A total of 43 meeting were held during this semester.</p> <p>The Concessionaire continues in cooperation with the SENA (National Learning Service) and it is currently seeking for more allies/partners in order to improve its programs. Considering COVID 19, the Concessionaire has identified COVID as a challenge since they had have to create new programs based on digital strategies and working from home. Nevertheless, during the semester, face-to-face meeting were held once again wearing mask and biosecurity elements according to the local standards for COVID. The Concessionaire also approaches to the community by offering free courses in alliance with the SENA and working with their leaders who encourage the community to participated actively in the activities developed by the Concessionaire. In Arup's opinion, the activities carried out by the Concessionaire show a close relationship with the communities, which is generating a healthy social climate in the Project. The evidence submitted by the Concessionaire was vast and solid. No social disruption related to Project activities was reported for this period.</p> <p>Furthermore, the Concessionaire is aware that the nearby communities are one of the main stakeholders of the Project, therefore, they have developed methods to get communities close and informed through social media, tv programs, radio broadcasting, site visit with community leaders and gathering of community participation committee. Other aspects such as H&S are adequately addressed by the Concessionaire as reviewed in PS 2, 3 and 6 regarding impacts to the community and ecosystem services.</p> <p>Inter-agency strengthening: During the evaluated period, the Concessionaire developed a series of activities aimed at strengthening existing community entrepreneurial initiatives. The Concessionaire held eight (8) meetings to inform the advance on the Project works, schedule, major challenges, management of impacts and other activities developed by the Concessionaire within its PGSC. An analysis is made of how the PPP affects the land use planning of each municipality. The Concessionaire also held 14</p>

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		<p>meetings with various authorities and the community to follow up on the processes of recovering public space on the road. In Arup's opinion, the Concessionaire is adequately implementing inter-agency strengthening.</p> <p>Signaling of work fronts: Each work-front has the regulatory signaling as set out in the Signaling Manual of the Ministry of Transport (2015). The Concessionaire has a Traffic Management Plan (PMT) approved by the Supervision. For the correct implementation of the PMT, the Concessionaire has made purchases of signaling elements that are delivered to the construction contractors according to their requests. Based on the photographic record and information submitted by the Concessionaire, Arup evidenced that work fronts have adequate management of traffic, including signs, devices, barricades, arrow boards, flag-persons, among others. It also has an adequate closure work management plan according to the Project needs. Considering the Project progress, most of the construction signaling is installed in UF5</p> <p>Emergency and Contingency Plan: The Concessionaire has, and adequate Contingency and Emergency Plan approved by the Environmental authorities in the Environmental Licenses and the supervisor of the Project. As of December 2021, an update has not been reported.</p> <p>Protection against COVID-19: In order to protect nearby communities, Arup finds the Concessionaire is complying with the approved protocols and the instructions from local authorities. During this semester, the user's attention offices, meetings and presentational activities were back. The gathering were carried out by using mask and using the biosecurity tools needed according to the photographic record. However, there is no evidence of the disclosure activities to communities regarding COVID-19 preventive protocol. Arup finds important to continue carrying out events and disclosure the communication plan designed for preventing COVID-19 outbreak among the communities in the Project's area of influence, much more relevant now considering the new variants of COVID. Increase community awareness may be helpful for the Project. Arup recommends taking advantage of ads, web page, social media, direct communications with JACs and the municipalities, among others.</p>
	Conclusions	<p>During the evaluated period the Concessionaire did not submit information related to the disclosure activities to communities regarding COVID-19 preventive protocol. Arup finds important to continue carrying out these events to increase awareness within the community nearby the Project. Therefore, this Performance Standard is marked on track.</p>
PS 5 Land Acquisition and		<p>Resettlement processes: The Concessionaire is complying with the resettlement processes and land acquisition according to the IFC Performance Standard no. 5, and the national law. Arup evidenced the Concessionaire is assessing the economic, legal and social aspects of the new resettlement properties and follow up the adaptation of their owners. During the monitored period, the</p>

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Involuntary Resettlement.	Concessionaire has properly relocated all the social units in UF1 and is advancing with relocations in UF 4 and UF 5, as shown in the following table:	Table 6. Relocated properties (Up to July 2021)														
		<table><tr><th>UF</th><th>Number of properties</th></tr><tr><td>1</td><td>37</td></tr><tr><td>2</td><td>2</td></tr><tr><td>3</td><td>23</td></tr><tr><td>4</td><td>9</td></tr><tr><td>5</td><td>149</td></tr><tr><td>Total</td><td>220</td></tr></table>	UF	Number of properties	1	37	2	2	3	23	4	9	5	149	Total	220
		UF	Number of properties													
		1	37													
		2	2													
		3	23													
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		<p>As a result, the Concessionaire along with the Owner signed an agreement that allow new socioeconomic compensation alternatives for being resettled that solve local difficulties: (i) Self housing construction (ii) Being resettled to other town inside of the influence area. (iii) Suming up economic compensation with other social units to buy a house (iv) Buying a cheaper house and use the surplus to improve furnitures (v) Investing the economic compensation on new housing projects (vi) Buying a house or land with just 'carta venta'. (vii) Using the economic compensation under their own responsibility to pay rent, basic needs or other investments.</p> <p>To date, there are 67 Social Units beneficiaries under the new signed agreement and 82 Social Units which are being compensated under seven (7) factors. It is pending 140 Social Units. The next chart describes the socioeconomic compensation under the new alternatives.</p> <p>Table 7. Social Units by Alternative of compensation</p> <table><tr><th>Alternative compensation for being resettled</th><th>Number of alternative taken by Social Units</th></tr><tr><td>(i) Self housing construction</td><td>10</td></tr><tr><td>(ii) Being reassetled to other town inside the area of influencing.</td><td>0</td></tr><tr><td>(iii) Suming up economic compensation with other social units to buy a house</td><td>7</td></tr><tr><td>(iv) Buying a cheaper house and use the surplus to improve furnitures</td><td>0</td></tr><tr><td>(v) Investig the economic compensation on new housing projects</td><td>1</td></tr><tr><td>(vi) Buying a house or land with 'carta venta'.</td><td>29</td></tr><tr><td>(vii) Using the economic compensation under their own responsibility to pay rent, basic needs or doing other investments.</td><td>20</td></tr><tr><td>Total of social units compensated by the new agreement UF5</td><td>67</td></tr></table> <p>About the monitoring of a reestablished standard of living conditions, the Concessionaire followed up twenty-three (23) translated social units during this period. Arup resumes the main conclusion as:</p>	Alternative compensation for being resettled	Number of alternative taken by Social Units	(i) Self housing construction	10	(ii) Being reassetled to other town inside the area of influencing.	0	(iii) Suming up economic compensation with other social units to buy a house	7	(iv) Buying a cheaper house and use the surplus to improve furnitures	0	(v) Investig the economic compensation on new housing projects	1	(vi) Buying a house or land with 'carta venta'.	29	(vii) Using the economic compensation under their own responsibility to pay rent, basic needs or doing other investments.	20	Total of social units compensated by the new agreement UF5	67
Alternative compensation for being resettled	Number of alternative taken by Social Units																			
(i) Self housing construction	10																			
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(vi) Buying a house or land with 'carta venta'.	29																			
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		<ul style="list-style-type: none"> The housing conditions have been improved after the reestablishment process. The almost half of visited social units have continued living in rural areas meanwhile the other half have moved to urban centers. <p>All alternatives have been socialized and agreed with the affected communities. In Arup's opinions the alternatives minimize the adverse social and economic impacts derived from land acquisition, land restrictions and their new usages. The Concessionaire identified the alternatives after have been disclosure the information, consultation, and the informed participation with affected communities, looking forward to improve their standard living conditions.</p> <p>During the virtual meeting held on January 17th, 2022, there was a discussion about how the Concessionary is guarantying the security of tenure in context where the urban and rural informality is predominantly high. In alignment with the PS5, Arup remarks and suggests:</p> <ul style="list-style-type: none"> The Concessionary has been working with local authorities to back up the legal occupancy in the new house or reestablished area. These processes and agreements should be informed to the community to know the risks and which actions should be implemented towards assure the security of tenure. For Arup is important to know the evidence of agreements and coming procedures about the works doing along with local authorities and communities. Despite the alternatives were agree with the Project's owner, for Arup is important the community knows, in understandable language, the benefits and risks in each alternative. <p>In this way, Arup encourages the Concessionaire considers the next suggestions in terms to align the agreement to the PS5. These suggestions apply to all alternatives but stressing on alternative six (6) and (7).</p> <ol style="list-style-type: none"> The alternatives should assure the avoidance of impoverishment risk. To accomplish that, it is important to implement tools and methodologies which can measure and compare the socioeconomic baseline. The alternative should guarantee the security of tenure to displaced persons at resettlement sites. Additionally, to 'Carta Venta' it is important to prevent future territorial conflicts by the legal owner status.


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		<p>3. The socioeconomic compensation by itself does not guarantee the restablishment and improving of standar living conditions. The Concessionaire should work to identify and analys the come up social, cultural and economic gaps to close them and reduce the negative impacts in a mid and long term.</p> <p>The next chart resumes the current status of socioeconomic compensation for each town and the number of social units beneficiaries in UF5. During this period the percentage of advance is: Housing restablishment compensation was 48% and total improvements compensation was 64%.</p> <p>Table 8. UF 5 Socioeconomic compensations follow-up (Up to December 2021)</p> <table><tr><th>Sector</th><th>Properties No.</th><th>Social Units no.</th><th>Housing Total to be compensated</th><th>Relocated</th><th>Improvements Total to be compensated</th><th>Pending</th></tr><tr><td>El Palo</td><td>3</td><td>23</td><td>13</td><td>1</td><td>13</td><td>0</td></tr><tr><td>Piononos</td><td>2</td><td>-</td><td>1</td><td>0</td><td>31</td><td>31</td></tr><tr><td>El Playón</td><td>5</td><td>38</td><td>20</td><td>18</td><td>15</td><td>3</td></tr><tr><td>La Felisa</td><td>2</td><td>46</td><td>17</td><td>17</td><td>26</td><td>9</td></tr><tr><td>Niño Dios</td><td>2</td><td>12</td><td>3</td><td>2</td><td>9</td><td>1</td></tr><tr><td>El Moná</td><td>1</td><td>43</td><td>28</td><td>0</td><td>18</td><td>14</td></tr><tr><td>Ficalia</td><td>1</td><td>-</td><td>0</td><td>0</td><td>1</td><td>1</td></tr><tr><td>Marmato</td><td>11</td><td>66</td><td>25</td><td>23</td><td>34</td><td>3</td></tr><tr><td>Chirapotó</td><td>5</td><td>52</td><td>25</td><td>25</td><td>28</td><td>0</td></tr><tr><td>El Boga</td><td>2</td><td>15</td><td>9</td><td>9</td><td>6</td><td>0</td></tr><tr><td>Herradura</td><td>2</td><td>64</td><td>34</td><td>34</td><td>34</td><td>8</td></tr><tr><td>La Bocana</td><td>4</td><td>182</td><td>25</td><td>22</td><td>11</td><td>3</td></tr><tr><td>La Bocana SAE</td><td>3</td><td>-</td><td>91</td><td>0</td><td>49</td><td>49</td></tr><tr><td>Total</td><td>43</td><td>541</td><td>291</td><td>149</td><td>275</td><td>122</td></tr></table>	Sector	Properties No.	Social Units no.	Housing Total to be compensated	Relocated	Improvements Total to be compensated	Pending	El Palo	3	23	13	1	13	0	Piononos	2	-	1	0	31	31	El Playón	5	38	20	18	15	3	La Felisa	2	46	17	17	26	9	Niño Dios	2	12	3	2	9	1	El Moná	1	43	28	0	18	14	Ficalia	1	-	0	0	1	1	Marmato	11	66	25	23	34	3	Chirapotó	5	52	25	25	28	0	El Boga	2	15	9	9	6	0	Herradura	2	64	34	34	34	8	La Bocana	4	182	25	22	11	3	La Bocana SAE	3	-	91	0	49	49	Total	43	541	291	149	275	122
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		In Arup's opinion, the Concessionaire has been managing the resettlement process and compensation benefits in concordance with the PS5 aims. As it was mentioned during the past meeting, Arup will require the evidence and support about each action concerned with PS5, please for further information, see Action Plan section.			
Conclusions		The Concessionaire is on track to finish the socio-economic compensation of social units. It is important to notice that the property acquisition situation represents a high risk for the development and the schedule of construction works in UF 5. This Performance Standard is marked as on-track until the property acquisition status reaches an end.			
PS 6 Biodiversity, Conservation and Sustainable Resource Management.		Environmental Compensations: The Concessionaire has proposed environmental compensations plans due to some impacts identified and also, obligations according to the Colombian law related to (i) forestry use, (ii) biodiversity loss, (iii) incidental take permits and (iv) a forest reserve subtraction. Most of the compensation plans are focus on protection and conservation of biodiversity through the land adquisition. By acquiring properties and handing over to the regional environmental authorities, the Concessionaire is ensuring that land will not be used in another activity that may affect the species (fauna/flora) in there as well they are securing offset activities over the long term. Along with those activities, enrichment and monitoring activities are also being developed. To date, the environmental compensation area involves roughly 878 hectares. However, Arup requires an update data of each environmental compensation area.			
		The following table shows the current status and next steps of each compensation plan. Compared to the previous period, the Concessionaire was able to make some progress in several of the environmental compensation plans. Important to notice, environmental compensation plans do not prevent the development and construction of the Project, but it is an aspect that is being monitored as part of compliance with PS 6 and local requirements.			
		<table><tr><th>Environmental Authority – Compensation kind</th><th>Status (December 2021)</th></tr><tr><td>CORANTIOQUIA Forest Reserve Subtraction 315.77 Ha</td><td>In November 13th, 2018, the Compensation Plan was approved by CORANTIOQUIA (Administrative Act No. 040-ADM-1811-5589). The Concessionaire is in process to acquire the property named <i>Chumbimbo</i> and in July 2019 requested a minor change to the compensation plan related to a modification of the polygon. This purchase intended to be applicable to the entire 315.77 hectares. On February 5th, 2021, the Concessionaire receive Supervisor's ap'rova'. However, the plan cannot be executed considering that the value of the environmental compensations is higher that the available resources of the environmental sub-account. Therefore, the Concessionaire is evaluating the amounts with ANI and the Supervisor once the results of the commercial appraisal are available.</td></tr></table>	Environmental Authority – Compensation kind	Status (December 2021)	CORANTIOQUIA Forest Reserve Subtraction 315.77 Ha
Environmental Authority – Compensation kind	Status (December 2021)				
CORANTIOQUIA Forest Reserve Subtraction 315.77 Ha	In November 13th, 2018, the Compensation Plan was approved by CORANTIOQUIA (Administrative Act No. 040-ADM-1811-5589). The Concessionaire is in process to acquire the property named <i>Chumbimbo</i> and in July 2019 requested a minor change to the compensation plan related to a modification of the polygon. This purchase intended to be applicable to the entire 315.77 hectares. On February 5 th , 2021, the Concessionaire receive Supervisor's ap'rova'. However, the plan cannot be executed considering that the value of the environmental compensations is higher that the available resources of the environmental sub-account. Therefore, the Concessionaire is evaluating the amounts with ANI and the Supervisor once the results of the commercial appraisal are available.				

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	CADER Forestry Use 14.2 Ha	By means of the file 15560 of August 29 th , 2021, CADER has approved the acquisition of two properties; <i>Agua Linda</i> and <i>La Carolina</i> located in the Totui river basin. To date, the plan is under Supervisor's approval, therefore, the transaction has not been carried out yet. The Concessionaire's expecting a soon response from the Supervisor.
	CORANTIOQUIA Forestry Use 32.3 Ha	Through the file No. CPT05-138-20201230013256 of December 30 th , 2020 the Concessionaire submitted the environmental compensation plan because the impacts of forestry use to CORANTIOQUIA. The strategy to compensate is focused on land acquisition. To date, no material progress has been reported from the environmental authority.
	CORPOCALDAS Forestry Use 78.03 Ha	<p>The compensation plan was conceived as a result of a serie of residual impacts that could not be avoided because of the logging trees. The compensation aims to achieve no net loss and biodiversity gain from developing the following activities:</p> <ul style="list-style-type: none"> * Land adquisition of 62.36 hectares in <i>Albaco La Albania</i>. * Forest enrichment * Social workshops regarding belongingness and awareness of environmental issues. * Monitoring and follow-up actities during 3 years. <p>Considering to the file No. 2021-IE-00014450, CORPOCALDAS approved the final proposal, therefore, the Concessionaire is currently in the process of approving the real estate properties. Important to mention that the compensation plan comes out because of 11 forestry use permits from UF 1 to UF5.</p>
	ANLA – Biodiversity Loss 198.3 Ha	<p>* UF1: <i>El Porvenir</i> property was finally adquired in February 2020. However, it has not been handed over to the environmental authority (CADER) due to the lack of IGAC's announcement related to land registry which delays the process. Even though the offset plan has been already approved by ANLA by means of the Resolution 0688 dated of July 10th, 2018, the Concessionaire cannot implement monitoring until IGAC's announcement.</p> <p>* UF2.2: The plan focuses on the acquisition of 13.4 hectares of the property <i>El Diamante</i>. To date, the Concessionaire is waiting for the Supervisor's approval of the polygon where compensation will take place. Important to mention the plan has been already approved by ANLA by means of the resolution 0192 of February 18th, 2019.</p> <p>* UF 2.1 and UF 2.3: Through the file No. 2021050147 of March 19th, 2021, the Concessionaire presented an updated plan which proposes the acquisition of 38.57 hectares. Other measures such as reforestation,</p>

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		<p>passive restoration and monitoring were also included. As of December 2021, ANLA's approval is pending, therefore, implementation cannot begin yet.</p> <p>* UF 3.2: By means of the Resolution 01976 of October 2nd, 2019 ANLA approved 49.1 hectares out of 99.1 hectares that were proposed in order to acquire <i>El Diamante</i> property. Since only 50% of the proposal was accepted by ANLA, the Concessionaire had to address some requirements that finally were submitted to ANLA on April 25th, 2021. There has not been material progress from ANLA regarding the updated plan. It is essential to begin with the plan execution.</p> <p>*UF 4: To date, the plan is already approved. However, it was approved in two different stages. First, ANLA approved the ecological restoration of 25 hectares of riparian and gallery forest. Second, 22.86 more hectares were approved for restoration and rehabilitation. All measures are focus on <i>El Diamante</i> property. As the plan has been approved by ANLA, the next step is Supervisor's approval. Since July 9th, 2021 the Supervisor is evaluating the plan. No material progress is reported as of December 2021.</p>
	MADS – Incidental take permit 36 Ha	<p>For the six Resolutions related to MADS the Concessionaire proposes the rehabilitation of the habitats in the Palma de Cera property located in the municipality of Villamaria, through the property acquisition and natural restoration. The last information was submitted to MADS in June 2018.</p> <p>On April 10th, 2019 the MADS issued Resolution 0475 granting the incidental take permit of UF 5 (It is contemplated to include this new requirement of area (7 Has) in the acquisition of the Palma de Cera property). The reiteration to the Ministry on the concept of habitat rehabilitation was already made on November 26, 2020. The Concessionaire consulted ANLA, taking into account two (2) procedures referred to date. Likewise, the Concessionaire is in the process of making habitat rehabilitation proposals for each of the files submitted.</p> <p>The Concessionaire continues performing the rescue, transfer, and relocation of vascular and non-vascular species of the Project. Arup does not evidence any risk related to the incidental take permit.</p>

According to the above, the Concessionaire has not begun the execution of the environmental compensation, two (2) main reasons are evidenced: (i) lack of Supervisor's approval and (ii) the available resources of the environmental sub-account. For the former, Arup suggests the Concessionaire being more persistent in order to obtain further announcement from the Supervisor. For the latter, collaborative workshops have been held in the last few months with the Supervisor in order to solve the situation. However, as it was informed by the Concessionaire, consensus has not yet been reached. Arup will follow-up it closely since economic resources are


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		<p>essential to achieve environmental plans execution, and subsequently, compliance with IFC PS No. 6. Also, aside from the land acquisition, Arup finds important that the Concessionaire presents more detailed information concerning other environmental activities to be developed in the areas approved since Arup cares about Measurable conservation outcomes ensuring biodiversity and ecosystems protection. Important to mention that the number of hectares changed considering the adjustments made to the plans of UF3.2 and UF4 since ANLA and Corantioquia requested changes.</p> <p>Forestry Use: Activities regarding forestry use has been decreasing through time considering the Project's progress. In fact, little evidence of this activity was submitted, mainly related to chipping trees by July or August 2021. It would be important that the Concessionaire clarifies whether or not forestry use activities continue being carried out in the Project. If so, they must provide information and photographic record in order to follow-up compliance.</p> <p>Protection of fauna: Before the start construction or grubbing activities, the Concessionaire performed wildlife rescue and/or repelling activities. During this semester most of these activities were developed in UF5 due to construction works. It is important to mention that rescued animals are medically examined in medical facilities for them. After the test, they are handed over to the regional environmental authorities for their care and/or release to natural environment. Through this semester (July- December 2021), the Concessionaire not only trained its employees about wildlife management but also involved third-parties such as nearby communities, educational institutions and the highway patrol. The Concessionaire reinforced the importance of caring about wildlife and developed interactive workshops. Aside from these activities above-mentioned, Arup found no information was submitted regarding the implementation and effectiveness of fauna passages along with the Project. Arup considers it as one of the most important part of biodiversity assessment since it can be displayed through number no impacts on biovidersity were caused because of the Project construction. Therefore, Arup emphasizes once again about submitting this information. It should include analysis of the results obtained.</p>
Conclusions	<p>This Performance Standard is marked as on-track until the compensation activities and forestry use reaches an end. Furthermore, Arup requests again information related to the implementation and effectiveness of fauna passages along with the Project as it was explained above. As a general comment, Arup requests the Concessionaire to inform in detail the current status of all compensation plans subscribed. In this way Arup has the possibility to make the respective follow-up. Also, the Concessionaire sholud clarify whether or not forestry use activities are being developed in the Project.</p>	
PS 7 Indigenous peoples		<p>Relations with ethnic communities: It is important to mention that in road construction projects, there is always a risk of opening-up a prior, free and informed consent process, even if the Concessionaire has a certificate from the Ministry of Interior (MoI) stating</p>

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		<p>that there is no presence of minority communities. This is because new communities may appear in the area of influence reclaiming their rights. Regarding the modification of the environmental license of the Tesalia Tunnel, in the modified area, MoI did not identify ethnic communities and assessed a low risk to prior consultation processes.</p> <p>This aspect will continue to be evaluated in the upcoming report. Likewise, during this period the Concessionaire implemented care and support programs for communities in the Area of Influence, some of them were addressed to trainings about cultural heritage recognition, technical capabilities, entrepreneurial vivarium project, safety on the road campaign, amongst others.</p>
Conclusions		The Concessionaire fully complies with this Performance Standard
PS 8 Cultural Heritage		<p>Archaeological Management: Archaeological Management: Aligned with the PS8, the Concessionaire is complying with the Archaeology Management Plan. During this period, there was not identified potential risks that could affect the Project construction works.</p> <p>the Concessionaire developed these actions in compliance with the performance standard:</p> <ul style="list-style-type: none"> • The monitoring activities are being developed in UF 2 and 3. These activities do not interfere with the start of operations. • Most of the archaeological activities are being developed in laboratory. The studies concern with classification, analysis and setting the stocktaking. • In terms of permissions and authorization given by the national authority, ICANH, the Concessionary is fulfilling with them. To date, the Concessionaire has four (4) licences to implement the Archeological Management Plan. Once the monitoring and laboratory studies finishing, the Concessionaire should submit the final report to ICANH and request their final approvals. • About the Indial archeological findings, the Concessionaire has kept the periodical monitoring. To date the advance in construction works and the environmental recovery on the zone can be verifiable (See section 10, Photographic record). <p>For Arup, the Archeological Management actions are in compliance with the PS8. The Concessionaire has the updated permissions to monitoring, report, and continue with the laboratory studies.</p>
Conclusions		Arup notes that the Concessionaire is progressing with the rescue activities, protecting the areas and developing the characterizations and management plans to fulfill with the international standard. This Performance Standard is marked as on-track until the Archaeological activities reach an end.

7.2 Equator Principles Analysis

The Concessionaire is having a satisfactory compliance for most of the Equator Principles. Principles 2 and 3 are on track to comply regarding the Action Plan and the evaluation of social and environmental assessment and the applicable social and environmental standards. Please refer to Section 7.1 for detailed information

Table 9 Equator Principles Analysis

Principle	Compliance	Observations
Principle 1: Review and Categorization		Satisfactory Compliance
Principle 2: Social and Environmental Assessment		On track to comply. Please refer to to Performance Standards and the Action Plan.
Principle 3: Applicable Social and Environmental Standards		On track to comply. Please refer to Performance Standards and the Action Plan.
Principle 4: Action Plan and Management System		Satisfactory Compliance
Principle 5: Consultation and Disclosure		Satisfactory Compliance
Principle 6: Grievance mechanism		Satisfactory Compliance
Principle 7: Independent Review		Satisfactory Compliance.
Principle 8: Covenants		Covenants has been defined in the contract agreement
Principle 9: Independent Monitoring and Reporting		Satisfactory Compliance.
Principle 10: EPFI Reporting		Satisfactory Compliance.

9 Action Plan

To December 2021, the Action Plan has twenty-five (25) activities. Fourteen (14) of them correspond to “on track”, seven (7) are solved, and four (4) are new actions proposed after the document review and calls with the Concessionaire. It is important to clarify that some of the measures do not correspond to an ongoing non-compliance IFC Standards and Equator Principles III but are in the process of being implemented or are still pending implementation. The current status of the activities is shown in **Table 10** and has been evaluated with the following color coding.






 Solved  On Track  Pending  New Action

Table 10. Environmental and Social Action Plan (December 2021)

No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
1	<p>Property Acquisition- Compensation mechanisms: The Concessionaire is complying with the resettlement processes and land acquisition according to the national Resolution no. 545, 2008 – ANI and the appendixes 7 and 8 for the Concession Agreement. The Concessionaire should evaluate economic, legal and social aspects of the new resettlement properties and follow up the adaptation of their owners for at least one year.</p> <p>Arup request the Concessionaire to report in the next period all the strategies are being implemented for the relocation processes in UF 5, the approval of the EER regarding delays in the construction schedule and the results of the negotiation process (amigable componedor).</p> <p>UF: 5 PS/EP:PS5</p>	Biannual – Next E&S report.	During this period the Concessionaire continued working on relocation of Social Units. To date, the 50% of social units are relocated. The signed agreements have helped to guarantee the socioeconomic compensation to the affected communities.	

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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
2	<p>Archaeology: On June 18th, 2019, archaeological rescue activities started in the area denominated “El Indial” (Tesalia intersection UF 2 – UF3.1). Considering that it is not possible to estimate a date of termination of the archaeological activities, since it depends on the findings of each exploration, the Concessionaire has an EER approved on December 20th, 2019 that gives additional 2 months and 24 days to complete works once archaeological activities are completed. Arup request the Concessionaire to continue to report the progress and management of the archaeological activities and findings.</p> <p>UF: All PS/EP:PS8</p>	Biannual – Next E&S report.	To date, the Concessionaire continued working on periodical monitoring over Indial polygon. Arup considers that there is no potential risk that could affect the Project, however is important to continue the monitoring activities over the zone.	
3	<p>Environmental sanctioning process- Trompeta Bridge: In November 2018, ANLA opened a punitive process related to the construction of the Trompeta’s bridge piles in UF 1. Which is within the licensed area, but the construction activity was not authorized in the environmental license. In Arup’s opinion considering that the UF 1 construction activities were finished, the sanctioning process does not represent a high risk in the development of the project. The Concessionaire must review the legal process and report the advances and response issued to the environmental authority in the next monitoring report.</p> <p>UF : 1 PS /EP: PS1</p>	Biannual – Next E&S report.	There are no changes in the process. During the evaluated period, the Concessionaire did not receive or submit additional information to the environmental authority (ANLA). Arup will continue tracking this process until its official closure.	
4	<p>Materials disposal – ZODMES: The Concessionaire has identified 40 ZODMES, from which 7 are in use, 9 ready to use when necessary, 16 are enclosure process, 5 desisted and 3 are in the authorization process. Arup evidenced that five ZODMES does not comply with the hydraulic and runoff protection established in the environmental management plans of the project. Therefore, the</p>	-	Previously, the Supervisor concluded all the comments submitted within the cure period were implemented adequately by the Concessionaire. In order to officially close the process, ANI’s announcement is essential. Therefore, during this semester, ANI informed the Concessionaire through the file No. 20215000174971	

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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
	Supervisor opened a cure period requesting the Concessionaire to install sediment barriers and complete their drainage infrastructures. UF: All PS/EP: PS6		dated of June 10th, 2021 that the situation that led to the cure period was successfully overcome. Therefore, the requirements are officially closed. Considering the above-mentioned, this action is marked as “Solved”.	
5	Working conditions – work force layoff: Due to the end of construction works some of the UFs, during the evaluated period the Concessionaire began to implement the staff layoff programs which included different trainings. Arup request the Concessionaire to report all the programs, activities, statistics and effectiveness of the implemented measurements. UF: ALL PS/EP: PS2	Biannual – Next E&S report.	Arup evidenced the Concessionaire has defined specific staff layoff programs. Arup request the Concessionaire to continue reporting all the programs statistics and effectiveness of the implemented measurements. As the Performance Standar 2 request, when any collective dismissals will ocure, the Concessionaire should develop actions to reduce the adverse impacts of retrenchment on workers. In that sense, Arup require to the Concessionaire, submit the information of actions and plans that are managing the compliance of this PS.	■
6	Water treatment in Tesalia Tunnel: Due to the increase of infiltration water flow in the Tesalia Tunnel, the Concessionaire must (i) redesign the water treatment system, (ii) request ANLA a modification of the environmental license and (iii) construct the new system to comply with the discharge flows amount and quality. UF: 2.2 PS/EP: PS1, PS3	Immediately – Next Technical report.	The Concessionaire desisted about improving the water treatment system as an item included in the modification of license. By contrast, the modification finally incorporated (i) redistribution of the discharge flow from exit portal and (ii) change of receiving body of infiltration water pumping from Tesalia tunnel, as well as the (iii) inclusion of two temporary storage sites. ANLA already initiated the administrative procedure. However, during this semester a Resolution issued by ANLA will delay the process. The Concessionaire has already filed an appeal against ANLA’s decision. ANLA’s announcement is expecting in two months from now. Therefore, Arup will continue tracking this process until the final	■


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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
			pronouncement and the proposed activities by the Concessionaire are fulfilled.	
7	<p>Water management – El Cairo aqueduct: During the evaluated period, the Concessionaire received the PQR No. 10-78 (May 5th, 2019) related to the petition of information of the community El Cairo about the water flow of a waterbody near the entrance portal of Tunnel Tesalia. Arup request the Concessionaire to submit all the technical studies about the watercourse lithology and water quality characterization and a report all the implemented measurements that guarantee the water availability and quality.</p> <p>UF: ALL PS/EP: PS1, PS3</p>	Immediately – Next Technical report.	<p>The Concessionaire provided to ANLA the information related to the development of a hydrological study, not only for el Cairo but for all the impacted communities nearby the Tesalia Tunnel. For the next monthly technical report and E&S biannual report, Arup requests from the Concessionaire a copy of the communications with ANLA and the studies sent as a requirement.</p> <p>This aspect will continue to be evaluated in detail as part of the action no. 10 of this ESAP. Arup will continue tracking this process until the official closure of the PQRS and final notification from ANLA is related.</p>	■
8	<p>Environmental sanctioning process- ready mix concrete plant: The Concessionaire has an environmental sanction procedure with ANLA (Resolution 02094, October 21st, 2019) that have not ended in economic sanctions but are a risk for the project's environmental compliance and reputation. Corresponding the operation of a ready mix concrete plant not approved in the environmental license of UF 2.</p> <p>UF: ALL PS/EP: PS1, PS3</p>	Biannual – Next E&S report.	<p>There are no changes in the process. The Concessionaire did not receive or submit additional information to the environmental authority (ANLA). The Concessionaire has received legal advice and is working on a strategy to solve the issues. In addition, corrective actions were taken at this site. Arup finds this procedure has not resulted in economic sanctions or direct impacts on the construction works. Arup will continue tracking this process</p>	■
9	<p>COVID-19 outbreak: Arup request the Concessionaire to continue to submit information about the results of the implemented measures according to the government and national authorities, how Covid 19 outbreak has impacted the Project and its environment and which programs are being included in the project in compliance with IFC PS 1, 2 and 4.</p>	Biannual – Next E&S report.	<p>Despite the fact confirmed cases have been decreasing through time in the Project, Arup finds no evidence was submitted during this semester related to activities, measures implemented within the Concessionaire and photographic record. Arup requests a periodical submission of the measures taken in response to the COVID-19</p>	■



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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
	<p>UF: All PS/EP: PS1</p>		<p>outbreak, considering the instructions and standards of the relevant local authorities. As long as COVID presents rapid changes through new variants, Arup stresses the importance of submit information as control and follow-up activity. As of December 2021, the Concessionaire reported three hundred twenty-one (321) confirmed cases, all recovered, no casualties. Furthermore, caring about nearby communities is also important. Arup finds significant to continue carrying out events and disclosure the communication plan designed for preventing COVID-19 outbreak among the communities in the Project's area of influence, much more relevant now considering the new variants of COVID. Increase community awareness may be helpful for the Project.</p>	
10	<p>Flow rates decrease near Tesalia Tunnel: In August 2020, the communities (including El Cairo) raised several PQRS related to an alleged decrease in groundwater flow rates and the water supply near the Tesalia Tunnel. Immediately, the Concessionaire activated the mitigation measures approved in the Environmental License to guarantee communities water access, and start developing a hydrogeological study to determine if this impact is caused by the construction of the Tunnel. Arup requires the Concessionaire to continue to provide the information related to (i) the hydrological and technical studies that determine the cause, impacts, and risks, (ii) mitigation and compensation implemented measures, (iii) interagency strategies, and the (iv) communications with environmental authorities, communities, and stakeholders. Also is necessary to consider a scenario analysis and action plan in case of this issue is scaled up to a Court and the precautionary principle is declared. UF: 2.2</p>	<p>Immediately – Next Technical report.</p>	<p>The Concessionaire is still carrying out the appropriate control measure of the situation. Even though water rate flows are not an issue, the Concessionaire continues developing different strategies such as workshops with nearby communities and pilot studies to connect them to the regional water supply system. Pilot studies have advanced, to date, <i>el Tulcán</i> and <i>Portugal</i> have successfully finished, <i>El Cairo</i>, <i>la Albania</i> and <i>Tesalia</i> are 20% completed, <i>Ciénaga Alta</i>- exit portal is 10% completed. Also, <i>Ciénaga Alta</i>- entrance portal and <i>El Guaico</i> are pilot studies projected to be executed during 2022. Furthermore, hydrogeological and piezometer data has been submitted to ANLA through time. The Concessionaire has been diligent sharing information with ANLA in order to evaluate the situación. According with information provided by the Concessionaire further information will be submitted by February 2022</p>	




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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
	PS/EP: PS1-3-4		regarding Tesalia tunnel. Therefore, Arup is expecting a copy of that information. In Arup's opinión, this item will be on track until there is a definitive notification from ANLA.	
11	<p>Watercourse protection nearby new toll construction: During the site visit Arup identifies a body of water nearby the new toll construction that must be protected in order to prevent any harm and/or reduce impact. The above is required, considering the fact that the Concessionaire must preserve all water resources which are inside the licensed area and fulfil the environmental management plan in regard 'o watercourse protection. Important to notice this waterbody is placed no more than 20 meter from the new toll.</p> <p>UF: 2 PS/EP: PS3</p>	-	<p>Considering the photographic report submitted by the Concessionaire, they have protected the waterbody by installing poly-shade mesh in order to prevent harm. To date, trespassing is forbidden to the watercourse which guarantees its protection. The action is marked as "Solve". Despite this, Arup will continue tracking measures taken by the Concessionaire in these sensible areas along the Project.</p>	
12	<p>Waste Management: As a result of the site visit, Arup requires the Concessionaire to ensure that the collection of all types of wates take place properly, in particular, wood and demolition wastes. The action should include recollection from all sites of the Project such as temporary camps, plants, and facilities in order to fulfil the environmental management plan. Important to mention that Arup understands the current situation about irregular settlements, however, leaving wastes and construction material in worksites is not the best way to avoid this kind of settmets. Therefore, the Concessionaire should find a suitable way to deal with this inconvenience.</p> <p>UF: All PS/EP: PS3</p>	-	<p>As it was requested by Arup, the Concessionaire has provided photographic evidence of the wood collection and its management in the Project. Also, debris management has improved. Construction and demolition wastes were collected from worksites and disposed to the authorized zones. Regardless the decrease of construction activities in the Project due to the progress, Arup recommends the Concessionaire to be on guard of the entire waste management of the Project in order to prevent inconveniences with environmental authorities and issues related to public health. This action is marked as "Solve".</p>	





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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
13	<p>Soil contamination: Consecuently to the site visit, Arup evidenced spillages of hazardous liquid products coming from equipment and machines that have not soil protection measurements, in particular, placed in Bridge A, UF 5. Hence, Arup requires the Concessionaire to propose and implement preventive procedures in order to prevent spills as well as demonstrate evidence of treatment, removal and accurate disposal for spills that have already occurred.</p> <p>UF: 5 PS/EP: PS3</p>	-	Throughout this semester, the Concessionaire has submitted evidence of the corrective measures taken regarding hazardous waste management by using plastic or dikes while maintenance is performed at worksites. Also, preventive measures were adopted, according to the photographic record provided, containers and materials are isolated from the direct contact with soil and periodic maintenance was developed to avoid fugitive leak. The action is marked as “Solve”.	
14	<p>Organization of monitoring campaigns (water, air and noise) Arup is aware that the Concessionaire has submitted all reports about water, air and noise monitoring biannually where it is clear the compliance in regard to quality standards. However, it is difficult to follow up the periodicity of these reports due to the unawareness of how often each one of them should be develop. For this reason, Arup requires the Concessionaire to report from now on the detailed schedule for water, air and noise monitoring campaigns in order to analyse the fulfillment of their periodicity which should be half-year basis according to the environmental licenses.</p>	-	The action is marked as “Solve”. The Concessionaire has submitted the schedule for air, water and noise monitoring campaigns. According to this, Arup will expect results of the monitoring campaigns when applies and it will be evaluated as a compliance within the IFC PS No.3.	
15	<p>Land acquisition and compensation KPI near the Tesalia tunnel: During the last field visit carried out by Arup, the Concessionaire reported that it was contemplating the acquisition of land near the Tesalia tunnel to reduce water pressure in the area due to crop cultivation. They also commented on implementing environmental compensations in that same property. The Concessionaire proposes this measure as a way to contribute to the prevention of future impacts to the water body. This is also expected to contribute in some manner to the ecological restoration</p>	Biannual – Next E&S report.	The Concessionaire has submitted the KPI proposed within the environmental management plan approved by CORPOCALDAS as an example of the KPI established. Arup finds they are appropriated to measure the net gain of biodiversity and enrichment of the area. However, they are not calculated yet. Therefore, in order to see whether they will show the reality of its positive impact, Arup will continue tracking this through time. Compensation and	


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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
	of the area. Arup recommends impact indicators for this measure if it is authorized and compensations for forestry use are implemented. They can be considered for water quantity and flows as well as for the development of plant species (e.g. percentage of survival).		biodiversity measures are essential to evaluate compliance with IFC PS No. 6.	
16	Quarterly Social Management Program (PGSC): According to “Technical appendix 8: Social Management”, Arup requests to the Concessionaire the updated information about “Plan de Gestión Social Contractual” quarterly reported to ANI. UF: All PS/EP: PS 1, 2, 4, 5 and 8.	Biannual – Next E&S report..	The Concessionaire submitted the general Social Management Plan where is described the social programs that manage the impacts caused by the Project; however, Arup requires the quarterly report submitted to the Owner’s supervisor.	
17	Quarterly land acquisition report, appendix 7: According to “Technical appendix 7: Land acquisition management”, Arup requests to the Concessionaire the updated information about land acquisition process quarterly reported to ANI. UF: All PS/EP: PS5	Biannual – Next E&S report.	Solved	
18	Monitoring and evaluation of resettled social units: For the next period, Arup recommends that the Concessionaire implement indicators to measure the housing conditions in the social units already resettled. In this way, they can ensure that housing conditions have improved or worsened and require additional assistance. UF: All PS/EP: PS5	Biannual – Next E&S report.	Solved	
19	Update on Environmental Compensations: For this period, Arup did not receive an update on the progress status of the Concessionaire’s environmental compensation decreed by ANLA and local authorities. This is important for compliance with both	Biannual – Next E&S report.	Considering the update information provided by the Concessionaire regarding environmental compensation plans, Arup finds most of them have not been executed	





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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
	<p>national and international standards. Even though there are no effects on the schedule or fines up to June 2021, Arup must receive this information to validate the development of each of the compensation measures agreed by the Concessionaire.</p> <p>UF: All PS/EP: PS6</p>		<p>yet, even though UF 1, 2, 3 and 4 are completed regarding constructive activities. Two (2) main reasons were identified (i) lack of Supervisor's approval and (ii) the availability of economic resources from the ANI environmental sub-account.</p> <p>Considering the above, Arup will continue requesting updated information to each plan with respect to:</p> <ol style="list-style-type: none"> 1. Alternative approaches to entities (CARs, ANLA, Supervisor, etc) and further announcements from them. 2. All information related to the current environmental compensation budget, environmental sub-account from ANI and workshops hold with the Supervisor in order to reach a consensus in this issue. 3. More detail information concerning other environmental activities to be developed aside from only the land acquisition. In other words, to report measurable conservation outcomes such as number of tree to be planted, fauna/flora monitoring, and so on. 	
20	<p>Control over forestry use: For this period, Arup conducted a field visit and did not find evidence that the control measures for forestry use are being applied. The concessionaire is requested to validate this situation and report it for the next monitoring period.</p> <p>UF: All PS/EP: PS6</p>	Biannual – Next E&S report.	<p>The Concessionaire submitted information; however, Arup finds it is not enough to evidence of the strict measures this activity may have. Even though Arup knows that forestry use has been decreasing through time considering the Project's progress, it is important that this specific activity is described within the PDF Biannual report from the Concessionaire. Also, it would be favorable the Concessionaire clarifies whether or not forestry use activities continue being carried out in the Project, the</p>	


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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
			projection they have and also provide photographic record in order to follow-up appropriate compliance.	
21	Free, Prior, and Informed Consent with indigenous community: For the next period, Arup recommends the Concessionaire should update the status of prior consulting response given by Minister of Interior.	Biannual – Next E&S report.	The Concessionaire explained, during the virtual meeting, the answers given by the national authority, Minister of Interior; however, the evidences were not submitted. The action is on track.	
22	Organizational chart and trainings: Arup requests updated information related to the organizational chart of the Concessionaire and EPC as well as the disclosure and trainings associated to the Disaster Management Plan and Contingency Plan. UF: All PS/EP: PS1	Biannual – Next E&S report.	New Action	
23	Accidents: Considering the increase of accidents, especially from the contractors, Arup requests from this time forth the Concessionaire should report within every biannual report supporting information related to the breakdown of each of the accidents presented (type of accident, causes, consequences, action plan). Arup invites the Concessionaire to be proactive in H&S activities in order to prevent and minimize accidents in the Project. UF: All PS/EP: PS2	Biannual – Next E&S report.	New Action	
24	ZODMEs control: Arup requests the Concessionaire to inform and clarify the reasons for the changes presented in the ZODMEs updated data, especially if they are related to capacity or new ZODMEs included in the Project. The Concessionaire should compare data from previous reports in order to have traceability of information.	Biannual – Next E&S report.	New Action	

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No.	Proposed Action	Proposed Deadline	Status (Updated December 2021)	Color code
	<p>UF: All PS/EP: PS3</p>			
25	<p>Fauna protection and follow-up: Aside from the wildlife repelling and rescue, Arup found no information regarding the implementation and effectiveness of fauna passages along the Project. Arup considers it as one of the most important part of biodiversity assessment since it can be displayed through number no impacts on biodiversity were caused because of the Project construction. Therefore, Arup emphasizes about submitting this information, including analysis of the results obtained.</p> <p>UF: All PS/EP: PS6</p>	Biannual – Next E&S report.	New Action	

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10 Photographic Record

Table 11. Photographic Record, July to December 2021 (Desktop review- December 2021)

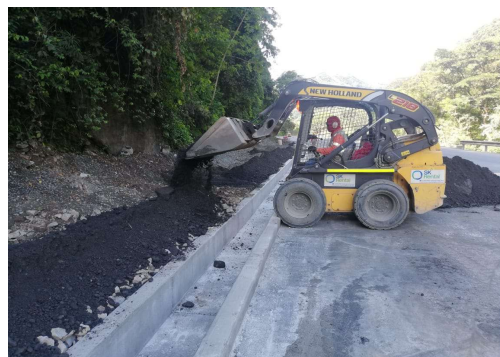
 <p>UF 3.1- ZODME Calamar 3- Conformation and ditches construction.</p>	 <p>Workshops along with communities in regard to Tesalia tunnel decrease flows.</p>	 <p>UF5. Watercourse protection and delimitation while bridge construction.</p>
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UF 2.3 . Worksite signaling



UF- Decommissioning and revegetation of intervened areas



UF2.3- Hydraulic structure construction.



Puente A- Corrective measures to soil protection and hazardous waste management.



UF2.3- Revegetation process as slope protection techniques.



UF 3.1- Current Indial recovery zone

Appendix A. Exculpatory Events– EER

Table 12. EER requests – December 2021

UF	Indicative Name	Impacted Sector	Concessionaire's Request	Approval Status
1	RoW Acquisition	All UF	Delays attributable to third parties in the land acquisition process.	- EER approved on Jan 18, 2019, granting a 12-month time extension until Nov 27, 2019 to complete all RoW acquisitions. - EER was further extended until Nov 27, 2020
2	<i>La Tesalia</i>	All UF	Delays not attributable to the Concessionaire related to archaeological findings in the portals of the tunnel.	- EER approved on July 19, 2019, granting a 6-month time extension for UF2 until Mar 29, 2021
3.1	<i>Indial</i>	<i>Tesalia</i> Intersection	Delays not attributable to the Concessionaire related to archeological findings at the <i>Indial</i> sector.	- EER approved on December 20, 2019, suspending works until archeological investigations are complete. - Concessionaire will have 2 months and 24 days to complete construction works once archeological interventions are completed.
3.2	<i>La Manuela</i> Intersection	<i>La Manuela</i> Intersection at ~K7	Delays not attributable to the Concessionaire in the hand-over of the intersection, which was being operated by another concession.	- EER Approved on Apr 12, 2019, granting a 5-month time extension until Mar 20, 2020 - Deadline was further extended to Jul 19, 2020
3.2	<i>Preconcreto</i>	K4+100 – K6+100	Delays attributable to third parties in the issuance of environmental permits required for the modification of the environmental license in the area of the <i>Preconcreto</i> property.	- EER approved on August 2, 2019, granting a 96-day time extension until January 13, 2020 - Deadline was further extended to Jun 13, 2020 for sector between K4+100 and K5+300.
3.2	<i>Cafetales</i>	K2+400 – K2+910	Complications with archaeological excavations that were not originally contemplated in the archeological plan of the corridor. The term granted through the EER considers only the time for completing	- EER Approved on Jan 18, 2019, granting a 6-month time extension. -EER term has been further extended until July 13, 2020

UF	Indicative Name	Impacted Sector	Concessionaire's Request	Approval Status
			archeological excavations.	
3.2	Landslides	K3+070 – k4+100 K5+300-k6+420	Delays due to multiple landslides that have prevented the Concessionaire from being able to complete works in UF3.2.	<ul style="list-style-type: none"> - EER requested on January 14, 2020 - EER signed on April 3, 2020. - EER scope extended on May 13, 2020 to include sector from K5+300 to K6+130*. - Deadline extended to June 13, 2020 for sector between K3+070 and K4+100 - Deadline extended to September 20, 2020 for sector between K5+300 and K6+420
5	UF5 EER	All UF	Pertains to complications related to utility relocations, as well as archeological findings, which were beyond the control of the Concessionaire	<ul style="list-style-type: none"> - EER approved on August 2, 2019, granting a 12-month time extension for UF5 until October 2, 2021
All UFs	COVID-19	Entire Project	Delays due to the COVID-19 Pandemic impacts	<ul style="list-style-type: none"> -The Owner signed an agreement on October 5, 2020, providing a schedule relief of 98 calendar days for the entire project. -This agreement was signed by the Concessionaire on October 16, 2020.
All UFs	Public Order	Entire Project	Delays due to the national strike impacts	Requested, 2021, pending approval.
UF5	Mobility	K54+450 - K107+700	Non-compliance of the Resolution 00843 issued by the Ministry of Transportation	Requested, pending approval.
UF5	RoW Availability	Specific sectors of UF5	Lack of real estate supply in the UF.	Requested, pending approval.
* This sector was previously part of the Preconcreto EER.				

Appendix B. COVID-19 Pandemic

Since the World Health Organization declared the COVID-19 pandemic, the Colombian Government and relevant authorities have taken measures to mitigate the impact of the coronavirus outbreak, including a national lockdown in effect from March 24, 2020. During the lockdown the entire country is subject to mandatory preventive isolation. Also, some administrative procedures such as property acquisitions, environmental processes, utility relocations and other processes related to EER approvals and extensions, verification activities, execution of certificates of completion and cure periods have been affected accordingly. In response, the Owner declared Force Majeure and suspended toll collections at the national level.

Notwithstanding, per letter CPT05-138-20200409010194 of April 9, 2020, the Concessionaire was authorized to begin working in specific fronts from April 13, 2020, while taking all necessary social distancing and hygiene precautions. As from that date, the Concessionaire has been able to gradually resume construction works and has now fully mobilize construction works throughout the Project. According to National Decree No. 768 of May 30, 2020, toll collections will resume on a national level from June 1, 2020, onwards. According to the Concessionaire, as of June 2020, all work fronts have been reactivated and approximately 2,450 workers were on site.

While the national lockdown is currently in effect until July 31, 2020, the Concessionaire was able to gradually resume construction activities during the week of April 13 and has now fully mobilize construction works throughout the Project under extensive biosecurity protocols that have been agreed with the Owner. More importantly, according to National Decree No. 768 of May 30, 2020, toll collections will resume on a national level from June 1, 2020, onwards.

As per the Owner's dispositions, the construction schedule was suspended since the beginning of the national lockdown on March 24, 2020. According to Owner's Resolution No. 20201010006185 of May 31, 2020, Arup understands that the construction schedule is to be reactivated as from June 1, 2020. However, the Concessionaire understands that it will remain suspended until the national lockdown is lifted. Arup recommends seeking legal counsel in this regard.

Because of the affectations caused by the COVID-19 outbreak, the Concessionaire is currently negotiating some sort of relief measure with the Owner. The affectations include the following: the full suspension of construction activities from March 24 to April 13, the suspension of toll collections from March 24 to June 1, the suspension of administrative procedures (e.g. land acquisition, utility relocations) and the current difficulty to achieve high productivities while maintaining adequate workplace safety. Arup will advise as more information is made available.

Agreement related to the effects of COVID-19 in the Project: In response to the impact caused by the pandemic, on October 5, 2020, the Owner issued an agreement aimed at establishing an Exculpatory Event of Responsibility (EER) regarding the effects of COVID-19 on the Project. This agreement recognizes

delays generated by the pandemic and establishes relief mechanisms to mitigate impacts on the construction schedule, environmental and RoW management, utility relocation, compliance with O&M indicators, among others. The EER provides schedule relief for these activities for a period of 98 calendar days to every relevant Colombian concessionaire to compensate for the delays caused by the COVID-19 Pandemic.

To date, the Concessionaire has reported 321 confirmed COVID-19 cases involved in the execution of the Project. As of December 2021, there were two (2) active cases.

Table 13. Covid 19. Cases follow up (December 2021)

Company	Total cases	Active cases
Concession	120	0
Concessionaire	122	2
Construction consortium (tunnel)	130	0
Construction consortium (supervision)	5	0
MHC	41	0
MECO	16	0
El Condor	2	0
Geotec	2	0
Stork	12	0
Preconcreto	1	0
Seracis	1	0
Carlos Alberto Restrepo Restrepo	1	0
Total	321	2

Appendix C. Work incidents and accidents

Table 14: Frequency and severity index for accidents for Pacifico 3 (Concessionaire)

Month	Total Persons	Total Man Hours	Total Work Accidents	Hours Lost	Day lost	Occupational Illness	Freq. Index	Severity Index
Total 2016	2,083	519,040	29	1,426	175	0	1.12	6.74
Total 2017	2,974	735,490	27	1,026	128	0	0.73	3.49
Total 2018	3,935	967,560	29	1,064	133	0	0.74	2.75
Total 2019	4,277	1,051,070	42	1,792	224	0	0.98	5.24
Total 2020	5,309	1,303,760	38	912	114	0	0.7	2.1
Jan-21	527	126,480	2	48	6	0	0.38	1.14
Feb-21	518	124,320	6	328	41	0	1.16	7.92
Mar-21	519	124,560	7	432	54	0	1.35	10.40
Abr-21	537	102,880	5	456	57	0	0.93	10.61
May-21	427	102,480	3	104	13	0	0.70	3.04
Jun-21	431	103,440	5	248	31	0	1.16	7.19
Jul-21	418	100,320	2	40	5	0	0.48	1.20
Aug-21	436	109,000	4	168	21	0	0.92	4.82
Sep-21	456	118,560	5	56	7	0	1.10	1.54
Oct-21	453	113,250	5	136	17	0	1.10	3.75
Nov-21	469	117,250	3	40	5	0	0.64	1.07
Dec-21	469	112,560	3	40	5	0	0.64	1.07
Total 2021	5,660	1,355,100	50	2,096	262	0	0.88	4.63
Total	28,509	6,979,860	259	10,248	1,281	0	0.9	10.9

Table 15: Frequency and severity index for accidents for Pacifico 3 (EPC Contractor)

Month	Total Persons	Total Man Hours	Total Work Accidents	Hours Lost	Day lost	Occupational Illness	Freq. Index	Severity Index
Total 2016	6,072	1,533,770	47	2592	324	0	0.61	4.22
Total 2017	27,254	6,741,422	201	58301	7287.625	0	0.60	21.62
Total 2018	31,515	7,756,880	228	10,856	1,357	0	0.59	3.50
Total 2019	29,212	7,181,420	188	10,352	1,294	0	0.64	4.43
Total 2020	21,037	4,935,730	189	14,320	1,790	0	0.9	9.2
Jan-21	1,700	408,000	16	704	88	0	0.94	5.18
Feb-21	1,784	428,160	11	1,064	133	0	0.6	7.5
Mar-21	1,819	436,560	17	1,096	137	55	0.6	7.5
Abr-21	1,998	479,520	16	1,208	151	50	0.8	7.6
May-21	1,917	460,080	8	520	65	52	0.4	3.4
Jun-21	1,338	333,120	19	1,120	140	72	1.4	10.1
Jul-21	2,019	484,560	21	1,336	167	50	1.0	8.3
Aug-21	2,060	515,000	23	432	54	49	1.1	2.6
Sep-21	1,760	457,600	15	1,104	138	57	0.9	7.8
Oct-21	1,602	400,500	13	952	119	63	0.8	7.4
Nov-21	1,555	388,750	19	432	54	64	1.2	3.5
Dec-21	1,345	322,800	10	272	34	74	0.7	2.5
Total 2021	20,897	5,114,650	188	10,240	1,280	585	0.90	6.13
Total	135,987	33,266,732	1,041	154,704	19,338	585	0.8	15.4

Appendix D. ZODMEs capacity – Follow up

UF	Name	PR	Volume (m3)	Disposed Volume (%)	Process
1	Pozorubio	K142+500	48,000	-	Desisted
	Miro lindo	K14+333	274,876	100%	Closing
	Coconi	K14+333	7,810	100%	Closed
	El cairo	K16+273	54,000	-	Desisted
	El bosque	K18+250	105,787	-	Desisted
	Finca la estancia	K29+100	101,896	-	Desisted
	SUBTOTAL		592,369		
2	Remolinos	K1+584	61,594	-	Not used
	Induval 1B, 2 Y 3	K2+584	770,000	36%	Closing
	Monserate	K8+500	147,500	57%	Closing
	Inés Elvira Hoyos	K8+800	20,000	80%	Closing
	Santa Ana	K16+000	550,000	55%	Closing
	San Alejo	K16+000	173,128	93%	Closing
	Hector Jaramillo	K16+300	390,000	51%	Closed
	Madrid 1	K16+300	167,471	68%	Closing
	Madrid 2	K17+500	346,172	8%	Closing
	Jim Botero	K17+350	110,000	-	Not used
	Vesubio	K19+700	1,500,000	-	Not used
	Tatiana	K21+000	565,000	41%	Closing
	Kanatos	K22+000	21,826	62%	Closing
	La Perla 1	K22+500	125,519	63%	Closed
	La Perla 2	K22+500	336,800	-	Closing
	RCD Tesalia		28,000	34%	Inactivated
	SUBTOTAL		5,455,010		
3.2	Guadalajara	K2+930	500,000	100%	Closing
	La finaria	K1+100	900,000	30%	Closing
	SUBTOTAL		1,400,000		
3.1	Calamar 1	K3+400	173,433	100%	Closing
	Calamar 2	K3+300	150,000	100%	Closing
	Calamar 3	K4+000	222,197	58%	Closing
	Finca américa	K6+500	300,000	80%	Closing
	Casa abandonada	K13+700	122,607	-	Not used
	Botija	K30+000	301,093	100%	Closing
	Leticia	K31+000	48,927	100%	Closed
	El cuervo	K34+500	90,000	100%	Closing
	Cuervo 2	K34+500	150,000	98%	Closing
	Cuervo 3	K34+500	466,790	64%	In use
	Cuervos cola	K34+500	50,000	-	Closed
	SUBTOTAL		2,075,046		
4	El Saibo	K53+000	510,442	100%	Closing
	Totumo	K53+700	10,,724	-	Registration
	El Playón	K55+300	26000	-	Inactive
5	Supia	K61+600	320,000	-	Not used
	Zd12uf5	K63+400	205,542	-	Closed
	La maria	K86+410	566,339	21%	In use
	Ivan dario	K86+463	230,000	100%	Closing
	La vitrina 3	K91+700	732,200	-	Not used
	La vitrina 2	K92+500	380,000	-	Not used
	La union RCD	Planta Condor	19,023	63%	Completed but in use
	La ley	K92+800	480,000	21%	In use
	La vitrina	K93+000	226,800	74%	Closing
	El barbudo	K101+300	137,767	-	Not used
	La vega	K69+100	5,000	100%	Completed but in use
	SUBTOTAL		3,302,671		
	TOTAL		13,335,58		

Appendix E. Social compensations – Follow up

The following tables shows the status of the relocations and paid social factors. It is important to consider that the number of social units could vary during the whole process of property acquisition, depending on the results of the social characterizations and the number of social files approved by ANI.

Table 16. Social compensations follow - up (all UFs)

	UF	Housing	Improvements	Mobilization	Economic means	Landlords / Lessors	Socia Services	Total
1	Paid compensations	37	24	79	51	7	0	
	Paid amount	\$1,146,320,422	\$93,950,325	\$58,459,364	\$452,138,486	\$13,650,000	-	\$1,764,518,597
2	Paid compensations	2	12	19	21	1	0	
	Paid amount	\$54,829,734	\$41,452,905	\$14,002,790	\$134,666,014	\$1,500,000	\$-	\$246,451,443
3.1	Paid compensations	17	24	43	30	5	0	
	Paid amount	\$631,408,859	\$98,970,622	\$36,572,595	\$202,177,314	\$5,458,362		\$974,587,752
3.2	Paid compensations	1	26	30	16	0	0	
	Paid amount	\$31,123,392	\$69,638,646	\$21,191,394	\$206,123,883	0	0	\$328,077,315
4	Paid compensations	7	16	40	39	2	1	
	Paid amount	\$166,831,319	72,314,208	30,670,212	\$153,294,522	\$1,050,000	\$2,028,908	\$426,189,169
5	Paid compensations	60	33	106	35	12	0	
	Paid amount	\$1,828,468,499	\$127,049,559	\$88,048,107	\$293,544,281	\$15,300,000		\$2,352,410,446

Table 17. Housing units to be relocated in UF5

Sector	Location		Properties (no.)	Social Units (no.)
El Palo	54+440	55+044	3	23
El Playón	55+081	63+381	5	38
La Felisa	62+635	63+650	2	46
Niño Dios	63+659	65+739	2	12
El Moná	65+754	67+986	1	43
Marmato	70+072	83+732	11	66
Chirapotó	83+729	87+293	5	52
El Boga	96+005	99+153	2	15
Herradura	99+044	101+089	2	64
La Bocana	101+089	106+820	5	182
TOTAL			38	541

Sector	Location		Housing Restitutions			Improvements		
			Total	Relocated	Pending	Total	Relocated	Pending
El Palo	54+440	55+044	16	0	100%	7	0	100%
El Playón	55+081	63+381	22	7	68%	16	4	75%
La Felisa	62+635	63+650	17	0	100%	29	0	100%
Niño Dios	63+659	65+739	5	0	100%	7	0	100%
El Moná	65+754	67+986	25	0	100%	18	0	100%
Marmato	70+072	83+732	28	6	70%	38	2	94%
Chirapotó	83+729	87+293	24	16	34%	28	24	14%
El Boga	96+005	99+153	9	9	0%	6	6	0%
Herradura	99+044	101+089	34	27	21%	30	14	53%
La Bocana	101+089	106+820	111	0	100%	71	0	100%
TOTAL			291	65	78%	250	50	80%