



Guide Due Dilligence

Activity: Conduct preliminary socio-environmental analysis

Description:

1. Analyze the information submitted by the data banker.
2. Consult the public information relating to the asset, such as generation technology, environmental certification, recognition for environmental performance, environmental pollution events, etc. (e.g. if the asset is listed on the Colombian Securities Exchange, market administration institutions in the country in question, among others).
3. Carry out internet searches for environmental information relating to the asset.
4. Identify possible natural risks (hurricanes, volcanoes, earthquakes, mass movement, among others).
5. Conduct a preliminary socio-environmental analysis based on the information obtained.
6. Record the results of the analysis in the database of opportunities identified.

Note:

- In the event that this information is not available, it must be requested from the data banker.
- When the assets offered are located in other countries, local consultants with knowledge of the regulations are to be used for the assessment.

Activity: Analyze teaser sent by the target

Description:

1. Request the following information in the event it is not contained in the report sent by the target:
 - Current or historical plans
 - Requirements or obligations associated with environmental permits or license
 - Voluntary social or environmental actions
 - Aerial photographs
2. Analyze the information submitted.
3. Identify potential social and environmental risks associated with operation of the asset or external factors, which could affect the operation or reputation of the asset or the Company.
4. Identify the regulatory entities associated with the asset.
5. Conduct initial analysis of the asset's socio-environmental analysis, which must contain the following information:
 - Possession of environmental license or permits
 - Potential social and environmental risks
 - Location of the asset with respect to communities or natural resources
 - Environmental certifications
 - Conclusions and initial recommendations

Activity: Conduct preliminary due diligence

Description:

1. Make visit to the asset and the area of influence.
2. Request information, clear up doubts or concerns not resolved by the information provided, and, where necessary, request the following information:
 - History of environmental accidents or contingencies
 - History of community incidents or complaints
 - Historical archives of administrative actions on the property and its surroundings



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- Reports of contamination at or close to the asset (soil, groundwater contamination, among others)
 - History of the property (title deeds)
 - Inventory of asset equipment
 - Voluntary accessions assumed by the asset
 - Software used in the operation of the asset/level of automation is manual, remote
 - Environmental monitoring conducted
 - Asset's environmental liabilities:
 - Presence, handling, and storage of hazardous or special wastes at the asset
 - Presence of underground tanks
3. Conduct a comparative analysis of the information submitted and the findings during the visit to the asset.
 4. Conduct a preliminary technical analysis of the asset equipment that could generate a significant environmental impact (stack emissions).
 5. Conduct an analysis of the preliminary social and environmental risks associated with the operation or external factors, which could affect the operation or reputation of the asset.
 6. Identify the regulatory entities and social and environmental legislative rigor.
 7. Analyze the socio-environmental report conducted by the consultant procured for the due diligence.
 8. Conduct preliminary socio-environmental due diligence, which must contain the following information:
 - Analysis of biotic and abiotic aspects
 - Analysis of social aspects
 - Socio-environmental asset management (obligations of socio-environmental license [EMP, SMP] or permits; possible non-compliance with legal responsibilities; Processes and certification; Voluntary socio-environmental actions)
 - Characteristics of the community and the area's socio-political situation
 - Presence of ethnic communities
 - Socio-environmental (management of hazardous and ordinary waste, raw material, advice on international standards, and so on)
 - Investment plan
 - Preliminary findings
 - Improvement opportunities and preliminary risk quantification
- Conclusions and Recommendations

Criteria established by the Company to make the decision to continue with the negotiation:

- Presents non-rectifiable problems or indeterminable costs related to the community, with very high risks to business continuity or profitability.
- Presence of ethnic and non-ethnic communities whose engagement with the asset is not regulated through binding acts that protect the interests of the asset.
- The asset has been sanctioned by or is subject to ongoing processes with the environmental authority, which could halt activities or hinder them in some way.
- The asset is located on high plains grasslands; presence of species or natural resources under any degree of threat; protected areas; Ramsar sites; parts of the National Parks System or forest reserves; restrictions due to water sources.
- If the socio-environmental findings determine the need for corrective and/or preventative investment to neutralize the impact on the socio-environmental viability of the asset, the situation and its implications of greater CAPEX and/or OPEX are reported for due valuation in the acquisition assessment.



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Note: if necessary, procure the services of an expert consultant with knowledge of the social and environmental regulations in the country in which the asset is located, in order to provide support in this activity, and, where applicable, in the confirmatory due diligence.

Activity: Conduct confirmatory due diligence

Description:

1. Make visit to the asset and the area of influence.
 2. Request information, clear up doubts or concerns not resolved by the information provided, and, where necessary, request the following information:
 - History of environmental accidents or contingencies
 - History of community incidents or complaints
 - Historical archives of administrative actions on the property and its surroundings
 - Reports of contamination at or close to the asset (soil, groundwater contamination, among others)
 - History of the property (title deeds)
 - Inventory of asset equipment
 - Voluntary accessions assumed by the asset
 - Software used in the operation of the asset/level of automation is manual, remote
 - Environmental monitoring conducted
 - Asset's environmental liabilities:
 - Presence, handling, and storage of hazardous or special wastes at the asset
 - Presence of underground tanks
 3. Conduct a comparative analysis of the information submitted and the findings during the visit to the asset.
 4. Conduct a preliminary technical analysis of the asset equipment that could generate a significant environmental impact (stack emissions).
 5. Conduct an analysis of the preliminary social and environmental risks associated with the operation or external factors, which could affect the operation or reputation of the asset.
 6. Identify the regulatory entities and social and environmental legislative rigor.
 7. Analyze the socio-environmental report conducted by the consultant procured for the due diligence.
 8. Conduct preliminary socio-environmental due diligence, which must contain the following information:
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