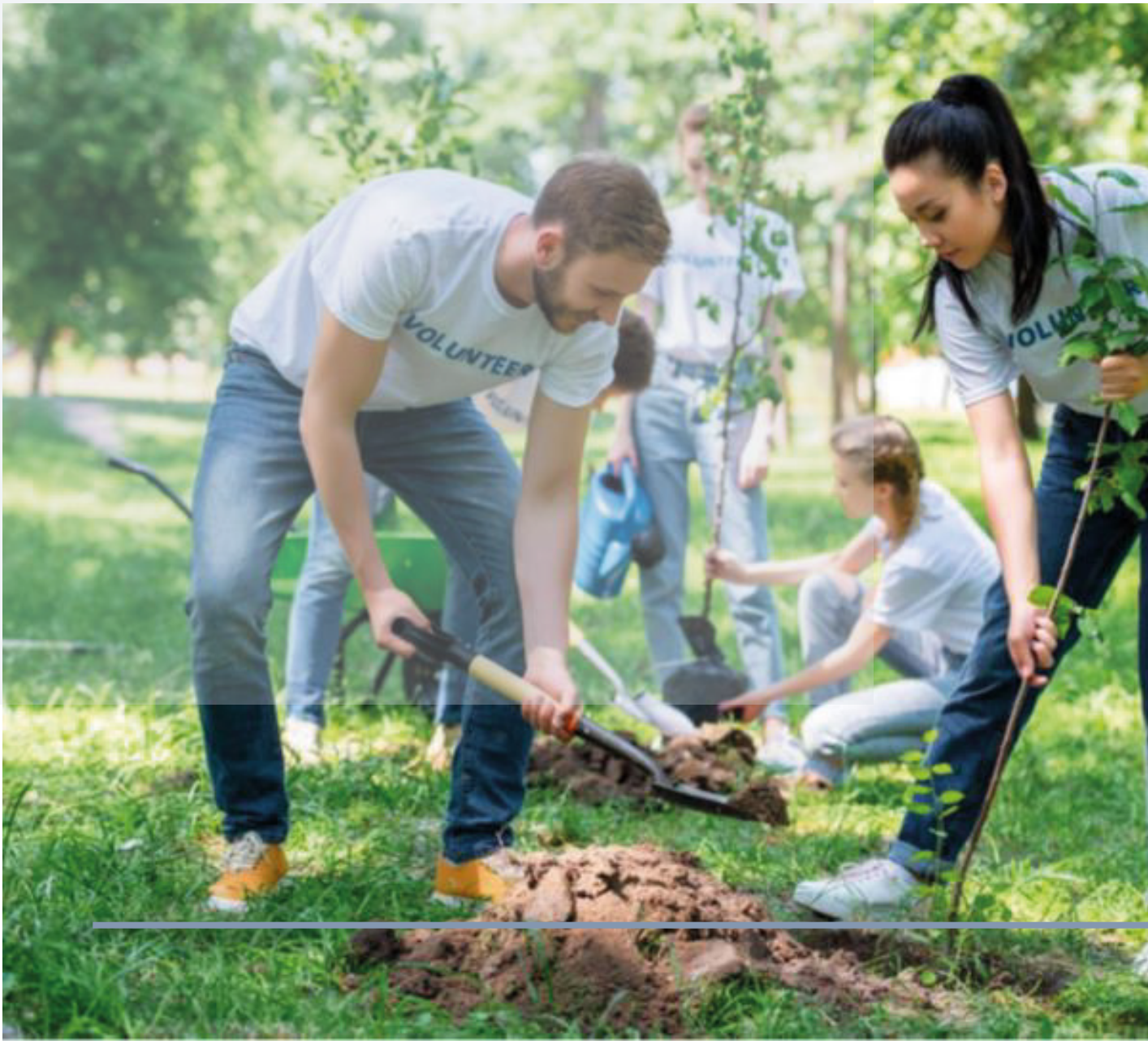
TOWARDS A HEALTHIER PLANET

ENVIRONMENTAL POLICY



1. OUR VISION TOWARDS A SUSTAINABLE PLANET

Our shared journey embodies a profound continuity, a structure of transcendence: our offspring and theirs will journey onwards to remarkable destinations. We owe it to them to bequeath a superior world. A world envisioned where sustainability becomes not a topic of discussion but a pervasive lifestyle.

Our immediate mission is to confront climate change, conserve our water sources, and protect the biodiversity of our ecosystems. This is our passport to the future; **safeguarding our planet's health isn't merely a choice—it's a moral imperative.**

We are resolutely committed to championing environmental conservation, transitioning to a system where the circular economy dominates—a system where all stakeholders, including business associations, benefit—recognizing that joint efforts with these stakeholders are crucial to achieving the company's sustainability goals.

Our platforms for championing a healthier planet

1. CLIMATE IMPACT AND AIR quality.
2. ECOSYSTEMS: WATER.
3. ECOSYSTEMS: BIODIVERSITY AND HABITAT.
4. CIRCULAR ECONOMY.

2. SCOPE

Our environmental policy seeks to lay down essential guidelines that all our enterprises, assets, concessions, and projects must adopt, aligning with our overarching ambition. Furthermore, it includes guidelines for our entire value chain.

3. ROLES & DUTIES

Role	Duty
Board of Directors	Endorse and supervise the environmental policy, ensuring its effective integration into the company's strategic trajectory.
Committee for Sustainability, Governance, and Appointments	Oversee the aims and milestones of the environmental policy. Propose to the board the ratification of the environmental policy.
Audit, Financial, and Risk Committee	Track the environmental policy's objectives and targets, especially those tied to environmental risks. Assess and gauge the efficacy of environmental risk strategies.
Executive Leadership:	Sanction the guidelines and scope of the environmental policy. Champion the integration of the environmental policy's guidelines across projects, assets, and ventures in which Odinsa is engaged.

Chief Executive Officer (CEO) and Vice Presidents	Authorize resources dedicated to the execution of environmental policy.
Director of Sustainability	Conceptualize and establish consensus on the guidelines of environmental policy. Promote and enforce the guidelines of environmental policy.
Odinsa Team Members.	Incorporate the environmental policy guidelines during their responsibilities.

4. CLIMATE IMPACT AND AIR QUALITY

Through our dedicated efforts, we aim to uphold human rights, focusing on aspects such as clean water, sanitation, nourishment, health, shelter, autonomy, cultural preservation, and sustainable development.

1.1. Greenhouse Gas (GHG) Countermeasures

- We pioneer projects that adhere to energy efficiency and process standards to curtail GHG emissions. Consequently, such projects are expected to align with at least one of the following recognized standards:
  - LEED - Leadership in Energy and Environmental Design.
  - BREEAM Building Research Establishment Environmental Assessment Methodology.
  - ISO 50.001 - Energy Management Protocols.
  - The Greenroads Rating System.
  - Airport Carbon Accreditation.

- In line with the Greenhouse Gas Protocol guidelines, we consistently monitor our GHG emissions: scopes 1 and 2 on an annual basis, and scope 3 biennially. Should any deviations exceeding 5% arise in the inventory data, recalculations are undertaken and are transparently communicated to the public.

- We entrust the verification and validation of our GHG inventory to an external, independent entity.

- Our team diligently tracks the performance of GHG emissions, ensuring a thorough and consistent comparison across time frames by designating a baseline year. For a continual and consistent tracking of emissions, if there is a surge in emissions beyond 5% owing to significant organizational shifts like acquisitions, mergers, or divestments, recalculations for the baseline year are warranted.

- Aligning our GHG reduction aims with the foundational principles of the United Nations' Paris Agreement, we present our objectives for endorsement by the Science Based Targets Initiative (SBTi).

- Our GHG emissions performance is transparently conveyed in our annual publication.

- We steadfastly commit to curbing GHG emissions across our assets and, to that end, champion the establishment of a GHG Emission Reduction Blueprint, monitoring its progress annually.

- In our value chain, we endorse the mitigation of GHG emissions. To fortify this, we have integrated specific evaluation and selection parameters for our suppliers, emphasizing their carbon footprint and entire life cycle.

1.2. Climate Change Adaptation Strategy

- Our proactive approach entails the identification, evaluation, and quantification of both the risks and opportunities emanating from climate change.
- To support territories in enhancing their adaptive capacities to climate alterations, we have set in place GHG emissions offset mechanisms.
- For our assets and enterprises, we advocate for the creation of adaptive strategies to confront climate change-induced risks.
- Our endeavors, coupled with the associated risks and opportunities in relation to climate change, are transparently conveyed, aligning with the guidelines set by the Task Force on Climate-related Financial Disclosures (TCFD).

1.3. Greenhouse Gas Compensation & Sequestration

- We aspire for our assets and ventures to achieve carbon neutrality.
- To bolster our commitment, our emission offsets are channeled into projects devoted to the preservation of pivotal ecosystems, thus augmenting the territories' resilience against climate change.
- Our ambition extends to ensuring our assets align with a Net-Zero blueprint that resonates with prevailing climate science. Consequently, we adhere to the directives of the Corporate Net-Zero Standard, an integral part of the Science Based Targets (SBTi) initiative.

OUR MILESTONES

Mitigation:

Aligning ourselves with the objectives of the Paris Agreement.

- By 2030, under a climate scenario forecasting a 1.5° elevation in global temperature, we target a 68% reduction in Scope 1 and 2 emissions. This is juxtaposed against a 15% reduction in Scope 3 emissions, with 2018 serving as the reference year and predicated on a 1.75° climate scenario.
- By 2030, our ambition is to markedly upscale our consumption of energy derived from renewable sources, using 2018 as our benchmark.
- By the year 2025, our aspiration is that all our airports will be navigating towards the ACA Certification, tailor-made for airport concessions.

Compensation:

- By 2022, we will devise a strategy for carbon neutrality, employing afforestation initiatives tailored to fortify territories against climatic shifts.

- By 2025, we commit to counterbalancing 100% of the direct emissions from our roadway and aviation concessions, eyeing certification in 2026.

Adaptation:

- BY 2022, every project, whether in its structuring phase or already under concession, will incorporate a comprehensive vulnerability analysis coupled with a climate change risk assessment.
- By 2025, dedicated adaptation blueprints will be in place for both concessions and the wider array of projects.

5. ECOSYSTEMS: WATER

Our stewardship champions the conservation of water, not just as an invaluable natural resource but also as an inalienable human right. This philosophy aids in fostering and safeguarding wholesome livelihoods across territories, preserving human dignity, and taking strides towards poverty eradication.

- Recognizing water as a pivotal natural element that sustains life's fabric in ecosystems, we are steadfast in our pledge to its judicious conservation and utilization throughout our asset construction and operational activities.

- Navigating responsibly through the myriad territories hosting our projects, we prioritize the identification of pivotal water ecosystems, simultaneously discerning community vulnerabilities concerning resource access and quality.

- We are proactive in urging our assets to pinpoint and capitalize on strategies amplifying efficient water use. Furthermore, we delineate clear performance benchmarks.

- Explorations into water footprint offset mechanisms are ongoing.

- Scrutiny into potential water-related hazards spans the gamut—from entire watersheds to individual assets. The goal? Crafting robust management strategies safeguarding both operational continuity and the encompassing ecosystems.

- Our commitment extends to territories housing our assets, manifested through afforestation drives, infrastructural advancements in water access and sanitation, and imparting environmental education. This is centered around the twin pillars of water ecosystem conservation and enhancing community health and hygiene standards.

OUR MILESTONES

- By the year 2025, the water footprint of both Odinsa and our concessions will witness a marked reduction when juxtaposed with 2018 figures.
- By 2025, our endeavors will magnify the harnessing and potential repurposing of non-potable water, again benchmarked against 2018.
- By 2025, water risk assessments followed by actionable response strategies will be the norm for 100% of our concessions. In line with our 2025 vision, five of our concessions will pioneer initiatives focusing on water accessibility and sanitation, specifically catering to communities within their operational ambit. Fast forward to 2030, and this paradigm will be ubiquitous across all our concessions.
- By the 2025 milestone, we envision galvanizing our stakeholder community, instilling in them the essence of water resource conservation across all our concessions.

6. ECOSYSTEMS: BIODIVERSITY AND HABITAT

Our pledge to biodiversity not only upholds human rights for a secure, pristine, and wholesome environment but also supports ancillary rights encompassing access to sustenance, uncontaminated air, and water; safeguarding health, cultural values, and even the sanctity of life.

- We undertake conservation and restoration endeavors that bolster resilience against climate change in various regions while fostering connectivity in biodiversity.

- We advocate for a conservation-centric ethos among our stakeholders and play an instrumental role in cultivating insights on biodiversity, viewing it as a societal inheritance.

- Our operational ethos and project initiatives are rooted deeply in the safeguarding of biodiversity, the pursuit of zero net deforestation, and adapting to climatic shifts, all with an aim to amplify the resilience and capabilities of the communities and territories we serve.

- In our approach, we emphasize the mitigation hierarchy, giving precedence to strategies that proactively avert, diminish, and redress adverse impacts. Furthermore, we champion initiatives that deliver intrinsic value, prioritizing water conservation and ensuring seamless connectivity across wildlife passages.

- Proactively, we recognize and oversee ecosystems within our project's influential zones, striving to curtail and alleviate our footprint.

- In each concession, an analysis of impacts on nature (biotic and abiotic) is carried out, which includes the main alterations that our operation may cause, both positive and negative. Depending on their assessment, measures are designed to avoid, correct, mitigate, or compensate for negative impacts as well as to enhance positive ones"

- Our foresight extends to championing upcoming reforestation efforts and offsetting the erosion of forests and biodiversity. We employ a "*No Net Loss of Biodiversity*" (NPNB) paradigm, coupled with an additionality principle, ensuring the rejuvenation of pivotal ecosystems we are entrenched in.

- Recognizing our operations in regions designated as protected by the International Union for Conservation of Nature (IUCN) within categories I-IV, we meticulously orchestrate and enact environmental governance and management blueprints across our assets, targeting the minimization of ecological disruptions.

OUR MILESTONES

- By 2025, we pledge to execute advanced ecosystem preservation plans across seven of our designated concessions. Fast forward to 2030, and this paradigm will be ubiquitous across all our concessions.
- By 2025, implement wildlife protection or conservation initiatives in 100% of our concessions.
- By 2025, we will strengthen our stakeholders' ownership of strategic ecosystems and contribution to knowledge generation in 100% of our concessions.

7. CIRCULAR ECONOMY

We incorporate circularity principles so that our processes follow the best possible route in the use of materials and energy with a focus on reduction, reuse, recycling, and use of sustainable materials. Additionally, we comprise the human rights approach such as working in fair and favorable conditions, social security, freedom of association, inclusion and promoting a clean and healthy environment.

We promote a path that favors the generation of alliances, opportunities and joint strategies with other organizations and sectors with a focus on reducing the consumption of natural resources.

- We analyze and evaluate the materials and energy we use in the structuring, construction, operation and maintenance of our assets and projects.

- We encourage our assets to increase the use of materials and energy with sustainability criteria to reduce pressure on the consumption of natural resources.

- We are committed to the recovery of materials and waste to increase their useful life. In this way, we promote efficiency, reducing the consumption of materials and generating less waste to prevent damage to the soil.

- We ensure that disposal sites for waste destined for elimination comply with all legal obligations and are suitable for each type of waste and hazardous substance.

- We are convinced that circular economy schemes are only possible if we work through alliances; therefore, we develop projects with our stakeholders that allow us to generate shared value.

OUR MILESTONES

- By 2025, enhance the incorporation of sustainable materials in the architecture, preservation, and execution of our endeavors.
- By 2025, amplify the adoption of recycled materials in our project maintenance activities.
- By 2025, markedly reduce the deployment of single-use materials in our project operations.
- By 2025, curtail the volume of waste generated, benchmarked against 2019.
- By 2025, escalate the productive use of waste in our concessions, benchmarked against 2019 figures.
- By 2025, forge at least five collaborative partnerships with our pivotal stakeholders, emphasizing synergistic circular economy pursuits.

8. GLOSSARY

Air Quality Deterioration: Pollutants in the air, comprising particulates and gases, once released into the atmosphere, can pose detrimental impacts on biotic entities. Moreover, select pollutants intensify global warming phenomena or magnify the repercussions of climate anomalies at regional scales.

Biodiversity and Habitat: Encompasses concerns linked to wildlife, species at risk of extinction, ecosystem utilities, habitat governance, and intrusive species. Biodiversity encompasses the spectrum of all plant and animal species present in our environment. Habitat denotes the intrinsic setting where these diverse plant and animal species thrive and interact.

Soil Pollution: Territories containing substances, either superficial or subsurface, that pose definitive or conceivable threats to human well-being and ecological integrity.

Energy: In this context, it denotes the consumption and creation of power sourced both from renewable and non-renewable reserves (such as electricity, thermal management, refrigeration, and vapor).

Ecological Considerations: Encompasses influences on biotic and abiotic natural systems, ranging from terrestrial, atmospheric, aquatic domains to ecosystems. Aspects covered include, but are not limited to, biodiversity repercussions, transit dynamics, products, and service impacts, supplemented by environmental conformity and fiscal implications.

Emission of Greenhouse Gases: GHG alludes to the seven pivotal gases delineated in the Kyoto Accord: carbon dioxide (CO_2); methane ($CH4_)$; nitrous oxide ($N2O_)$; hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); nitrogen trifluoride (NF_3); and sulfur hexafluoride (SF_6).

Hazardous Substances: A substance or chemical deemed as either a "health hazard" or a "physical hazard" encompasses carcinogenic chemicals; toxic, irritant, corrosive, and sensitizing agents; substances affecting the hematopoietic system; agents causing harm to the lungs, skin, eyes, or mucous membranes; chemicals classified as combustible, explosive, flammable, oxidizing, pyrophoric, or having unstable or water-reactive properties. Furthermore, chemicals that might release dusts, gases, fumes, vapors, or mists during their regular handling, use, or storage, possessing any aforementioned traits, fall under this category. (Full definitions are provided in the 29 Code of Federal Regulations (CFR) 1910.1200). Reference: U.S. OSHA Definition: The U.S. Occupational Safety and Health Administration (OSHA) characterizes any substance or chemical with a "health hazard" or "physical hazard" label to include: carcinogens, toxic entities, irritants, corrosives, sensitizers; substances influencing the hematopoietic system; agents detrimental to the lungs, skin, eyes, or mucous membranes; chemicals that are combustible, explosive, flammable, oxidizing, pyrophoric, or recognized as unstable or water-reactive. Moreover, in the span of regular handling, use, or storage, chemicals capable of producing or releasing dusts, gases, fumes, vapors, or mists exhibiting any of the above-mentioned properties are included in this definition. (Full definitions are provided in the 29 Code of Federal Regulations (CFR) 1910.1200). Chemicals classified as unstable or water-reactive, and those that during regular handling, utilization, or storage, might produce or discharge particulates, gases, fumes, vapors, or aerosols possessing any of the aforementioned attributes. (Full definitions are provided in the 29 Code of Federal Regulations (CFR) 1910.1200). Chemicals classified as unstable or water-reactive, and those that during regular handling, utilization, or storage, might produce or discharge particulates, gases, fumes, vapors, or aerosols possessing any of the aforementioned attributes. (Full definitions are provided in the 29 Code of Federal Regulations (CFR) 1910.1200).

Light Pollution: The proliferation of excessive or intrusive artificial illumination, commonly termed as photopollution or light pollution. Illustrative instances of light pollution and reflections encompass unwanted light overflow from construction zones and parking facilities potentially impacting hatcheries or resting spaces; reflective structures that could interfere with avian navigation.

Materials Procurement and Resource Efficacy: Conscientious sourcing of materials evaluates the environmental, societal, and economic repercussions of acquiring and fabricating products and substances. Resource prudence denotes the strategic and sustainable employment of these products and substances, aiming to curtail their adverse effects on both the environment and society.

Acoustic Pollution: Pertains to noise contamination, often referred to as ambient noise, signifying the dissemination of sound with detrimental consequences on human or wildlife activities.

Net Carbon Neutrality: Achieving net zero revolves around curbing greenhouse gas emissions as close to nullity as feasible, with any residual emissions being retracted from the atmosphere.

Physical Risk: Potential risks tied to the direct or indirect adverse outcomes arising from tangible hazards, calamities of nature, catastrophic events, as well as meteorological threats influenced by acute incidents or sustained alterations in climatic tendencies. The inherent physical risk linked to a specific tangible asset might be elucidated through factors like exposure to hazards, susceptibility, fragility, and the ability to adjust.

Enhancing the resilience of the built environment to physical risks—whether climatic or otherwise—can be achieved by reducing an asset's vulnerability to specific hazards, augmenting its adaptability, and robust planning. To materialize these objectives, a multifaceted approach is indispensable. This encompasses instituting sound management policies; leveraging advanced information technologies for disaster mitigation; fostering a culture of awareness among employees, the local community, and vendors; and deploying tangible safeguards at the asset tier.

Policy: Embodies the organization's formally ratified commitment, strategic vision, or objective.

Waste Management: The organization's deliberation on methods of waste disposal, emphasizing a tiered approach: prioritize reuse, followed by recycling, and then recovery, thereby mitigating environmental repercussions.

Water Stewardship: Encompasses the extraction of water from diverse sources within the organization's domain—including surface water, subterranean reservoirs, rainwater, and civic water supply. Integral to this is the emphasis on water reutilization, maximization of efficiency, and recycling efforts. Additionally, it underscores an evaluation of the potential adverse effects on water sources due to such extractions.

Water Effluents & Disposition: This pertains to the channeling of water to aquatic reservoirs such as lakes, rivers, seas, aquifers, and underground sources, or alternatively, to external entities for processing or consumption.