Environmental and Social Review Summary (ESRS)
V.tal Neutral Network Infrastructure Operator Project – BRAZIL

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1. General Information of the Project and Overview of Scope of IDB Invest's Review

V.tal ("Client" or "Company") operates a neutral ground fiber optic cable network in Brazil and an underwater cable network that connects the country to Argentina, Venezuela, Colombia, Chile, Bermuda, and the United States. In addition to the networks, the Client has data centers in Brazil and Colombia, ducts, and points of presence ("POP"). The planned financing transaction includes investments in telecommunications equipment, materials, and facilities ("Project").

With a network with national coverage and positioned in Latin America's largest broadband market, the Company is the largest wholesaler of digital infrastructure and is focused on implementing of a network of FTTx ("Fiber to the x"), with an emphasis on FTTH ("Fiber to the Home"), data centers, and other wholesale services.

The Company uses its wide and robust fiber infrastructure extending over more than 456,000km to enable and support high-speed Internet connections and services through a neutral solution (white-label) that is unique in the Brazilian market, with approximately 21 million HPs ("Homes Passed"), covering certain cities in Brazil and of a multitenant nature, provided under a wholesale regime to any operators and Internet providers of different sizes and in different regions. On December 31, 2022, the Company had already signed more than 70 agreements with national or regional broadband service operators.

The Project's Environmental and Social Due Diligence ("ESDD") included visits to the Company's facilities, sector-themed meetings with the Client's technical team, and a review of documents regarding: i) health, safety, and security; ii) employee relations and policies; iii) solid waste management plans; iv) supplier management documentation; v) environmental licenses; vi) environmental studies; vii) census of the Company's diversity; viii) risk management procedures; ix) health, safety, and security data analyses; and x) ethics code, among others.

2. Environmental and Social Categorization and Rationale

In accordance with IDB Invest's Environmental and Social Sustainability Policy, the Project was classified under Category B as it may generate the following impacts and risks: i) health, safety, and security risks; ii) solid waste generation, including hazardous materials; iii) interferences in traffic; iv) labor risks, particularly with outsourced workers; and v) interferences in community activities, among others. These impacts and risks are estimated to be of medium and medium-high intensity and are considered limited to the Project's location, and may be mitigated by readily available management measures that can feasibly be implemented in the context of the proposed transaction.

The Performance Standards ("PS") triggered by the Project are: i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; ii) PS2: Labor and Working Conditions; iii) PS3: Resource Efficiency and Pollution Prevention; and iv) PS4: Community Health, Safety, and Security.

3. Environmental and Social Context

3.1 General Characteristics of the Project Site

The Company's main offices are located in São Paulo and Rio de Janeiro, Brazil. The Client has a fiber optic ground network extending over more than 456,000km connecting approximately 2, 300 cities in Northern, Northeastern, Midwestern, Southeastern, and Southern Brazil. It is a neutral network, which may be used by any telecommunications operator or any other players that may be interested in operating in the telecommunications sector in the following segments: i) infrastructure for retail (particularly fiber-to-the-home); ii) wholesale (point-to-point connections in different initiatives, such as fiber-to-the-tower); and iii) data center. As a complement to the ground network, the Company has a network of underwater cables, extending over 26,000km, which connects Brazil to Argentina, Venezuela, Colombia, Chile, Bermuda, and the United States.

The ground network has more than 3,700 POPs consisting of access points at which various networks or communication devices share a connection. In addition, the Client has data centers and colocation operations in Barranquilla (Colombia), and in Fortaleza and Rio de Janeiro (Brazil), with facilities that store computer equipment, such as servers, data storage units, and network equipment used to manage data traffic in the networks.

The Client provides services focused on individual homes ("retail") and corporate clients. In the infrastructure sector for retail, services offered to industry players include providing connections to homes and connections to street posts. Home connections are called Fiber to the Home ("FTTH")[1] and Fiber to the Post ("FTTP")[2]. In any case, the Client does not serve the end user (i.e., the retail client). In the wholesale sector, the Company offers its network and data centers to be used by companies in telecommunications and other economic activity sectors.

The ground network is located mainly in densely populated areas, which include the city proper and its surrounding areas. Therefore, most of the Client's physical facilities are implemented in urban areas. Almost the entire network is overhead, connected to street posts that support electrical and telecommunications facilities, and there are underground networks.[3] Any expansion services will occur mostly in urban areas. The underwater cables are already implemented and operating, and there are no plans to expand this infrastructure.

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[1] The Company uses the term in English for the service: "Fiber to the Home (FTTH)". When providing FTTH services, the Company provides the connection between the street post and the home (drop) and the network access equipment (ONT), including network and equipment maintenance services.

[2] The Company uses the term in English for the service: "Fiber to the Post (FTTP)". When providing FTTP services, the Company provides the network connection to the post and network maintenance, and the telecommunications companies are responsible to the drop and ONT for the connections to the homes.

[3] Of the 460,000km of network length, 62%, or approximately 285,200km, correspond to overhead networks, and 38%, or approximately 174,800km, are underground networks.

3.2 Contextual Risks

Given the Project's infrastructure characteristics, two relevant contextual risks were identified in this transaction, namely: i) conflicts involving the Client's teams and groups connected to organized crime during the implementation and maintenance of fiber optic networks in informal urban communities, usually in the periphery of cities; and ii) impacts on the Client's infrastructure from natural disasters such as floods, landslides, and storms.

The identified contextual risks will be controlled through: i) a stakeholder engagement program designed specifically for Company activities in urban areas that present risks related to organized crime; and ii) an assessment of infrastructure subject to risks associated with natural disasters and action plans designed to monitor and prevent these risks.

4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1 Assessment and Management of Environmental Risks and Impacts

In general, the activities undertaken by the Company do not require Environmental and Social Impact Assessments ("ESIA") or environmental licenses, except for some facilities and the network of underwater cables, for which the Client has the corresponding Operating Licenses ("LO", acronym in Portuguese). These licenses establish specific service conditions that are complied with through technical studies conducted by hired consultants.

4.1.a Environmental and Social Assessment and Management System

The Client is beginning to develop an Environmental and Social Management System (ESMS).

4.1.b Policy

The Client has an Occupational Health, Safety, and Security and Environmental Policy that includes: i) goal; ii) identification of target audience; iii) guidelines; iv) roles and responsibilities; v) references; vi) glossary; and vii) addenda. This Policy, which is focused mainly on health, safety, and security aspects, will be revised during the development of the ESMS.

4.1.c Identification of Risks and Impacts

In compliance with the Corporate Occupational Health, Safety, and Security and Environmental Policy and specific industry regulations (Regulatory Standards from the Ministry of Labor in Brazil), the Client has occupational health identification and management procedures. In the development of the ESMS, the identification of risks and impacts will be expanded to consider environmental and social risks and impacts.

4.1.c.i Direct and Indirect Impacts and Risks

The Project's main negative direct risks and impacts include: i) health, safety, and security risks for employees and outsourced workers, including work accidents (falls, electric shocks, risks of injuries caused by falling materials, etc.); ii) solid waste generation in network installation and maintenance activities; iii) any interferences in traffic related to asset implementation construction; and iv) handling and storage of hazardous materials, among others. There are also positive impacts, such as: i) increased connectivity and digital integration for Brazilians from different social classes; ii) creation of direct jobs; and iii) improved Internet connection quality associated with the use of fiber optic networks, iv) reduced environmental impact resulting from sharing of infrastructure, with lesser use of materials and less GHG emissions from construction to network maintenance; and (v) increased telecommunications sector competitiveness, creating more value for stakeholders and benefiting end users, particularly retail users.

Indirect impacts include: i) creation of indirect jobs through outsourced providers of implementation and network maintenance; and ii) promotion of digital entrepreneurship, as the neutral infrastructure shared by the Client facilitates other digital businesses' operations, which do not need to incur the significant costs associated with implementing physical telecommunications networks.

4.1.c.ii Alternative Location Analysis

Most infrastructure operated by the Client (fiber optic cables, POPs, and administrative facilities, storage areas, and data centers) is located in densely populated urban areas. In this context, there are no requirements for alternative location studies that include comparative risk e impact analyses of network paths.

Along network paths that cross rural areas, there are portions that may cross conservation units, indigenous reservations, quilombola communities, and other sensitive areas. For these situations, the Client will perform alternative path analyses to minimize any interferences in these areas.

4.1.c.iii Cumulative Impact Analysis

Even though the environmental legislation in effect in Brazil does not require cumulative impact assessments to be conducted for this type of Project, a quick analysis showed that the incremental impacts generated by other projects on the Project will be minimal.

4.1.c.iv Gender Risks

In Brazil, gender equality was consolidated under the 1988 Constitution,[4] which established that men and women are equal in their rights and obligations and prohibited differences in salary, role, and hiring based on sex, marital status, age, and color. However, there still remain challenges to reach equity. In 2022 Brazil was placed in the 78th position in a study[5] that measured gender equality

[4] 1988 Constitution of the Federative Republic of Brazil.

[5] 2022 SDG Gender Index.

in 144 countries, which showed that there is still a lot to do to achieve gender equality in the country. One of the main challenges is combating violence against women, which continues to be a problem in the country: in Brazil, there 3,999 cases of women killed in 2020 and 3,878 cases in 2021[6]. Of these, femicide[7] was confirmed in 1,354 cases in 2020 and 1,341 cases in 2021.

In order to address gender risks, the Company has a Code of Ethics and Conduct that establishes a zero-tolerance commitment with respect to discrimination based on race, origin, gender identity or expression, sexual orientation, age, religion, physical and mental disability, social class, family, marital status, medical leave (including pregnancy), political affiliation, physical appearance, lifestyle, among others.

In order to investigate violations and complaints, the Company has a confidential channel that may be accessed on the Internet and a toll-free telephone line. An Integrity Committee, established to evaluate Code of Ethics and Conduct violations, consists of three Company vice-presidents and other employees. The committee makes decisions on disciplinary measures in case of violation, which may include verbal or written warning, suspension or termination, whether or not any legal action is initiated.

Another relevant initiative that the Client is undertaking is the development of a Corporate Diversity and Inclusion Strategy.

4.1.c.v Climate Change Exposure

Brazil is exposed in various ways to the physical risks of climate change. The Client's infrastructure is located throughout the country and may be subject to the impacts of climate change, such as floods, storms, droughts, landslides, etc. The Company currently takes these risks into consideration when designing new assets, by implementing: i) grounding systems; ii) protection systems against atmospheric discharges; iii) use of water- and heat-proof cables; and iv) use pumps to remove water from facilities in case of floods.

In order to enhance management capacity in preparation for and response to the challenges of climate change, the Client will conduct an assessment of its assets' risks of exposure to climate change and will develop a management plan to control these risks.

Based on an analysis conducted in accordance with the IDB Group's Paris Alignment Implementation Approach (Document GN-3142-1), the proposed transaction is considered to be aligned with the Paris Agreement.

4.1.d Management Programs

The Client has internal procedures focused on managing risks and impacts on health, safety, and security, and, to a lesser degree, on the environment. The main procedures include: i) managing

[6] Brazilian Public Safety Yearbook 2022. Year 16. 2022. Brazilian Public Safety Forum.

[7] Femicide is defined as "the killing of a woman based on gender," i.e., when the crime involves: "domestic and family violence and/or contempt for or discrimination against womanhood"

risks related to health, safety, and security, and the environment ("HSSE"); ii) sustainability requirements for external providers, iii) incident management; iv) personal protection equipment ("PPE") and tool safety catalog; v) outsourcing services; and vi) assessment of suppliers' compliance index, among others. In addition to these procedures, the Client is developing an ESMS to include programs to manage environmental and social, as well as health, safety, and security risks and impacts from the Company's operations.

4.1.e Organizational Capacity and Competency

The Client has a Vice-President ("VP") for People and Culture and a VP for Sustainability, Governance, and Internal Auditing. The VP of People and Culture has a management team responsible for occupational health, safety, and security, and relations with employees, unions, and outsourced workers. The VP of Governance, Sustainability, and Internal Auditing has an Environmental, Social, and Governance ("ESG") department. This section currently has a Head of ESG, a Governance and Strategy consultant, and a Consultant responsible for the ESMS.

4.1.f Emergency Preparedness and Response

The Client is developing a Corporate Emergency Preparedness and Response Plan to detect and respond to various types of likely emergency scenarios that may impact operations.

4.1.g Monitoring and Review

The Client conducts some types of monitoring related mainly to some assets' environmental license requirements, such as those of underwater cables and some facilities. As part of the development of the ESMS, the Client will develop specific procedures to audit the system's performance.

4.1.h Stakeholder Engagement

In the context of the ESMS, the Client will develop a Stakeholder Engagement Framework.

4.1.i External Communication and Grievance Mechanisms

The Client has a confidential channel to receive inquiries, complaints, and requests from employees and third parties. As part of the ESMS, an ombudsman channel will be developed to receive, handle, and respond to complaints from external parties.

4.2 Labor and Working Conditions

4.2.a Working Conditions and Managing the Relationship with Workers

The Client currently has 2,682 employees, of which 2,149 (80.1%) are men and 533 (19.9%) are women.

4.2.a.i Human Resource Policies and Procedures

The Client has a Code of Ethics and Conduct and an Occupational Health, Safety, and Security and Environmental Policy, establishing: i) goal; ii) target audience; iii) guidelines; iv) roles and responsibilities; v) references; vi) glossary; and vii) addenda. The Client will develop a Corporate Human Resources Policy establishing guidelines and basic conditions for the appropriate management of the Company's human resources.

4.2.a.ii Work and Employment Conditions

The Company complies with Brazilian labor legislation[8] and offers: compensation compatible with positions, vacation, bonus salary, and benefit package (meal and transportation vouchers, and health insurance). For most employees, working hours are 8:00 a.m. to 5:00 p.m., with one hour for lunch. Overtime hours are compensated or accumulated in hour banks,[9] in accordance with Brazilian legislation.

4.2.a.iii Worker Unions

In accordance with Brazilian legislation, joining a union is at employees' discretion. The Company respects the freedom of association and collective bargaining, in accordance with the legislation. Approximately 14% of workers have joined a union and Collective Agreements, and 28 unions are respected.

4.2.a.iv Nondiscrimination and Equal Opportunities

The Company has a Code of Ethics and Conduct based on which it does not accept nor tolerate discrimination based on race, origin, gender identity or expression, sexual orientation, age, religion, physical and mental disability, social class, family, marital status, medical leave (including pregnancy), political affiliation, physical appearance, lifestyle, among others.

The Client is working with a third party to enhance the inclusion of persons with disabilities ("PWD") in its staff and is developing a Corporate Diversity and Inclusion Strategy.

4.2.a.v Staff Reduction

The Project has no plans for mass layoffs. In terminating employees, the Client follows Brazilian legislation guidelines, which include, among other measures:[10] i) 30-day notice prior to termination, during which the employee has time allocated to seek a new job opportunity; ii) payment of a 40% penalty on the balance of the Unemployment Fund ("FGTS"); iii) employee's right to withdraw the balance of the FGTS; iv) pro-rata payment of vacation time; v) pro-rata payment of bonus salary; vi) right to unemployment insurance payments for a specific period of time; vii) letter of recommendation; and viii) reemployment guidance, among others benefits.

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8 Consolidated Labor Laws (CLT). Decree-Law No. 5,452 of May 1, 1943.

9 Hours accumulated in hour banks may be used by employees for rest and leisure.

10 In case of termination without cause.

4.2.a.vi Grievance Mechanism

Pursuant to the Code of Ethics and Conduct, the Client operates a confidential open channel to receive complaints from employees and third parties. The channel may be accessed through the Internet and a toll-free telephone line. The Integrity Committee reviews the channel's content, handles the data, and responds to complaints received, and may or may not adopt disciplinary measures.

4.2.b Protecting the Workforce

In Brazil, subjecting persons to work conditions analogous to slavery is considered a crime.[11] In compliance with the country's laws, the Company does not tolerate the hiring of workers under conditions analogous to slavery or of persons under the age of 16, except as apprentices, as defined under specific legislation.[12] In addition, the Company's Code of Ethics and Conduct and standard agreements for suppliers do not allow the hiring of suppliers that use slave or child labor.

4.2.c Occupational Health, Safety, and Security

Responsibility for managing health, safety, and security falls on the health, safety, and security manager, who reports to the Vice-President for People and Culture. Health, safety, and security management is based on the Prevention and Occupational Risk Assessment Programs and the Medical Control Program for Occupational Health. These programs identify occupational risks to which the company's various roles and positions are exposed, occupational health indicators, and preventive measures.

The Client has several policies, plans, and procedures focused on ensuring good health, safety, and security conditions and compliance with the relevant legal provisions, including: i) a Corporate Occupational Health, Safety, and Security and Environmental Policy; ii) an Occupational Risk Prevention Program; iii) a Medical Control Program for Occupational Health; iii) a PPE and Tool Safety Catalog; v) an incident management Procedure; and vi) an Occupational Health Risk Management Procedure, among others.

In 2022, the Company and outsourced third parties had 28 lost time accidents, which resulted in 383 days of lost time. The Lost Time Incident Frequency Rate per million hours worked was 3.03, which is lower than the standard for the telecommunications sector (5.5).

The Company has an application that allows employees and outsourced workers to conduct and record a task risk analysis, obtain supervisor approval, and check for safe work conditions.

4.2.d Provisions for persons with disabilities

[11] Brazilian Penal Code. Decree-Law No. 2,848 of December 7, 1940. Art. 149.

[12] Law No. 10,097 of December 19, 2000.

Brazil has specific legislation[13] for the inclusion of persons with disabilities ("PWDs") in the workforce. A recent anonymous and voluntary Diversity Census conducted by the Company identified 91 employees (3.4% of the total) with some type of disability. The Client is currently working with a consultant hired to expand opportunities for PWDs.

4.2.e Workers Engaged by Third Parties

The Company has agreements with service providers involved in installation and maintenance operations for the fiber optic networks. These companies involve a contingent of 17,200 professionals in the activity. The Client has procedures that define contractual environmental, health, safety, and security requirements for outsourced companies, such as: i) procedure for sustainability requirements for outsourced providers; ii) procedure to define provider compliance index ("PCI"); iii) personnel requirements for outside providers; iv) periodic audit program for outside suppliers; and v) procedure for contracting outsourced services, among others.

The PCI assesses compliance with Ministry of Labor Regulatory Standards, focusing on occupational risk prevention, use of personal protection equipment ("PPE"), traffic safety, work at height and confined spaces, and fire prevention. The assessment also considers work conditions and waste management, including hazardous materials.

During the hiring phase, the Client conducts a review of documents and inspections of suppliers. Only qualified suppliers are approved.

4.2.f Supply Chain

The Client's service agreements contain clauses that bind providers to compliance with the Code of Ethics and Conduct, the Guide of Conduct for Third Parties, and the sustainability requirements for the Company's outside providers.

After being hired, network service providers are audited and the audit results may trigger corrective action plans and financial penalties in case of noncompliance with legal obligations or serious accidents.

4.3 Resource Efficiency and Pollution Prevention

4.3.a Resource Efficiency

The Client is not a major consumer of water. Water is used for human consumption and in network expansion construction. Water is supplied by State government sanitation concessionaires or tanker trucks, in the case of construction.

As to energy use, the Company consumes approximately 409,000 MWh (47 MWm) in its operations in a year. Of this energy, 78% come from incentivized sources, of which 75% is purchased in the

[13] Law No. 13,146 of July 16, 2015.

open Brazilian energy market[14] and the remaining (3%) is being contracted from distributed generation. The remaining consumption (25%) is contracted from energy concessionaires in the ACR (Regulated Contracting Environment).

The Energy area is developing a number of studies and publications. The most relevant initiatives are the publication of the Energy Efficiency Policy, which supports the sustainability strategy and allows for the efficient use of energy in all areas of the business. In addition, it is studying the feasibility of a SPE (Self-Produced Energy) project, whose goal is to produce energy for the Data Centers.

4.3.a.i Greenhouse Gases

The Company does not have historic data on Greenhouse Gas ("GHG") emissions, which are associated mainly with the use of vehicles, emergency power generators, and electric power consumption. Therefore, the Client is beginning to monitor GHG following an international methodology[15] and will report the results as of 2024.

4.3.a.ii Water Consumption

The Company's water use is linked mainly to consumption by employees and outsourced workers throughout the Company's various offices and warehouses and in network expansion construction. The Client will monitor water consumption in its operations in order to generate information to enhance efficiency in the use of natural resources.

4.3.b Pollution Prevention

4.3.b.i Waste

Solid waste generated in the operations, in terms of volume, consists mostly of fiber optic cables[16], batteries, and electronic devices. The Company implements actions toward recycling batteries and selling scrap metal and copper cables.[17] It also seeks to develop partnerships with research institutions and manufacturers to recycle or reuse fiber optic cables.

Companies hired for network maintenance and expansion, and to implement construction, have solid waste management procedures in compliance with the Company's requirements for outside providers. Construction waste is segregated, stored, transported, and routed in an environmentally appropriate manner, usually through specialized companies.

Generation of liquid waste is limited to toilet effluents from the Company's administrative and operating facilities and, in the case of network expansion construction, from the use of portable

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[14] The Open Energy Market is a competitive electric power trading environment in which participants may openly negotiate all commercial terms, such as supplier, price, amount of contracted energy, period of supply, payment, among others.

[15] GHG Protocol.

[16] In 2022, the Client generated approximately 205 tons of fiber optic cable waste.

[17] This operation includes removal, transportation, temporary storage in sheds, reprocessing, and sale of copper. Copper networks were the property of Oi (Company shareholder) and are obsolete.

toilets. Facilities are connected to public basic sanitation systems existing in the various cities in which the Client has operations, and effluent from portable toilets are managed by the companies that provide this service, in accordance with specific environmental licenses.

The Client is developing a corporate procedure for the integrated management of solid waste generated by the Company's activities.

4.3.b.ii Hazardous Material Management

The main types of hazardous materials generated in the Company's operations consist of batteries and diesel to power generators. The Client has a procedure to acquire, receive, transport, handle, store, and use hazardous materials, which also covers PPE needs, training, and use of containers, as well as emergency procedures.

Hazardous waste generated in construction are managed according to providers' solid waste management plans.

4.3.b.iii Use and Management of Pesticides

The Project does not use pesticides.

4.4 Community Health, Safety, and Security

4.4.a Community Health, Safety, and Security

Any risks and impacts on community health, safety, and security are associated with the operations of a fleet of 900 vehicles, construction work, and teams that handle security at facilities. These include: i) traffic accident risks; ii) temporary interruptions of access to properties in the case of construction along roads; iii) noise nuisance from tools and equipment; iv) dust nuisance; v) accumulation of waste around construction areas; and vi) any friction between the security team and community members.

4.4.a.i Infrastructure and Equipment Preparation and Safety

The Client's networks use materials that do not generate electromagnetic radiation and use existing power grids, which are considered very safe.

The Client is developing a Traffic Safety Management Plan to control any potential impacts related to the operation of its fleet. It will also develop a Corporate Construction Management Plan to minimize nuisance to neighbors, which will include early stakeholder engagement activities, in order to minimize nuisance to neighboring communities.

4.4.a.ii Management and safety of Hazardous Materials

As part of the Corporate Construction Management Plan, the Client will include appropriate measures to store and dispose of hazardous materials, thus preventing communities' exposure to these types of materials.

4.4.a.iii Ecosystem Services

In some cases, fiber optic networks may cross portions of indigenous, quilombola or vulnerable community territories. In these cases, alternative location studies will precede the launch of the networks in order to avoid these areas or to select the path of least impact. This procedure will be supported by a free, prior, and informed consultation with the affected communities, when necessary. If the alternative location studies are unable to avoid impacts on natural resources used by the communities, the Client will develop specific impact studies and compensation plans for the affected communities.

4.4.a.iv Community Exposure to Diseases

The Client's activities do not present major risks of introducing illnesses into neighboring communities.

4.4.a.v Emergency Preparedness and Response

The Client is developing a Corporate Emergency Preparedness and Response Plan. In the context of this plan, the Company will include provisions for communication with stakeholders under emergency scenarios that may extend outside the Client's facilities, which should include communication with communities around the facilities affected by the emergencies.

4.4.b Security Personnel

Company property security activities include electronic surveillance and unarmed protection services. To this end, the Company will develop security personnel training protocols on human rights and nonviolent communication techniques to minimize the risks of conflict with communities residing around company assets.

4.5 Acquisition of Land and Involuntary Resettlement

The Project does not involve activities that may cause the involuntary physical or economic displacement of the population.

4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The Project has a low potential of affecting biodiversity. When there is a need to cross conservation units or environmentally sensitive areas, alternative location studies will precede the launch of the

networks in order to avoid these areas or to select the path of least impact. If the alternative location studies are unable to avoid impacts on environmentally sensitive areas, the Client will consult the appropriate government entities and will develop specific impact studies and compensation plans to manage any impacts on biodiversity in accordance with applicable legislation and international standards.[18]

4.7 Indigenous Peoples

The Project has low potential of affecting indigenous communities. When network paths enter these communities, alternative location studies will precede the launch of the networks in order to avoid these areas or to select the path of least impact. When necessary, this procedure will be supported by a free, prior, and informed consultation with the affected communities. If the alternative location studies are unable to avoid impacts on these communities, the Client will consult the appropriate government entities and will develop specific impact studies and compensation plans for the affected communities.

4.8 Cultural Heritage

The Project has low potential of affecting tangible and intangible cultural heritage. However, the Client will develop a procedure to handle any unexpected finds during construction.

5. Local Access to Project Documentation

Documentation related to the project may be found at the following link: https://vtal.com

[18] Applicable international standards in the context of the transaction include: i) IDB Invest's Environmental and Social Sustainability Policy (2020); ii) the 8 IFC Performance Standards (2012); and iii) IFC's Environmental, Health, and Safety Guidelines (2007).