Corporate Guideline 57

Policy on Community Engagement, Participation, and Social Investment for ISA and its subsidiaries

CONEXION DESARROLLO

1. Objective

This Policy establishes and defines mandatory guidelines for ISA and its Companies to ensure proper identification, participation, and engagement with communities in all territories where ISA operates, ensuring:

- Respect for human rights and cultural diversity
- Feasibility and continuity of projects and operations
- Compliance with international standards and local regulations
- Contribution to sustainable development and the corporate strategy
- Availability of information for decision-making and anticipation of risks and opportunities
- Integration with: the environmental, social, and land macro-process; ISA's sustainability model; the Long-Term Social Indicator (ILP); the Human Rights Guide; the Donations Guide; and the Stakeholder Engagement Policy

2. Scope

Applies to **all ISA companies** and **all asset life cycle stages** (planning/bidding, construction, operation, maintenance, and closure) in all countries where ISA operates.

This policy covers ISA's own operations and the interactions with communities carried out by suppliers, contractors, subcontractors and partners acting on behalf of ISA or in connection with ISA's projects and operations.

3. Purpose

To ensure **comprehensive social management** in terms of timeliness, relevance, and effectiveness by building trust-based relationships with communities in the areas of influence, promoting a positive contribution and the **feasibility of the business** throughout the asset life cycle, in compliance with international standards and local regulations.

4. Guiding Principles

- ISA and its Companies do not delegate engagement
- Clear communication and continuous listening
- Anticipation and continuity
- Inclusion and non-discrimination (See Anex A)
- Ethics and transparency
- Do no harm
- Shared responsibility
- Systemic approach

5. Engagement Cycle (4 operational steps)

I. Territory Assessment

Implementation of participatory diagnostics and field visits to properly identify stakeholders present in the area, ensuring a differentiated approach in contexts with ethnic communities (see Annex A).

After diagnosis, a **risk matrix** and an **impact map** must be developed to design tailored initiatives, mechanisms, programs, and social projects.

Local stakeholders include affected communities, local authorities, media outlets, community leaders, associations, NGOs, educational institutions and other relevant actors present in the territory.

II. Program Design and Execution

- Implementation of all mandatory programs in compliance with national standards and regulations
- Implementation of **strategic initiatives** to build legitimacy and social license to operate, co-created with communities in three areas:
  - Education and training
  - Entrepreneurship and productivity
  - Community infrastructure and access to clean energy

III. Internal and Value Chain Coordination

Social management must ensure coordination with internal areas:

- **Institutional Relations**: align mandatory and strategic social management; coordinate with public affairs and communications
- **Procurement**: Ensure the inclusion and verification of social criteria in suppliers, contractors, and partners where applicable.
  Ensure that field contractors and suppliers are familiar with the social management model and represent the organization's interests in their interactions with communities.
  Ensure that partners, contractors, and subcontractors who interact with communities comply with, understand, and act in accordance with the principles established in this policy and its annexes.
- **Legal and Compliance**: ensure contractual processes meet requirements and due diligence is completed
- **Sociopolitical Risk**: ensure personnel safety
- **Occupational Health and Safety (OHS)**: ensure worker health
- **Human Talent**: ensure personnel have the necessary skills

IV. Monitoring and Reporting

Measure and report all indicators and targets established in Section 6 according to defined periodicity.

6. Targets and Metrics

- By 2040: double Social Return on Investment (SROI)
- Ensure business feasibility and value generation
- 90% of social investment classified as "high impact"
- 5% annual reduction in community complaints (PQRS)
- IRR of impact investment > WACC
- Reduce invaded easements by 50% by 2040
- 100% coverage of critical territorial units with social management

- Zero human rights violations
- 100% of subsidiaries reporting indicators
- Full compliance with IFC Performance Standards (PS1, PS4, PS5, PS7, PS8)
- Ensure community participation (percentage to be defined)
- 100% training coverage in human rights and community engagement
- 100% projects with accessible socio-environmental information

7. **Governance of Social Management**

- **Board of Directors Committee**: annual review and approval. Definition of guidelines and monitoring of management results.
- **Institutional Relations VP and Corporate Sustainability**: design and continuous improvement
- **Sustainability COE**: Project investment analysis
- **Subsidiary Sustainability Teams**: implementation and reporting
- **Field Social Teams**: execution
- **Technical Committees with contractors**: monitoring

Annex A

Procedure for Identification, Inclusion, and Non-Discrimination of Communities

Objective

Ensure ISA companies identify, consult, and manage communities inclusively, respecting cultural diversity and human rights under principles of **transparent communication, inclusion, ethics, do no harm, and shared responsibility.**

Key Considerations

- Ensure participation of vulnerable groups:
    - Women
    - Children and adolescents

- Ethnic communities (Indigenous, Afro-descendant, Rom, Raizal, Palenquero)
  - People with disabilities
  - LGBTQ+ individuals
  - Migrants
  - Elderly
  - People in extreme poverty
  - Victims of armed conflict
  - Rural populations
  - People without access to basic services

- Adapt communication strategies to cultural, linguistic, and socioeconomic contexts.
- Ensure transparency and access to information (Escazú).
- Ensure human rights due diligence (UNGP, IFC PS1, PS7).
- Ensure meaningful participation on each community (AA1000, GRI 413).

Step-by-Step

1. Identification of Communities and vulnerable groups

- Use socio-environmental studies and official data
- Classify populations with a differentiated approach and identify vulnerable groups:
  - Women
  - Children and adolescents
  - Ethnic communities (Indigenous, Afro-descendant, Rom, Raizal, Palenquero)
  - People with disabilities
  - LGBTQ+ individuals
  - Migrants
  - Elderly
  - People in extreme poverty
  - Victims of armed conflict
  - Rural populations
  - People without access to basic services

- Identify key stakeholders:
    - Local, regional, and national authorities
    - Media outlets and opinion leaders
    - Community leaders
    - Community, cultural, and productive associations
    - NGOs present in the territory
    - Educational institutions
    - Armed groups or illegal actors (if applicable)
    - Other relevant stakeholders in the territory

- Validate through field visits and dialogue: Conduct site visits, scouting activities, and community dialogues with the support of independent entities such as NGOs and local authorities, where possible.

2. Inclusion and participation

2.1 Design of sufficient, accessible, relevant, and appropriate inclusion and participation mechanisms:

- Information in local languages and inclusive formats when necessary (braille, audio, plain language).

- Availability of multiple channels and mechanisms: working groups, in-person community meetings, participatory assessments, workshops, surveys, consultations through meetings, local media, phone calls, WhatsApp messages, brochures, digital platforms, etc.

2.2 Consultation and co-creation:

- Apply prior consultation protocols (ILO Convention 169 and applicable laws in each country).

- Ensure effective participation by tracking indicators such as attendance rates, participation of women and other vulnerable groups, and the number of reported discrimination incidents.

• 2.3 Record-keeping and traceability:

- Document agreements, commitments, and recommendations incorporated into decisions.

- Monitor compliance with commitments and agreements.

• 2.4 Agree with communities on grievance, complaint, and inquiry mechanisms:

- Ethics line
- Direct email
- WhatsApp or SMS channels
- Service offices
- Outreach service days
- Formal petitions
- Suggestion boxes
- Regular meetings
- Other jointly defined mechanisms

3. Prevention of discrimination

Each company must ensure that it has the following mechanisms in place to identify and manage potential human rights violations and acts of discrimination:

• 3.1 Internal training for employees, contractors, and partners:

- Training on human rights, differential approaches, and non-discrimination.

• 3.2 Monitoring of practices:

- Track and monitor participation indicators from section 2.2 and agreements from section 2.3.

• 3.3 Accessible grievance mechanism:

- Ensure the availability of physical and digital channels that are free of charge, confidential, and provide responses within defined timeframes.

4. Audit and continuous improvement:

- Conduct periodic reviews and audits of practices, mechanisms, and indicators by the Corporate Sustainability Direction and Internal Audit teams.