

Independent Limited Assurance Report on the Pre-emission of the Green Bond of Empresa de Energía del Pacífico S.A. E.S.P. in relation to the solar energy projects located in Yumbo, Bolívar, Chicamocha and Valledupar

To Empresa de Energía del Pacífico S.A. E.S.P. management office:

Assurance conclusion

Based on the limited assurance procedures conducted and evidence obtained we state the following conclusions about the Green Bond of Empresa de Energía del Pacífico S.A. E.S.P. (hereinafter **EPSA**) in relation to the solar energy projects located in Yumbo, Bolívar, Chicamocha and Valledupar, which must be read in with the subject matter and the limitations of our assurance engagement:

- Nothing has come to our attention that causes us to believe that the EPSA's Green Bond, in terms of use of proceeds, process for project evaluation and selection, internal processes and controls for the management of proceeds and reporting prior to issuance, does not meet with the requirements of The Green Bonds Principles 2017 published by International Capital Market Association, the Climate Bonds Standard v.2.1. and the Sector Criteria for Solar v.2.1. published by Climate Bonds Initiative.

Scope

As **EPSA** requested, we performed assurance procedures to **“the Green Bond in relation to the solar energy projects located in Yumbo, Bolívar, Chicamocha and Valledupar”**. The objective of this assurance engagement is to obtain a limited assurance level of the internal procedures generated by **EPSA** to comply with the requirements of The Green Bonds Principles 2017 published by International Capital Market Association, the Climate Bonds Standard v.2.1. and the Sector Criteria for Solar v.2.1. published by Climate Bonds Initiative.

EPSA management office is responsible for preparation the procedures that comply with the requirements of The Green Bonds Principles 2017 published by International Capital Market Association, the Climate Bonds Standard v.2.1. and the Sector Criteria for Solar v.2.1. published by Climate Bonds Initiative, and the information that supports those procedures.

The scope of this assurance engagement is substantially less than a reasonable assurance engagement. Therefore, the security provided is lower either. This document cannot be understood as an audit report in any case.

Subject Matter

The subject matter of our assurance engagement is the Procedimiento Marco para la Gestión del Bono Verde de **EPSA con relación a los proyectos de energía solar ubicados en Yumbo, Bolívar, Chicamocha y Valledupar** (Framework Procedure for the EPSA Green Bond Management, in English), generated by **EPSA** to comply with the requirements of The Green Bonds Principles 2017 published by International Capital Market Association, the Climate Bonds Standard v.2.1. and the Sector Criteria for Solar v.2.1. published by Climate Bonds Initiative.

Limitations of our assurance engagement

Our assurance engagement was limited to the Pre-Issuance of the **EPSA's** Green Bond, therefore, our procedures did not constitute an examination or evaluation of the technical, social and environmental components of other projects than those related to the issuance of the bond.

In addition, our engagement was limited to reviewing the information provided by **EPSA** management office that supported the requirements of The Green Bonds Principles 2017, the Climate Bonds Standard v.2.1. and the Sector Criteria for Solar v.2.1. Neither did it intend to determine if the solar technological tools used for the development of the projects are the most appropriate and / or efficient to comply with the goals of the environmental objectives of the bond and the Sector Criteria for Solar v.2.1. Our assurance engagement was limited to the procedures in effect on March 5, 2018, before the issuance of the **EPSA's** Green Bond.

Criteria of the assurance report

The criteria for our assurance report are:

- International Standard on Assurance Engagements (ISAE 3000) established by International Auditing and Assurance Board (IAASB) from International Federation of Accountants (IFAC).
- The Green Bonds Principles 2017 published by The International Capital Market Association.
- Climate Bonds Standard v.2.1. - Pre Issuance Requirements- published by the Climate Bonds Initiative.
- Sector Criteria for Solar v.2.1. published by the Climate Bonds Initiative.

We believe these criteria are suitable according to the purpose of our assurance engagement.

Performed procedures

Our procedures were designed in order to:

- Determine that the Procedimiento Marco para la Gestión del Bono Verde de EPSA con relación a los proyectos de energía solar ubicados en Yumbo, Bolívar, Chicamocha y Valledupar (Framework Procedure for the **EPSA** Green Bond Management, in English) has been prepared in accordance with the requirements of The Green Bonds Principles 2017 and the Climate Bonds Standard v.2.1.
- Determine that the information and data submitted to comply the Pre-issuance Requirements of the Climate Bonds Standard v.2.1 are duly supported by appropriate evidence in each requirement of the standard.

A summary of our procedures is shown in this Table.

Item	Section	Clause	Assurance procedures
1	Selection of Projects & Assets.	1.1.	Verification the existence of a statement on the environmental objectives of the bond and its alignment with the guidelines of the Sector Criteria for Solar v.2.1. Verification that the issuer establish, document and maintain a decision-making process of to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B of the Climate Bonds Standard and its alignment with the guidelines of the Sector Criteria for Solar v.2.1.
		1.2.	Verification the existence of an assess for all proposed Nominated Projects & Assets associated with the bond (Yumbo, Bolívar, Chicamocha and Valledupar) in order to meet the bond's documented objectives as stated under Clause 1.1 and are likely to conform to the relevant eligibility requirements under Part B of the Climate Bonds Standard.
		1.3.	Verification of the list of Nominated Projects located in Yumbo, Bolívar, Chicamocha and Valledupar and the documentation that supports the existence and characteristics of those projects.
		1.4.	Verification that the Nominated Projects located in Yumbo, Bolívar, Chicamocha and Valledupar are not being funded by different Certified Climate Bonds.

Item	Section	Clause	Assurance procedures
		1.5.	Verification that the expected Net Proceeds of the bond are not greater than the Issuer's debt obligation to the proposed Nominated Projects located in Yumbo, Bolívar, Chicamocha and Valledupar.
2	Internal Processes & Controls.	2.1.1.	Verification that the Net Proceeds of the bond can be credited to a sub-account, moved to a subportfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.
		2.1.2.	Verification that the balance of unallocated Net Proceeds can be managed as per the requirements of the Climate Bonds Standard v.2.1.
		2.1.3.	Verification that the Framework Procedure for the EPSA's Green Bond Management enables estimation of the share of the Net Proceeds being used for financing and refinancing.
3	Reporting Prior to Issuance.	3.1.1	Verification that the Framework Procedure for the EPSA's Green Bond Management includes how it will be shared with the investor, bondholder and other interested parties the investment areas into which the Nominated Projects & Assets fall.
		3.1.2.	Verification that the Framework Procedure for the EPSA's Green Bond Management includes how it will be shared with the investor, bondholder and other interested parties the intended types of temporary investment instruments for the management of unallocated proceeds in accordance with Clause 2.1.2.
		3.1.3.	Verification that the Framework Procedure for the EPSA's Green Bond Management includes how it will be shared with the investor, bondholder and other interested parties the Verifier selected by the Issuer for the pre-issuance and the post-issuance engagements.
		3.1.4.	Verification that the Framework Procedure for the EPSA's Green Bond Management includes how it will be shared with the investor, bondholder and other interested parties whether periodic Assurance Engagements will be undertaken during the term of the bond to reaffirm conformance with the Climate Bonds Standard, and the expected frequency of any periodic Assurance Engagements.

Our approach

Our limited assurance procedures performed included, but were not limited to:

- Review the policies and procedures established by **EPSA** involved with the issuance of the Green Bond in relation to the solar energy projects located in Yumbo, Bolívar, Chicamocha and Valledupar.
- Verify how **EPSA** identifies the risks associated with the development of the projects.

- Review how **EPSA** assesses all proposed Nominated Projects & Assets associated with the bond.

Responsibility of the independent verifier

We carry out our limited assurance procedures in accordance with the ISAE 3000 (International Standard on Assurance Engagements) established by the International Auditing and Assurance Board (IAASB) of the International Federation of Accountants (IFAC). Our responsibility is to express an opinion about if something comes to our attention that causes us to believe that the **EPSA's** Green Bond, in terms of use of Proceeds, process for project evaluation and selection, internal processes and controls for the management of proceeds and reporting prior to issuance, does not meet with the requirements of The Green Bonds Principles 2017 published by International Capital Market Association, the Climate Bonds Standard v.2.1. and the Sector Criteria for Solar v.2.1. published by Climate Bonds Initiative.

Use of Report

Our responsibility in performing our assurance activities is to the management office of **EPSA** only and in accordance with the terms of reference for this engagement as agreed with them, therefore, we do not accept or assume any responsibility for any other purpose or to any other person or organization. Any trust that a third party may place in the issuance of the **EPSA's** Green Bond is entirely at its own risk.

Cordially,



Mauricio Coral
Independent Public Accountant
TP 18954-T
Bogotá D.C., Colombia. March 5, 2018.
Ernst & Young Audit S.A.S.