

CARBON NEUTRALITY STATEMENT OF ISA AND ITS COMPANIES
ENERGY TRANSMISSION, ROADS AND TELECOMMUNICATIONS
December 2022

Interconexión Eléctrica S.A. - ISA is a mixed multi-Latin company whose main businesses are located in Colombia, Peru, Bolivia, Chile and Brazil. The company has a track record of more than 50 years in high voltage energy transmission with more than 48,330 km of circuits in operation. Through its company XM, it coordinates the energy market in Colombia. Its other businesses are focused on the operation and maintenance of road concessions in Colombia and Chile, with 860 km in operation, and in the telecommunications and information technology business.



Imagen 1. ISA and its companies Source: Corporate presentation ISA 2022¹

The ISA2030 Strategy seeks to contribute in a decisive, proactive and transcendent manner to address climate change through mitigation and the promotion of initiatives that generate positive impact, as well as the protection and conservation of ecosystems and their biodiversity.

Although ISA's businesses are not carbon intensive, conscious of its role, and as a legacy for future generations, ISA aims to reduce and offset the emissions associated with its operations, and also contribute to the reduction of 11 million tons of CO2 equivalent for the planet by 2030, this reduction is distributed as follows:

¹Corporate Presentation ISA 2022: <https://www.isa.co/es/grupo-isa/>

- 9 million tons of CO₂e through the protection and conservation of ecosystems with the Conexión Jaguar Program.
- 1.9 million tons of CO₂e as a contribution to the decarbonization of energy matrices through the development of non-conventional energy solutions.
- 102,500 tCO₂e by reducing its own impacts by means of voluntary actions to avoid and reduce greenhouse gases (GHG) emitted by business operations.

The following is a description of the intermediate goals:

Positive social and environmental impact, reduction of 11 million tCO₂e to the planet:

- 55% reduction of the target by 2022
- 80% reduction of the target by 2026
- 100% reduction of the target by 2030

In the component of reduction of its own impacts, ISA and its companies have defined a route to achieve emission neutrality in the operation and maintenance phase of its assets, through the measurement, management (avoidance, reduction, or replacement) and offsetting of its greenhouse gas (GHG) inventory, mainly with carbon credits certified under rigorous standards with international recognition generated by the Conexión Jaguar Program and other conservation or restoration initiatives.

This statement, as a carbon neutral company, is based on compliance with the climate change roadmap of ISA and its companies.

The defined plan evidences the commitment of management and the organization in general to maintain a low carbon emissions operation, with the purpose of reducing the vulnerability of the company's infrastructure to climate variability, in addition to making a positive contribution through the **Conexión Jaguar** program in mitigating the effects of climate change, and in achieving the goals of the countries where ISA has a presence, as stated in international agreements.

The certification, to which ISA and its companies aspire, is valid for **three years**, subject to annual follow-ups during that period of time, with **2021** being the base year in which GHG emissions are validated and verified by an independent accredited entity (see Greenhouse Gas Report of ISA and its Companies). These were fully offset during **2022 for Scope I and II**; for the following years until 2030, it is planned to offset the residual emissions of those tons of CO₂e that have not been reduced or avoided through actions to improve eco-efficiency and circular economy performance in the operation and maintenance phase.

The Neutrality Roadmap is based on three main actions:

1. Measurement and establishment of baseline
2. Implementation of measures to reduce or avoid emissions
3. Emissions offsets

1. Measurement and establishment of baseline

This action consists of the emissions inventory, identification of the main sources of GHGs, preparation for the verification of the emissions inventory, third party verification of the emissions inventory and preparation for the certification process. The emissions inventory of ISA and its companies is subject to an annual independent third-party verification process through a Validation and Verification Body (VVB). The emissions inventory is carried out taking into account the considerations of the GHG Protocol. The **base year** chosen for the calculation and verification of emission reduction targets is **2019** due to the fact that complete information is available, and, in most companies, information verified by independent third parties. In addition, it is the year with the greatest coverage of information on ISA companies that started operations.

In 2021 ISA and its companies verified with ICONTEC the following emissions inventory in tons of CO₂e:

SCOPE	YEAR	ISA	ITCO	REP	CTEEP	ISABO	ITCH	TCA	ITV	XM	ITX	SIER	TOTAL ²
SI	2021	0.0	3,213.1	3,411.0	20,083.3	0.5	843.0	3,010.2	820.0	0.0	99.6	24.7	31,505.46
SII	2021	0.0	785.1	1,294.5	429.6	339.9	725.0	71.1	5,771.9	0.0	0.0	0.3	9,417.21
SIII	2021	8,983.9	4,407.9	338.1	22,796,356.6	110.2	97.0	543.1	20,279.0	136.13	28.3	31.1	22,831,310.8
E.L. AIII	2021	-	86,887.5	-	912,264.2	-	-	-	-	-	-	-	-

Table I. Results GHG 2021 Results GHG Inv. ISA and its companies for Scopes I, II and III. Prepared by ISA

It is noted that ISA CTEEP included in its scope three, emissions generated by the use of transported energy (total energy transported times the electricity emission factor), according to the methodology used in the Brazilian GHG protocol template; however, for the manageable categories, according to the methodology used for ISA's corporate consolidated result (GHG protocol), the scope three emissions for CTEEP were: 26,456 tCO₂e. The corporate methodology includes fuel consumption of non-owned vehicles, waste transportation, business trips, among others.

The figures do not include technical losses in energy transmission in Scope II, the reasons are described in the audited GHG inventory report. For ISA INTERCOLOMBIA and ISA CTEEP, transmission losses were included in Scope III. (See clarification of losses in the 2021 emissions inventory report).

Scope II includes emissions from energy consumption at headquarters and substations.

2. Emission reductions

ISA and its companies avoid and reduce their emissions through eco-efficiency and circular economy actions focused on the following variables: water, energy (both consumption and use of renewable sources), waste, sustainable mobility (including teleworking actions), reduction of fugitive SF6 emissions. (See emissions management plan and emissions inventory report).

3. Emissions offsets

² E.L. AIII: Energy losses in scope III; ISA: Interconexión eléctrica S.A; ITCO: ISA INTERCOLOMBIA; REP: Red de energía del Perú; CTEEP: Companhia de Transmissão de Energia Elétrica Paulista - ISA CTEEP Brasil; ISABO: ISA Bolivia; ITCH: ISA Interchile; ITV: ISA Intervial; ITX: ISA Internexa; SIER: Sistemas Inteligentes en Red.



ISA and its companies, after verifying their achievements in improving their operational efficiency, compensate their residual emissions according to the characteristics of the certified carbon credits described in their indicators manual (See ISA and its companies' indicators manual).

For 2021, following the verification of the GHG inventory, 100% of Scope I and II and a percentage of Scope III were offset for each company, as shown in Tables II, III and IV.

Emission offsets Scope I and II

#	Company	Emissions Verified	Offset amount	% offset	Company	Standard	Project	Serial	Remarks
1	XM	0	0	N/A	SEE I-REC TABLE	VCC	SEE I-REC TABLE	SEE I-REC TABLE	0 tCO ₂ e emitted and verified for Scope I. For Scope II, they were avoided through the solar panel microgrid at the Los Balsos site and offset with the purchase of I-REC certificates (see table of I-REC certificates). Link: https://app.biocarbonregistry.com/blochain/retiro/941/verificacion
2	Sistemas Inteligentes en Red S.A.S	25	25	100%	BIOCARBON	VCC	TICOYA	PCR-CO-ATI-14-001-2-1012-1712-0054530-0054585	100% of Scope I and II were offset. https://app.biocarbonregistry.com/blochain/retiro/1022/verificacion
3	Red de Energía del Perú S.A. (REP)	2,478.5	2,478	100%	SOUTH POLE	VCC	AMPA	8123-458632727-458635466-VCU-576-VER-PE-14-1882-01012015-31122015-1	100% of Scope I and II were offset. See page 2: https://registry.verra.org/app/search/VC?programType=ISSUANCE&exactResId=1882
4	CTM	1,491.66	1,491.66	100%	SOUTH POLE	VCS/CCB	AMPA	8123-458635467-458637045-VCU-576-VER-PE-14-1882-01012015-31122015-1	100% of Scope I and II were offset. See page 2: https://registry.verra.org/app/search/VC?programType=ISSUANCE&exactResId=1882
5	ISA PERÚ	735.92	735.92	100%	SOUTH POLE	VCS/CCB	AMPA	8123-458637046-458637782-VCU-576-VER-PE-14-1882-01012015-31122015-1	100% of Scope I and II were offset, Link: https://registry.verra.org/app/search/VC?programType=ISSUANCE&exactResId=1882
3+ 4+ 5	REP CONSOLIDATED (ISAP+CTM+ISA PERÚ)	4,707	4,707	100%	SOUTH POLE	VCS/CCB	AMPA	REP CONSOLIDATED	REP CONSOLIDATED
6	INTERCONEXIÓN ELÉCTRICA S.A.E.S.P	0	0	N/A	N/A	-	HUAYABAMBA	SEE I-REC TABLE 5656-253998662-253999559-VCU-019-APX-CO-14-1378-01012009-31122009-0	Scope I emissions for 2021 for ISA Los Balsos Medellin Headquarters were 0 tCO ₂ e and Scope 2 was offset through I-REC (see I-REC table) and additional consumption is supplied through the Headquarters' solar energy microgrid. Link: https://registry.verra.org/app/search/VC?programType=ISSUANCE&exactResId=1378
7	INTERNETA Colombia	100	100	100%	SOUTH POLE	VCS	PROCUENCA	5660-254086012-254086138-VCU-019-APX-CO-14-1378-01012008-31122008-0	100% of Scope I and II were offset. See link: https://registry.verra.org/app/search/VC?programType=ISSUANCE&exactResId=1378

#	Company	Emissions Verified	Offset amount	% offset	Company	Standard	Project	Serial	Remarks
8	CTEEP	20,083	20,083	100%	MOSS	VCS	EVERGREEN REDD+ PROJECT	13020-467474094-467496093-VCS-VCU-262-VER-BR-14-2539-01012021-31072021-0	100% of the SI was offset with carbon credits. Scope II 4,232.6 tCO ₂ e were offset (total energy consumed billed + not billed). Emissions from billed energy alone would be: 429.59 tCO ₂ e. According to corporate guidelines, Scope II was offset with I-REC certificates for 4,232.6 tCO ₂ e. Link: https://registry.verra.org/app/search/VC?programType=ISSUANCE&exactResId=2539
9	ISA-TRANSELC A	3,081	3,081	100%	SOUTH POLE	VCC	TICOYA	PCR-CO-ATI-14-001-2-1012-1712-0063264-0067231	100% of Scope I and II were offset. Link: https://app.biocarbonregistry.com/blokhain/retiro/1105/verificacion
10	ISA . INTERCOL OMBIA	3,998	3,998	100%	SOUTH POLE	SCX	CC MITIGATION PROJECT CARIBBEAN REGION	BCR-CO-173-14-001-2-1401-1412-0000001-0004439	Scope I and 785.13 tCO ₂ e of Scope II were offset with carbon credits and 443 tCO ₂ e with I-REC certificates. (see I-REC table. Link: https://app.biocarbonregistry.com/blokhain/retiro/1128/verificacion
11	ISA-INTERVAL	820	820	100%	CO ₂ Neutral	VCS	N ₂ O destruction – PANNA 4, Chile	0125-E0817B09	100% of Scope I was offset with carbon credits and Scope II with I-REC certificates. In total, the certificate is for 14,554 MWh (5,772 tCO ₂ e). Link: https://www.scx.cl/web/isa-interval-neutraliza-emisiones-2021/
12	ISA-INTERCHILE	1,568	1,568	100%	SOUTH POLE	VCC	PROCUENCA	5658-254047932-254049585-VCU-019-APX-CO-14-1378-01012007-31122007-0	100% of Scopes I and II. Link: https://registry.verra.org/app/search/VC?programType=ISSUANCE&exactResId=1378
13	ISA BOLIVIA	340	340	100%	SOUTH POLE	VCC	CHINCHINÁ RIVER	Serials in footnote ³	100% of Scope I and II were offset. They were offset with four carbon credit certificates. Link: Verra search page

Table II. Emission offsets Scope I and II Source: Prepared by ISA.

³ SERIALS ISA BOLIVIA: **S1:** 4825-201275522-201275522-VCU-019-APX-CO-14-1378-01012012-15092012-0; **S2:** 5658-254054332-254054332-VCU-019-APX-CO-14-1378-01012007-31122007-0; **S3:** 5660-254106511-254106556-VCU-019-APX-CO-14-1378-01012008-31122008-0; **S4:** 5656-253999560-253999966-VCU-019-APX-CO-14-1378-01012009-31122009-

I-REC Certificates purchased						
Company	Year	Production plant	Quantity of certificates (MWh)	Approx. tCO ₂ e avoided	Initial Certificate Identification Number	Final Certificate Identification Number
ISA INTERCOLOMBIA	2021	La Tasajera Colombia	1,860	235.06	0000-0001-5386-9158	0000-0001-5387-1017
ISA INTERCOLOMBIA	2021	La Tasajera Colombia	1,647	208.14	0000-0001-0174-0061	0000-0001-0174-1707
ISA INTERVIAL	2021	Mallarauco	4,196	1,661.62	0000-0002-0317-6594	0000-0002-0318-0789
		He_Ancoa	10,358	4,101.77	0000-0002-0318-1313	0000-0002-0319-1670
ISA CTEEP	2021	UHE Porto Primavera	33,487	4,232.76	0000-0002-1590-1695.000000	0000-0002-1593-5181.999999
TOTAL			51,548	10,439.35	-	-

Table III. I-REC Certificates purchased in 2021. Source: Prepared by ISA.

Emission offset Scope III

#	Company	Emissions Verified	Offset amount	% offset	Standard	Company	Project	Serial	Remarks
1	XM	136	227	167%	VCC	BIOCARBON	TICOYA	PCR-CO-ATI-14-001-2-1012-1712-0054303-0054529	XM Purchased more credits than required, offset 100% of its Scope III.). Link: https://app.biocarbonregistry.com/blokchain/retiro/941/verificacion
2	Sistemas Inteligentes en Red S.A.S	31.1	56	180%	VCC	BIOCARBON	TICOYA	PCR-CO-ATI-14-001-2-1012-1712-0054530-0054585	Offset more Scope III emissions.). Link: https://app.biocarbonregistry.com/blokchain/retiro/941/verificacion
3	Red de Energía del Perú S.A. (REP)	261.19	261.5	100%	VCS/CCB	SOUTH POLE	AMPA	8123-458632727-458635466-VCU-576-VER-PE-14-1882-01012015-31122015-1	Full Scope III (Scope III without losses, includes the categories measured in the corporate template). See page 2: https://registry.verra.org/app/search/VCS?programType=ISSUANCE&exactResid=1882
4	CTM	87.13	87.34	100%	VCS/CCB	SOUTH POLE	AMPA	8123-458635467-458637045-VCU-576-VER-PE-14-1882-01012015-31122015-1	Scope III without losses, includes the categories measured in the corporate template. See page 2: https://registry.verra.org/app/search/VCS?programType=ISSUANCE&exactResid=1882
5	ISA PERÚ	0.690	1.08	100%	VCS/CCB	SOUTH POLE	AMPA	8123-458637046-458637782-VCU-576-VER-PE-14-1882-01012015-31122015-1	100% of Scope III was offset. See Link: https://registry.verra.org/app/search/VCS?programType=ISSUANCE&exactResid=1882

#	Company	Emissions Verified	Offset amount	% offset	Standard	Company	Project	Serial	Remarks
3+ 4+ 5	(REP+CTM+ISA PERÚ)	349	349	100%	-	SOUTH POLE	AMPA	-	Full Scope III (Scope III without losses, includes the categories measured in the corporate template). Offset with respect to the Ministry of Environment, 11.4 tCO ₂ e above that verified against the corporate template.
6	INTERCONEXIÓN ELÉCTRICA S.A E.S.P	8,984	898	10%	VCS	SOUTH POLE	PROCUENCA	5656-253998662-253999559-VCU-019-APX-CO-14-1378-01012009-31122009-0	10% of Scope III was offset. See link: https://registry.verra.org/app/search/VCS?programType=ISSUANCE&exactResId=1378
7	INTERNEXA Colombia	28	26	93%	VCS	SOUTH POLE	PROCUENCA	5660-254086012-254086138-VCU-019-APX-CO-14-1378-01012008-31122008-0	93% of Scope III was offset. See link: https://registry.verra.org/app/search/VCS?programType=ISSUANCE&exactResId=1378
8	CTEEP	22,796,356.6	1,917	0.01%	VCS	MOSS	EVERGREEN REDD+ PROJECT	13020-467474094-467496093-VCS-VCU-262-VER-BR-14-2539-01012021-31072021-0	If we analyze the SIII offset with the emissions reported for the categories of the corporate template (26,455 tCO ₂ e) it would be 7% of the SIII, which includes the categories of manageable emissions, such as: fuel consumption of non-owned vehicles, transport of waste, business trips, etc. The 22 million tCO ₂ e verified are part of the Brazilian GHG methodology that requires the calculation of Scope III as the amount of energy transported times the electricity emission factor, 0.01% is calculated based on the 22,796,356 tCO ₂ e. Link: https://registry.verra.org/app/search/VCS?programType=ISSUANCE&exactResId=2539
9	ISA-TRANSELCA	543	887	163%	VCC	SOUTH POLE	TICOYA	PCR-CO-ATI-14-001-2-1012-1712-0063264-0067231	163% of Scope III. Link: https://app.biocarbonregistry.com/blokchain/retiro/1105/verificacion
10	ISA . INTERCOLOMBIA	4,408	441	10%	VCC	SOUTH POLE	CC MITIGACION PROJECT CARIBBEAN REGION	BCR-CO-173-14-001-2-1401-1412-0000001-0004439	10% of Scope III was offset. https://app.biocarbonregistry.com/blokchain/retiro/1128/verificacion
11	ISA-INTERVIAL	20,279	1,600	8%	CDM Registry	CO ₂ Neutral	N2O destruction – PANNA 4, Chile	0125-E0817B09	1,600 tons of Scope III that are part of the fuel used by roadside assistance vehicles.
12	ISA-INTERCHILE	97	86	89%	VCS	SOUTH POLE	PROCUENCA	5658-254047932-254049585-VCU-019-APX-CO-14-1378-01012007-31122007-0	89% of Scope III emissions were offset. Link for certificate verification: https://registry.verra.org/app/search/VCS?programType=ISSUANCE&exactResId=1378

#	Company	Emissions Verified	Offset amount	% offset	Standard	Company	Project	Serial	Remarks
13	ISA BOLIVIA	110	115	105%	VCC	SOUTH POLE	PROCUENCA	See reference 4	The total footprint was offset through four carbon credit certificates. 5 additional tCO ₂ e offset for Scope III.

Table IV. Scope III emissions offset. Source: Prepared by ISA.

List of standards:

- VCC: Verified Carbon Registry
- CCB: Climate, Community and Biodiversity standards
- VCS: Verified Carbon Standard
- CDM: Clean Development Mechanism

Related Documents:

1. 2021 Integrated Management Report
2. ISA and its companies' indicators manual.
3. Emissions management plan for ISA and its companies.
4. GHG Inventory Report verified by ICONTEC 2021.

⁴ SERIALS ISA BOLIVIA: **S1:** 4825-201275522-201275522-VCU-019-APX-CO-14-1378-01012012-15092012-0; **S2:** 5658-254054332-254054332-VCU-019-APX-CO-14-1378-01012007-31122007-0; **S3:** 5660-254106511-254106556-VCU-019-APX-CO-14-1378-01012008-31122008-0; **S4:** 5656-253999560-253999966-VCU-019-APX-CO-14-1378-01012009-31122009-