



ESG REPORT 2022

Environmental, Social and Governance

isa



ISA and its companies continued with the formal promotion of the Supplier Code of Ethics, ratifying their commitment to risk management in the value chain, associated with labor conditions, human rights, environment, ethics, transparency, and the prevention of fraud, corruption, and bribery.

ESG SPECIAL REPORT

We present a report with an emphasis on environmental, social and governance (ESG) issues during 2022. This information, which can be expanded in the ISA 2022 Integrated Management Report, is an additional exercise aimed at presenting information in a more accessible and timely manner, the management of non-financial matters, which influence the assessments and decisions of our stakeholders, especially the investment community.

Sustainability at ISA is a way of acting: Being aware of the planet's environmental challenges, sensitive to the different social realities, oriented towards the achievement of value creation objectives for its stakeholders, with respect for human beings and in an ethical and transparent environment.

ISA2030 STRATEGY SUSTAINABLE VALUE [GRI 2 22-b]

ISA2030 STRATEGY

The ISA2030 strategy is focused on the creation of sustainable value: it is the great commitment to create value over time, transcending the generation of purely financial value through the inclusion of social and environmental aspects, considering all the opportunities that the future brings as it is increasingly dynamic, collaborative, and digital, ensuring corporate validity.



The strategy is based on four pillars that guide day-to-day actions and decisions, as well as the way ISA interacts internally and with the world.

V VERDE (GREEN)
Minimize the environmental impacts of the business and promote positive environmental initiatives.

I INNOVACIÓN (INNOVATION)
Take advantage of business opportunities brought by technological evolution and trends.

D DESARROLLO (DEVELOPMENT)
Build capacities and leaders to face business challenges and promote the development of the territory and an entrepreneurship ecosystem.

A ARTICULACIÓN (ARTICULATION)
Create strategic alliances to meet objectives.

ISA IN FIGURES

in COP trillions

Consolidated by
business unit



Electric
Power***



Roads



Telecommunications
and ICTs

	Electric Power***	Roads	Telecommunications and ICTs	Consolidated	Variación 2022 vs. 2021
Revenues*	COP 10.0 ▶ 74.9 %	COP 2.9 ▶ 21.5 %	COP 0.5 ▶ 3.6 %	Operating Revenues	COP 13.4 ▲ 19.7 %
EBITDA**	COP 6.8 ▶ 79.4 %	COP 1.6 ▶ 18.5 %	COP 0.2 ▶ 2.1 %	EBITDA*	COP 8.6 ▲ 11.3 %
Assets	COP 62.5 ▶ 78.8 %	COP 15.1 ▶ 19.2 %	COP 1.1 ▶ 2.0 %	Assets	COP 78.7 ▲ 27.6 %

Separated

Variation
2022 vs. 2021

Net income COP 2,2 ▲ 32,1 %

Note: Financial figures included in this report are expressed in COP trillion, unless another currency is specified

* Includes revenues from the periodic tariff review in Brazil.

** EBITDA restated from 2018 due to methodological homologation with Ecopetrol.

*** The Electric Power Transmission business unit includes XM.

▶ % shareholding

EBITDA margin 64.1 % ▼ -7.1 %

Liabilities COP 49.2 ▲ 24.3 %

Net income COP 2.2 ▲ 32.2 %

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Six consecutive years



Seis años consecutivos



Five consecutive years

Sustainability Yearbook
Member 2022
S&P Global

Six consecutive years



Recognition

MATERIALITY ANALYSIS

Between 2021 and 2022 the materiality and reputation measurement exercise was updated, the materiality analysis is performed with the purpose of identifying those issues that are relevant to the achievement of the strategy and are relevant not only for the business, but also for key stakeholders; these issues are called "material issues".

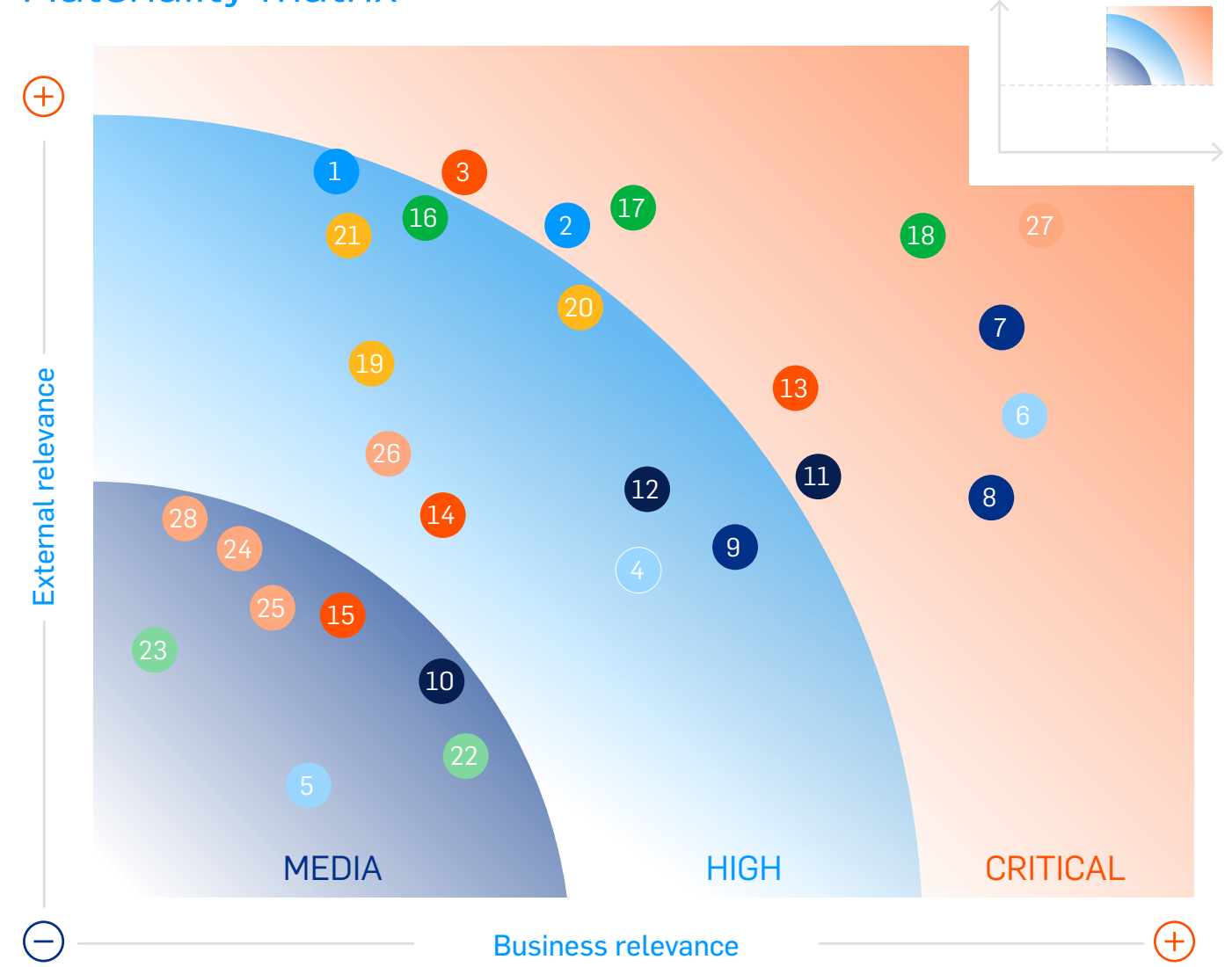
Reputation index:
4.3 scale 1-5

Business relevance (X axis): Impact of the issues on the achievement of the company's strategic goals. Matters considered:










- Influence of the issue on the fulfillment of the strategic goals.
- Capacity to generate an impact on the corporate strategy (positive or negative).

External relevance (Y axis): Importance of issues according to key stakeholders' expectations, the context, and the trends that may affect companies, non-financial reporting requirements and investor requirements

Materiality matrix



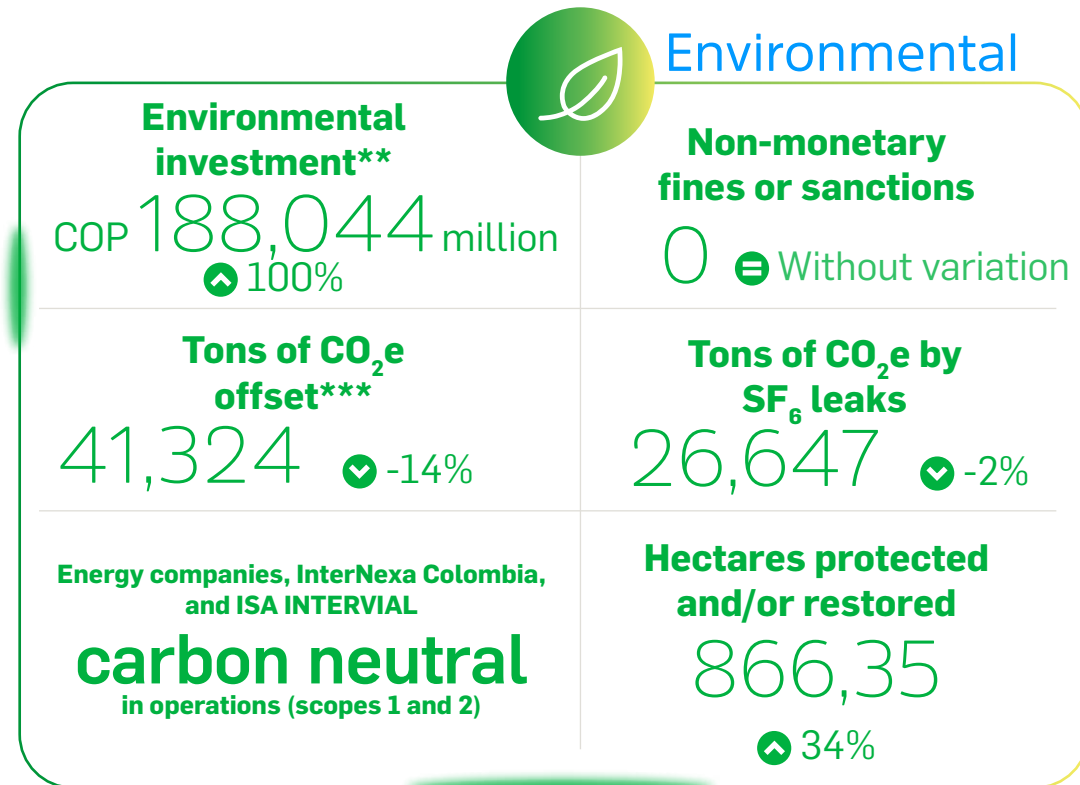
Dimensions: The model has 9 value dimensions and 28 attributes.

								
Good governance and integrity	Transformational leadership and influence capacity	Strength and growth	Anticipation and innovation	Excellence in the performance of its activity	Attraction, development, and care of the best talent	Commitment to socioeconomic development	Strategic alliances for transformation	Proactive contribution to global environmental challenges

ENVIRONMENTAL

Climate change mitigation and adaptation

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



Actions associated with greenhouse gas (GHG) management and adaptation

In 2022, a more in-depth analysis of the risks associated with infrastructure adaptation to climate change was conducted for Colombia. See more information



[GHG Inventory](#)

[ISA's environmental performance](#)

BREAKDOWN BY SOURCE

— Accumulated results to 2022 (tCO₂e) ● 2022 reduction target (tCO₂e) ● 2022 results (tCO₂e) N. A.: not applicable



*Potential tons to be reduced during the life of ongoing projects.

COMMITMENT TO THE PROTECTION OF BIODIVERSITY

See Environmental Policy

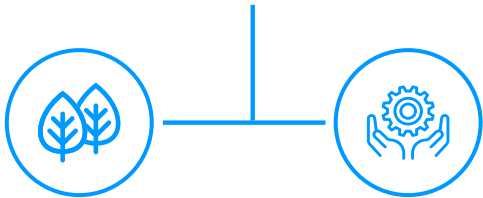
The construction and operation of infrastructure projects generate environmental impacts, consume resources, and release substances into the environment. To manage these impacts, ISA, and its companies, through the Corporate Environmental

Policy, are committed to creating mechanisms to protect natural resources; avoid, minimize, and offset the impacts generated on natural ecosystems; and contribute to the conservation of biodiversity. [\[GRI 304-2\]](#)

Comprehensive management of biodiversity*

* According to the regulations in force in each country

Strategy to avoid and reduce impacts on biodiversity



Construction designs and methods to minimize impacts on the environment and biodiversity

Implementation of environmental management programs (PMA) and environmental monitoring programs (PMS).

Biotic Offsets-Nature-Based Solutions



Portfolio of biotic offsets: Strategy for the planning of cost-effective, sustainable offsets.



Forest Offsets



Programs to contribute to the recovery and protection of ecosystems and biodiversity



Commitment to zero net loss of biodiversity

Biodiversity evaluation and management



Biodiversity impact evaluation

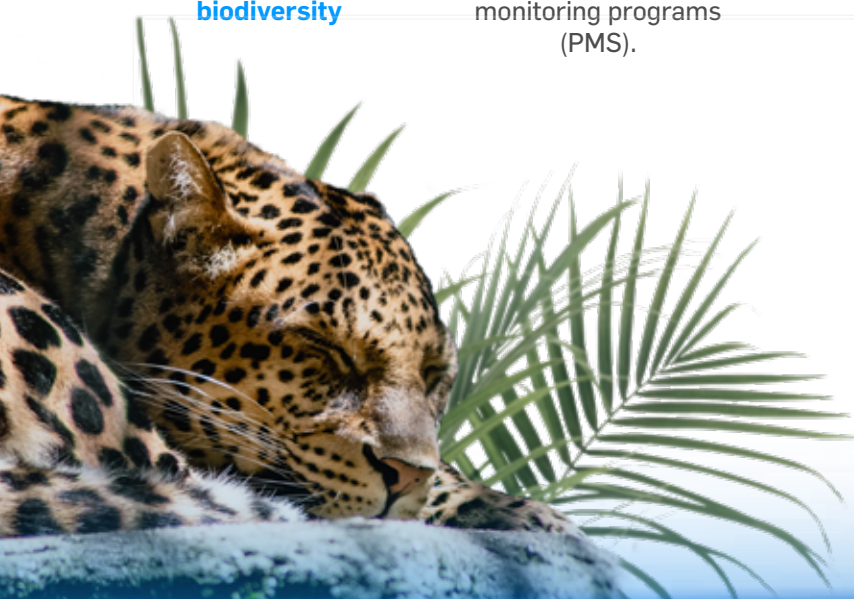


Monitoring of regulatory and complementary actions and programs

Contributions through the Sustainability Program



In order to contribute to Target 15 of the Global Biodiversity Framework, ISA is currently working voluntarily to report to the Taskforce on Climate-related Financial Disclosures (TCFD). Additionally, ISA adhered to the COP15 Business Statement on the mandatory assessment and disclosure of risks and opportunities associated with nature, promoted by Business for Nature (BfN). BfN is a global coalition that brings together business and conservation organizations to reverse the loss of nature.



SOCIAL

ISA and its companies contribute to the development and transformation of the territories where it is present, seeking to leave a positive and lasting legacy of promotion and respect for human rights.

Labor standards

- Organizational climate reached **84%** favorability, seven points above the regional market benchmark
- **35.3 %** female directors.
- **20 %** of new positions filled by internal candidates.
- **36.5 %** employees in agreements and unions
- Turnover index **10 %**
- Employees with superior performance **90 %**
- **USD 2.9 million** invested in training
- **299,412 total training** hours

Occupational Safety and Health

- **CONECTADOS CON LA VIDA**, a program that seeks to protect and preserve people's health and safety begins.



- Accident frequency rate for internal employees **3.91**
- Contractor accident rate **8.03**
- **1 fatality** in own employees
- **2 fatalities** in contractors

Work with the community

- Social investment in **86.7 %** of municipalities that require greater attention due to deficits in socioeconomic development and are considered critical.
- **COP 1,500 million** investment in 30 economic reactivation projects with social and environmental impact.



Social

Investment in communities

COP **44,781** million
▲ 12%

Shareholder inquiries addressed

100%
⊖ Without variation

Strengthened suppliers

17 ▼ -17%

SROI

2.46 ▲ 3%

Local purchases

84.4% ▼ -7%



GOVERNANCE

Corporate Governance, Sustainability, Technology, and Innovation Committee

This committee guides Management in the adoption, monitoring, and improvement of sustainable practices in the environmental, social, and economic dimensions, risk management and supports the Board of Directors in fulfilling its responsibilities in cybersecurity, information technology and innovation. During 2022, this committee analyzed and approved the following sustainability issues:

- Stakeholder management
- Sustainability strategy and metrics
- Social management
- Climate strategy roadmap
- Reputation and materiality measurement results
- Dow Jones Sustainability Index results and carbon neutral certification in the operations of 11 carbon neutral companies
- Results and escalating of the Conexión Jaguar Program
- Progress and perspectives Conexión Desarrollo Program

Board of Directors

78% Independent members
⊖ Without variation

Women on the Board of Directors

22%
⊖ Without variation

Average seniority on the Board of Directors

6.3 YEARS ⬆️ 24%

Complaints addressed by the Ethics Line

100%
⊖ Without variation

Board of Directors

- **9 members** of the Board of Directors (Without variation)

Ethics and anti-corruption

IISA has several channels of the Ethics Line, with Ethics Committees in all its companies, to prevent and detect acts of corruption and breaches of ethics and comply with the company's responsibility to carry out the relevant management.

Zero

Confirmed corruption cases

Confirmed cases of human rights violation

Data protection and management
Habeas data

In 2020 | 2021 | 2022

116

CASES RECEIVED BY THE ETHICS LINE

17 CASES OPEN

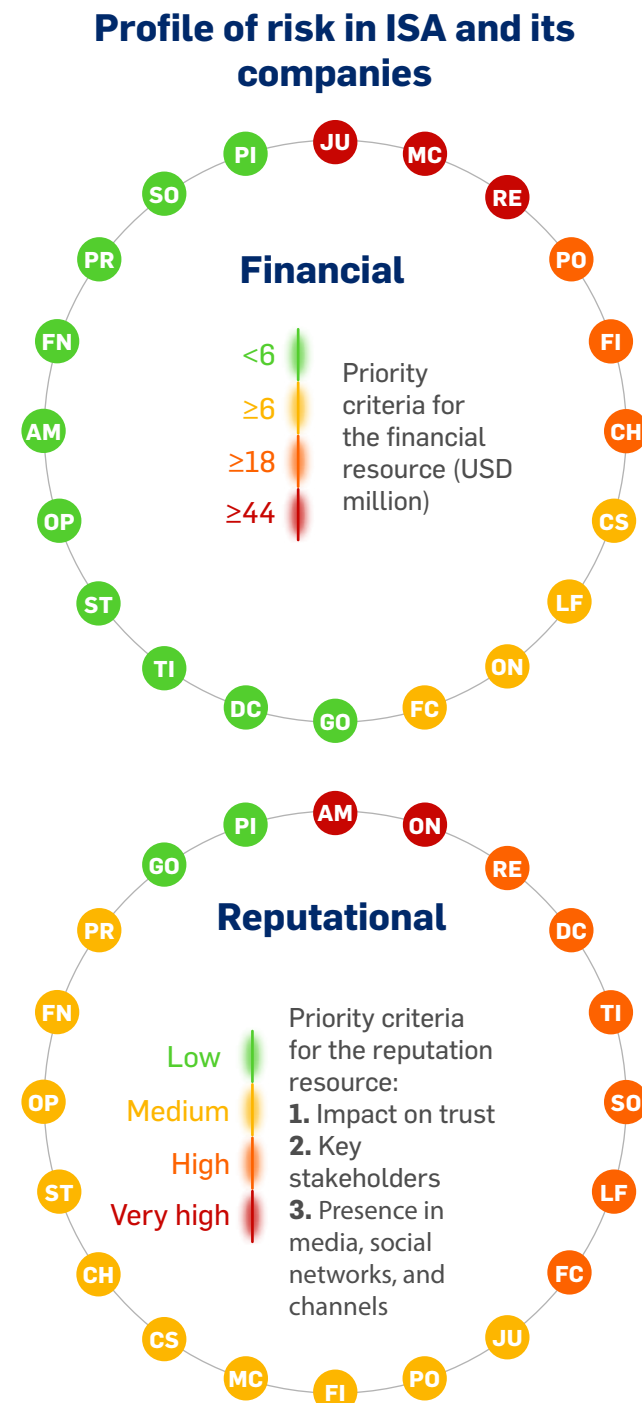
99 CLOSED CASES of which 20 were effective



Risk Management

ISA and its companies' Comprehensive Risk Management (GIR in Spanish) seeks to preserve the integrity of corporate resources, and the continuity and sustainability of business units. The Board of Directors and the Senior Management are strongly committed to risk management.

Thus, through the Audit and Risk Committee, the relevant risks in ISA and its companies are monitored on a regular basis.



Distribution of events in categories by risk level

	Financial	Total*	Reputational	Total*
Economic				
Governance	GO	0.8 %		1 %
Regulatory	RE	5.8 %		4 %
Legal	JU	12.2 %		10 %
Political	PO	0.9 %		1 %
Market, liquidity, and credit	FI	8.4 %		7 %
Market, competition, mergers, and acquisitions	MC	3.0 %		3 %
Operating				
Business operation	ON	15.2 %		19 %
Project design and construction	DC	11.1 %		6 %
Supply chain	CS	4.7 %		5 %
Cybersecurity and IT	TI	3.9 %		5 %
Human capital and labor relations	CH	3.0 %		6 %
Occupational Safety and Health	ST	2.7 %		2 %
Compliance				
Fraud and corruption	FC	4.8 %		7 %
Privacy of information	PI	0.5 %		1 %
AML/CFT & PWMD	LF	0.9 %		1 %
Socio-environmental				
Environmental	AM	5.8 %		5 %
Natural phenomena and extreme climate changes	FN	5.0 %		5 %
Property	PR	3.6 %		3 %
Social	SO	4.1 %		5 %
Public order and citizen security	OP	3.6 %		4 %

* % of participation of risk categories in the consolidated risk of ISA and its companies

CONEXIÓN JAGUAR



Voluntary contribution to climate change mitigation and protection of biodiversity

CO₂ Emission reduction potential

7,032,860

Hectares of the jaguar corridor protected

828,032

9 Alliances for project development in Latin America



Recognitions:

- BIBO El Espectador award– "Commitment to a sustainable and healthy habitat" Category
- Portafolio Award - "Environmental Protection" Category
- Boscares Award in Peru - "Forest and Climate Change" Category

CONEXIÓN DESARROLLO



Voluntary corporate program that seeks to strengthen the capacities of the community ecosystem to create transformations in the territories of influence.

Allies



Colombia

- 7 territorial development agendas
- 8 municipalities
- 50,000 beneficiaries

Chile

Coquimbo Project

- 8 high schools
- + USD 100.00 investment
- + 800 beneficiaries

Pitrufquén Project

- + USD 100.00 investment
- + 21,000 beneficiaries

ISA, among the three companies with the best practices in Colombia, according to the **Private Social Investment Index**.

Todos Somos Uno was the humanitarian aid program originated in the COVID-19 pandemic

Health brigades

Investment COP 523 million

- 25,985 COVID 19 vaccines
- COVID 19 variant surveillance study

Economic revival

- 20 productive projects with environmental and social impact strengthened on administrative, socio-organizational, competitiveness and community fronts.
- 10 projects in the process of strengthening sustainable agriculture and agribusiness, nature tourism, art, and ancestral culture.
- Municipalities: Bolívar, Cesar, Nariño, Choco, Casanare, Vichada, Amazonas, and Providencia

First school of female lineworkers:

Investment COP 500 million

together with Corporación TenerFuturo, Instelec and Salomon Duran, a pioneer pilot in Colombia. It seeks to open a training space for women by giving them the opportunity to perform a trade traditionally performed by men.

* The lineworker job involves erecting towers, laying cables in the construction process, and maintaining the electrical infrastructure.