

**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 American company with its main businesses located in Colombia, Peru, Bolivia, Chile, and Brazil. The company has a track record of over 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.



*Figure 1. ISA and its companies. Source: Corporate presentation ISA 2022<sup>1</sup>*

The ISA2030 Strategy seeks to contribute in a decisive, proactive, and transcendent manner to addressing climate change through mitigation and the promotion of initiatives that generate a 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 CO<sub>2</sub> equivalent to the planet by 2030. This reduction is distributed as follows:

- 9 million tons of CO<sub>2</sub>e through the protection and conservation of ecosystems with the Conexión Jaguar Program.

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

- 1.9 million tons of CO<sub>2</sub>e as a contribution to the decarbonization of energy matrices through the development of non-conventional energy solutions.
- 102,500 tCO<sub>2</sub>e by reducing its impacts through voluntary actions to avoid and reduce greenhouse gases (GHG) emitted by business operations.



**Figure 2.** Emission reduction roadmap for ISA and its companies. Source: Prepared by ISA

The following is a description of the intermediate goals:

Positive social and environmental impact. Reduction of 11 million tCO<sub>2</sub>e 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 their impact reduction component, ISA and its companies have defined a route to achieve emission neutrality in the O&M stage of its assets through the measurement, management (avoidance, reduction, or replacement), and offsetting of their greenhouse gas (GHG) inventory, mainly with carbon credits certified under rigorous, internationally recognized standards, 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 shows the commitment of managers and the whole organization to maintain a low-carbon emission operation to reduce 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 is present, 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, with **2021** as 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). GHG emissions were fully offset during **2022 for Scopes 1 and 2**; for the following years until 2030, it is planned to offset the residual emissions of the tons of CO<sub>2</sub>e that have not been reduced or avoided through actions to improve the eco-efficiency and circular economy performance in the O&M stage.

The Neutrality Roadmap is based on three main actions:

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

## 1. Measurement and establishment of the baseline

This action consists of making the emissions inventory, identifying the main sources of GHGs, preparing for the verification of the emissions inventory, third-party verification of the emissions inventory, and preparing for the certification process. ISA and its companies' emissions inventory is subject to an annual independent third-party verification process through a Validation and Verification Body (VVB). The emissions inventory is made based on the considerations of the GHG Protocol. The **base year** chosen for the calculation and verification of emission reduction targets is **2019**, since the information is complete and, in most companies, information is 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 CO<sub>2</sub>e:

SCOPE	YEAR	ISA	ITCO	REP	CTEEP	ISABO	ITCH	TCA	ITV	XM	ITX	SIER	TOTAL <sup>2</sup>
<b>S1</b>	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	<b>31,505.46</b>
<b>S2</b>	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	<b>9,417.21</b>
<b>S3</b>	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	<b>22,831,310.8</b>
<b>E.L. 3</b>	2021	-	86,887.5	-	912,264.2	-	-	-	-	-	-	-	-

**Table I. Inventory results. 2021 GHG of ISA and its companies for Scopes 1, 2, and 3. Prepared by ISA**

It is clarified that ISA CTEEP included in its Scope 3 emissions generated by the use of transported energy (total energy transported by the electricity emission factor), according to the methodology used in the Brazilian GHG protocol template; however, for the manageable categories, according to

<sup>2</sup> E.L. S3: Energy losses in Scope 3; 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.

the methodology used for ISA's corporate consolidated result (GHG protocol), Scope 3 emissions for CTEEP were: 26,456 tCO<sub>2</sub>e. 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 2. The reasons are described in the audited GHG inventory report. For ISA INTERCOLOMBIA and ISA CTEEP, transmission losses were included in Scope 3. (See clarification of losses in the 2021 emissions inventory report).

Scope 2 includes emissions from energy consumption at headquarters and substations.

## **2. Emission reduction**

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), and reduction of fugitive SF6 emissions. (See emissions management plan and emissions inventory report).

## **3. Emissions offsets**

ISA and its companies, after verifying their achievements in improving their operational eco-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 Scopes 1 and 2 and a percentage of Scope 3 was offset for each company, as shown in Tables 2, 3, and 4.

## Emissions offsets, Scopes 1 and 2

#	Company	Emissions Verified	Offset amount	% offset	Company	Standard	Project	Serial No.	Remarks
1	XM	0	0	N/A	SEE I-REC TABLE	VCC	SEE I-REC TABLE	SEE I-REC TABLE	0 tCO <sub>2</sub> e emitted and verified for Scope 1. For Scope 2, 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: <a href="https://app.biocarbonregistry.com/blokhain/retiro/941/verificacion">https://app.biocarbonregistry.com/blokhain/retiro/941/verificacion</a>
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 Scopes 1 and 2 were offset. <a href="https://app.biocarbonregistry.com/blokhain/retiro/1022/verificacion">https://app.biocarbonregistry.com/blokhain/retiro/1022/verificacion</a>
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 Scopes 1 and 2 were offset. See page 2:
4	CTM	1,491.66	1,491.66	100%	SOUTH POLE	VCS /CC B	AMPA	8123-458635467-458637045-VCU-576-VER-PE-14-1882-01012015-31122015-1	100% of Scopes 1 and 2 were offset. See page 2: <a href="https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1882">https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1882</a>
5	ISA PERÚ	735.92	735.92	100%	SOUTH POLE	VCS /CC B	AMPA	<a href="https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1882">8123-458637046-458637782-VCU-576-VER-PE-14-1882-01012015-31122015-1</a>	100% of Scopes 1 and 2 were offset, Link: <a href="https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1882">https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1882</a>
3+ 4+ 5	REP CONSOLIDATED (ISAP+CTM +ISA PERÚ)	4,707	4,707	100%	SOUTH POLE	VCS /CC B	AMPA	REP CONSOLIDATED	REP CONSOLIDATED
6	INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.	0	0	N/A	N/A	-	HUAYABAMA	SEE I-REC TABLE 5656-253998662-253999559-VCU-019-APX-CO-14-1378-01012009-31122009-0	Scope 1 emissions for 2021 for ISA Los Balsos Medellin Headquarters were 0 tCO <sub>2</sub> e. Scope 2 was offset through I-REC (see I-REC table) and additional consumption is supplied through the Headquarters' solar energy microgrid. Link: <a href="https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1378">https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1378</a>
7	INTERNEXA Colombia	100	100	100%	SOUTH POLE	VCS	PROCUENCA	5660-254086012-254086138-VCU-019-APX-CO-14-1378-01012008-31122008-0	100% of Scopes 1 and 2 were offset. See link: <a href="https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1378">https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1378</a>

#	Company	Emissions Verified	Offset amount	% offset	Company	Standard	Project	Serial No.	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 Scope 1 was offset with carbon credits. 4,232.6 tCO <sub>2</sub> e were offset for Scope 2 (total energy consumed billed + not billed). Emissions from billed energy alone would be: 429.59 tCO <sub>2</sub> e. According to corporate guidelines, Scope 2 was offset with I-REC certificates for 4,232.6 tCO <sub>2</sub> e. Link: <a href="https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=2539">https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=2539</a>
9	ISA-TRANSELCA	3,081	3,081	100%	SOUTH POLE	VCC	TICOYA	PCR-CO-ATI-14-001-2-1012-1712-0063264-0067231	100% of Scopes 1 and 2 were offset. Link: <a href="https://app.biocarbonregistry.com/blokchain/retiro/1105/verificacion">https://app.biocarbonregistry.com/blokchain/retiro/1105/verificacion</a>
10	ISA . INTERCOLOMBIA	3,998	3,998	100%	SOUTH POLE	SCX	CC MITIGATION PROJECT CARIBBEAN REGION	BCR-CO-173-14-001-2-1401-1412-0000001-0004439	Scope 1 and 785.13 tCO <sub>2</sub> e of Scope 2 were offset with carbon credits and 443 tCO <sub>2</sub> e with I-REC certificates (see I-REC table. Link: <a href="https://app.biocarbonregistry.com/blokchain/retiro/1128/verificacion">https://app.biocarbonregistry.com/blokchain/retiro/1128/verificacion</a>
11	ISA-INTERVIAL	820	820	100%	CO <sub>2</sub> Neutral	VCS	N <sub>2</sub> O destruction – PANNA 4, Chile	0125-E0817B09	100% of Scope 1 was offset with carbon credits and Scope 2 with I-REC certificates. In total, the certificate is for 14,554 MWh (5,772 tCO <sub>2</sub> e). Link: <a href="https://www.scx.cl/web/isa-intervial-neutraliza-emisiones-2021/">https://www.scx.cl/web/isa-intervial-neutraliza-emisiones-2021/</a>
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 1 and 2. Link: <a href="https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1378">https://registry.verra.org/app/search/VC?programType=ISSUANCE&amp;exactResid=1378</a>
13	ISA BOLIVIA	340	340	100%	SOUTH POLE	VCC	CHINCHINÁ RIVER	Serials in footnote <sup>3</sup>	100% of Scopes 1 and 2 were offset. They were offset with four carbon credit certificates. Link: <a href="#">Verra search page</a>

**Table 2. Emissions offsets, Scopes 1 and 2. Source: Prepared by ISA.**

<sup>3</sup> SERIAL NUMBERS, 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)	tCO <sub>2</sub> e avoided (Approx.)	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 3. I-REC Certificates purchased in 2021. Source: Prepared by ISA.

### Emissions offsets, Scope 3

#	Company	Emissions Verified	Offset amount	% offset	Standard	Company	Project	Serial No.	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 3. ). Link: <a href="https://app.biocarbonregistry.com/blokchain/retiro/941/verificacion">https://app.biocarbonregistry.com/blokchain/retiro/941/verificacion</a>
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 3 emissions. Link: <a href="https://app.biocarbonregistry.com/blokchain/retiro/941/verificacion">https://app.biocarbonregistry.com/blokchain/retiro/941/verificacion</a>
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 3 (Scope 3 without losses, includes the categories measured in the corporate template). See page 2: <a href="https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResid=1882">https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResid=1882</a>
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 3 without losses, includes the categories measured in the corporate template. See page 2: <a href="https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResid=1882">https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResid=1882</a>
5	ISA PERÚ	0.690	1.08	100%	VCS/CCB	SOUTH POLE	AMPA	<a href="https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResid=1882">8123-458637046-458637782-VCU-576-VER-PE-14-1882-01012015-31122015-1</a>	Full Scope 3 was offset. See Link: <a href="https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResid=1882">https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResid=1882</a>

#	Company	Emissions Verified	Offset amount	% offset	Standard	Company	Project	Serial No.	Remarks
3+ 4+ 5	(REP+CTM+ISA PERÚ)	349	349	100%	-	SOUTH POLE	AMPA	-	Full Scope 3 (Scope 3 without losses, includes the categories measured in the corporate template). Offset with respect to the Min. of the Environment, 11.4 tCO <sub>2</sub> 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 3 was offset. See link: <a href="https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResId=1378">https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResId=1378</a>
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 3 was offset. See link: <a href="https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResId=1378">https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResId=1378</a>
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 Scope 3 offsets with emissions reported for the categories of the corporate template (26,455 tCO <sub>2</sub> e) it would be 7% of Scope 3, 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 <sub>2</sub> e verified are part of the Brazilian GHG methodology that requires the calculation of Scope 3 as the amount of energy transported by the electricity emission factor, 0.01% is calculated based on the 22,796,356 tCO <sub>2</sub> e. Link: <a href="https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResId=2539">https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResId=2539</a>
9	ISA-TRANSELCA	543	887	163%	VCC	SOUTH POLE	TICOYA	PCR-CO-ATI-14-001-2-1012-1712-0063264-0067231	163% of Scope 3. Link: <a href="https://app.biocarbonregistry.com/blokchain/retiro/1105/verificacion">https://app.biocarbonregistry.com/blokchain/retiro/1105/verificacion</a>
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 3 was offset. <a href="https://app.biocarbonregistry.com/blokchain/retiro/1128/verificacion">https://app.biocarbonregistry.com/blokchain/retiro/1128/verificacion</a>
11	ISA-INTERVIAL	20,279	1,600	8%	CDM Registry	CO <sub>2</sub> Neutral	N2O destruction – PANNA 4, Chile	0125-E0817B09	1,600 tons of Scope 3 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 3 emissions were offset. Link for certificate verification: <a href="https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResId=1378">https://registry.verra.org/app/search/VCS?programType=ISSUANCE&amp;exactResId=1378</a>

#	Company	Emissions Verified	Offset amount	% offset	Standard	Company	Project	Serial No.	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 <sub>2</sub> e offset for Scope 3.

**Table 4.** Scope 3 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.

<sup>4</sup> 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-

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