

ENVIRONMENTAL PERFORMANCE INDICATORS

	Performance Data	Unit	2016*	2017*	2018**	2019**	GRI Standards Indicator
Greenhouse Gas Emissions GHG	Direct Greenhouse Gas Emissions (Scope 1)	Ton CO2eq	32199	25521	21955	25318	305-1
	SF6 Emissions	kg	1464	1092	929	1003	305-1
	Indirect Greenhouse Gas Emissions (Scope 2)	Ton CO2eq	5498	4425	4819	5824	305-2
	Other Indirect Greenhouse Gas Emissions (Scope 3)	Ton CO2eq	3700	4942	13167	6493	305-3
Water Consumption	Municipal water supply	Mio. M3	0.057	0.056	0.097	0.079	303-1
	Fresh surface water	Mio. M3	0.021	0.02	0.0053	0.0046	303-1
	Fresh ground water	Mio. M3	0.151	0.11	0.077	0.098	303-1
	Total net water consumption	Mio. M3	0.229	0.186	0.179	0.182	303-1
Energy consumption	Non-renewable fuels purchased and consumed	MWh	8.15	18.51	658.5	848.4	302-1
	Non-renewable electricity purchased	MWh	22641	18111	8149	6821	302-1
	Renewable energy purchased	MWh	21918	22491	34909	34318	302-1
	Total non-renewable energy consumption	MWh	22649.15	18129.51	8807.5	7669.4	302-1
Waste	Total wasted generated	Ton	3571.6	648.5	5745.4	4948.62	306-2
	Total waste used/recycled/sold	Ton	3443	408.05	5304.24	4713.03	306-2
	Total waste disposed	Ton	128.6	240.45	441.16	235.59	306-2
	Hazardous waste generated	Ton	92.34	98.55	209.4	58.97	306-2

Deloitte & Touche has verified the data reported above. See last pages.

* The data reported during 2016 and 2017 represent the consolidated for the widest scope of information of the different subsidiaries.

** Since 2018 the scope of the information has been extended, covering ISA, INTERCOLOMBIA, REP, CTEEP, TRANSELCA, INTERCHILE and ISA BOLIVIA.

*** For the reporting of these emissions, the methodologies proposed by WRI and WBCSD in the greenhouse gas protocol were adopted (Corporate Standard accounting and reporting), for the calculation and reporting of ISA greenhouse gas emissions. Additionally, with the use of NTC-ISO14064-1

The Environmental Corporate Policy, guides ISA and its companies, promoting a responsible management of the use of natural resources, their impacts, and risks, to ensure that processes are aligned with the pursuit of sustainable development. ISA carried out the setting of standards, objectives, goals and environmental requirements, focused on the asset life cycle, which enables it to act in a preventive way and anticipate the environmental risk management.

The ISA2030 strategy inspired by sustainable value proposes concrete initiatives for reduction of environmental impacts, specifically in its green pillar it has explicitly established the reduction of environmental impacts in its operations. In the new materiality analyses performed by ISA Group during 2019 were identified, among others, the management of environmental impacts as an issue that is relevant to the achievement of its strategy and is valued as such both internally and externally. For this, the company manage the main environmental impacts generated during asset's life cycle and develop best practices to mitigate them.

ISA, as a signatory since 2005 to the United Nations initiative, Global Compact, have the of compromise of promoting practices to improve and contribute to the sustainable development goals, as well as maintaining a preventive approach that contributes to the environment. To be consistent with these principles, ISA and its companies develop actions to mitigate and adapt climate change in three areas:

- Climate change management.
- Offsetting of Greenhouse Gases (GHG).
- Eco-efficiency

Thanks to the continuous improvement of our environmental reporting system, and the verification of historical information, we expanded the scope to the largest possible number of our subsidiaries in the power transmission business for each variable in each year, as can be seen in the figure below.

Variables	FILIALES						
	ISA	INTERCOLOMBIA	TRANSELCA	REP	CTEEP	INTERCHILE	BOLIVIA
Alcance 1							
2016							
2017							
2018							
2019							
Alcance 2							
2016							
2017							
2018							
2019							
Energía							
2016							
2017							
2018							
2019							
Agua							
2016							
2017							
2018							
2019							
Residuos							
2016							
2017							
2018							
2019							
Peligrosos							
2016							
2017							
2018							
2019							
SF6							
2016							
2017							
2018							
2019							

Since 2018 we extended the scope of the reported information, covering not only 100% of the assets owned by ISA, but also assets of the other Energy Transmission subsidiaries (REP, CTEEP, TRANSELCA and INTERCHILE). That is why the reported information has suffered an important increase. Measurements in all subsidiaries were made under the Integrated Management System and applied to administrative headquarters and substations.

The emission measurements were made through the inventory of Greenhouse Gases, under the World Resources Institute (WRI) methodology of GHG Protocol and the ISO14061-1 standard, identifying the Company main sources of emissions, direct and indirect. The reported emissions include Scope 1, 2 and 3.

Greenhouse gases –GHG–

ISA counts with a climate strategy aligned with joint priorities and actions of governments, the society and companies, based on a consolidated practice of measuring, reducing, and offsetting greenhouse gases (GHG) produced by the operation of ISA's businesses.

ISA and its companies identified that, in terms of their direct GHG emissions (scope 1), more than 80% corresponds to leaks of sulfur hexafluoride gas, or SF₆, which is installed in encapsulated substations and high-voltage switches. The Global Warming Potential (GWP) of this gas is 23.500 times higher than CO₂, which is an important contribution to global warming per unit emitted.

It should be noted that when the subsidiary CTEEP (the largest energy transmission company in the group) is added to the scope of the eco-efficiency information, the direct emissions data increase disproportionately since this subsidiary has a high percentage of encapsulated substations with gas-insulated switchgear (GIS) with antiquity of more than 20 years, which, in addition of requiring a larger amount of SF₆, the technology available by the moment of acquisition and installation allows a much higher percentage of leaks.

Considering that this gas is the main source of direct GHG emissions, and being consistent with aligning with the best sustainability practices worldwide, in 2016 a corporate goal was set, focused on the reduction of direct emissions, which consists of reducing, by 2020, SF₆ leaks of that year by more than 50%, which is equivalent to avoiding the emission of approximately 18.500 tons of CO₂ e. To achieve this goal by 2020, annual goals were set for each company. Companies that do not yet meet the International Electrotechnical Commission (IEC) standard, which establishes that leaks shall not be greater than 0.5% of the SF₆ installed, must reduce the leaks of the previous year by 10% until getting below this standard before 2020.

For ISA, leaks in total operations amounted to 1.003 kg, an increase of 74 kg of gas compared with the previous period. In 2019, all the energy transmission companies, excluding ISA CTEEP met this goal, thus reducing the consolidated percentage of leaks of the group to 0,496%, while exceeding the 0,5% goal, and even

the IEC standard. It should be noted that ISA REP, ISA INTERCOLOMBIA, ISA TRANSELCA, ISA INTERCHILE and ISA BOLIVIA's leaks were below 0,5%, and ISA CTEEP had an increase by about 11% over the previous year, from two gas leak events at two substations, resulting in 238 kg.

During 2019, several actions were developed to reduce SF₆ emissions, highlighting the following:

- Regular preventive maintenance to switches, thus preventing gas leakage.
- Replacement of high-voltage switches at the end of life.
- Improvement in the registry of SF₆ data at SAP.
- Use of infrared light cameras for the timely detection of uncontrolled leaks during the operation.
- Overhaul or major maintenance to switches.
- Implementing of new seals, that guarantee the tightness of the enclosures that contain the gas

The second individual source of GHG emissions is associated with energy consumption (scope 2), activity for which the short-term goal was set: to reduce consumption by 5% by 2019, taking the average of the last three years as the baseline. The total reduction achieved was 479 tons CO₂e, which represents 22% of the target. The acquisition of International Renewable Energy Certificates (I REC) by the subsidiary ISA INTERCOLOMBIA for energy consumption at the Medellín headquarters, thanks to which 25% of the demand was met by 2019, stands out.

For 2019, a reduction of approximately 320 tons CO₂ e was set as a goal, considering water consumption, energy, and waste generation sections. The results are positive, as the goal was exceeded with a total of 413 tons CO₂ e avoided by eco-efficiency actions in the impact reduction section. XM, ISA REP, and ISA BOLIVIA met the target agreed for each affiliate, while ISA INTERCOLOMBIA and ISA CTEEP did not meet their target mainly because of energy consumption, which is determined by national emission factors that cannot be controlled by the companies

Thanks to our corporate offsetting program Conexión Jaguar ISA, ISA INTERCOLOMBIA, ISA REP and XM offset 100% of their greenhouse gas emissions through the purchase of 25.698 carbon credits from forestry conservation projects. These companies were ratified by the South Pole Group as Carbon Neutral. Also, ISA CTEEP offset 65% of its greenhouse gas emission

Water consumption

ISA is not a company with an intense use of water and doesn't have water as input in its production process. However, we recognize the importance of a proper management of this natural resource, promoting programs in the headquarters and substations for its responsible and efficient use. In 2019, we established the goal of reducing water consumption by 5% to 2020 for companies with a baseline, based on the average of the last 3 years (2015, 2016 and 2017). Compliance of the target for the mentioned 52.7%, the water consumption for this subsidiaries was 0.163 million m³ (different from the data reported in the table, which considers all subsidiaries), which indicates that the target was reached (with a variation of 0,007 million m³ between the target and the real consumption). The consumption of surface water decreased considerably since in previous years it was not being separated from groundwater.

We highlight the implementation of rainwater catchment, atmospheric water generators, dry toilets and gray water management systems technology. Activities carried out by REP include reuse of condensation water from air conditioners and drip irrigation, 48% reduction in water consumption by switching from conventional to savers taps and implementation of a rainwater recovery system for irrigation. For its part, CTEEP has a new headquarters in Sao Paulo with LEED certification in the gold category, which is awarded to sustainable buildings based on criteria of energy efficiency, use of alternative energy, efficiency in water consumption, among others.

Waste generation

Power Transmission is a service activity. The materials used at the end of its life cycle, generate waste that are recyclable, mostly industrial surplus, which are again incorporated into the production line for generation of the same component or other material. Waste reported during the period, is generated in the operation and maintenance of the headquarters, substations and transmission lines. In the activities of the energy transmission business, there is a low level of waste generation. However, we are committed to the efficient management of waste.

We established the goal of reducing disposed waste by 5% to 2019 for companies with a baseline, based on the average of the last 3 years (2015, 2016, and 2017). If we analyze compliance of the target, the disposed waste was 224,3 ton (different from the data reported in the table, which considers all subsidiaries), which indicates that the target wasn't reached (with a variation of 62,3 ton between the target and the real consumption), mainly because during extreme weather events (such as heavy rains and winds) the amount of waste increases due to damage to the equipment or the fall of vegetation that must be removed and sent to final disposal.

Compared to 2018, a lower volume of waste was generated, achieving a total reduction of 797 tons, which is mainly attributed to the decrease in damages to the equipment or the fall of vegetation due to extreme weather events such as those that occurred in 2018, which led to that year increase generation by 77.12%. The correct separation of solid waste and the composting processes carried out in the facilities of the main headquarters in Medellín stand out as good practices during the year.

The subsidiaries also developed actions to reduce environmental impacts caused by waste generation. During 2019, CTEEP managed to reduce the fraction of solid waste eliminated, selling the majority to third parties that can take advantage of it, while REP managed to recycle a total of 8 tons of paper, cardboard and plastic.

Considering cost reductions and the peculiarities and representativeness of our subsidiary in Brazil, ISA CTEEP, volumes of sold and disposed waste can also vary among the years, besides operational conditions, due to batch selling. Companies are always looking for markets opportunities and risk reduction related to final disposal, as circular economy advances.

In the activities of the energy transmission business, there is a low level of hazardous waste generation. However, we are committed to the efficient management of waste, for this we established the goal of reducing disposed hazardous waste by 5% to 2019 for companies with a baseline, based on the average of the last 3 years (2015, 2016 and 2017). If we analyze compliance of the target for the mentioned subsidiaries, the total hazardous waste generated was 57,57 ton (different from the data reported in the table, which considers all subsidiaries without INTERCHILE), which indicates that the target was reached (with a variation of 19,63 ton between the target and the real generation). The reduction compared to 2018 was mainly caused by the oil spill occurred in a substation that year, which generated 87.2% of this type of waste. At the end of the period, remedial measures related to control of pollution generated by hydrocarbon on ground are followed up. This was a rare accident, so effort is made to prevent accidents to happen again.

The subsidiaries also developed actions to reduce environmental impacts caused by hazardous waste generation. REP and CTEEP has a contract with a company providing solid waste services, for the collection, transport, treatment and final disposal of waste which allow them to comply with the environmental legislation established. A consolidated practice in all the subsidiaries is to deliver used oils to certified companies for final disposal of reuse of them, guarantying they got the proper disposal. We also highlight the sale of oils by ISA CTEEP to re-refining, a process that extends the useful life of these products, making it part of the circular economy.

Considering cost reductions and the peculiarities and representativeness of our subsidiary in Brazil, ISA CTEEP, volumes of disposed hazard waste can also vary among the years, besides operational conditions, due to batch management. Companies are always looking for risk reduction related to hazard waste, as technologies and circular economy advances.

Energy consumption

None of the main activities associated with Energy Transportation, carried out by ISA Subsidiaries, require the use of energy from non-renewable sources. In internal support processes, the energy generated is used rarely when there are failures in the energy supply system to the administrative headquarters, and for the business continuity must be generated through Diesel plants.

In 2019 we established the goal of reducing water consumption by 5% for companies with a baseline, based on the average of the last 3 years. This goal will be reviewed and updated to advance our asset management according to eco-efficiency issues.

The great variation in the data is mainly due to the fact that the scope of measurement and recording of this variable for 2016 and 2017 only considered ISA INTERCOLOMBIA, for the year 2018 the scope was increased to 6 companies, including CTEEP, which is the largest in the energy transmission business and for 2019 ISA INTERCHILE was added, with which all the subsidiaries of the energy business are covered. Additionally, the increase in consumption of fossil fuels during 2018 and 2019 it's because registry of this information has improved and now, we report that consume in more administrative headquarters. Since 2018, this value is calculated from the data provided by the energy authorities of each country, in which the composition of the energy matrix is established and depending on said information, what corresponds to renewable and non-renewable energy is separated. It is important to highlight that during 2019 ISA and INTERCOLOMBIA offset all their energy from non-renewable sources with the acquisition of International Renewable Energy Certificates (I-REC).

In general, a decrease is observed in non- renewable electricity between 2016 and 2019 with a significant reduction in 2018 since INTERCOLOMBIA and CTEEP changed their calculation methodology, considering the composition of the energy matrix of Colombia and Brazil. Additionally, it should be noted that for 2016 and 2017, there was only a registration for ISA INTERCOLOMBIA, REP and CTEEP, for 2018 are also included ISA BOLIVIA and TRANSELCA and for 2019 ISA INTERCHILE was added, with which it covers all the subsidies of the energy business.

An increase in renewable energy is observed between 2016 and 2019 with a significant growth in 2018 since INTERCOLOMBIA and CTEEP changed their calculation methodology, considering the composition of the energy matrix of Colombia and Brazil. Additionally, it should be noted that for 2016 and 2017, there was only a registration for ISA INTERCOLOMBIA, REP and CTEEP, for 2018 are also included ISA BOLIVIA and TRANSELCA and for 2019 ISA INTERCHILE was added, with which it covers all the subsidies of the energy business.

It should be clarified that ISA established a target that includes the sum of non-renewable and renewable purchased energy applying to ISA, INTERCOLOMBIA, REP and CTEEP. INTERCHILE, ISA BOLIVIA and TRANSELCA, don't have a target because they didn't have a baseline in 2018, since they had been started to build their environmental indicator system in that year.

In compliance of the target, the energy consumption was 38462,8 MWh, which indicates that the target wasn't reached (with a variation of 865,2 MWh between the target and the real consumption). It is also important to highlight that if said 5% decrease goal is restricted only to non-renewable energy, which would be equivalent to 19450 MWh, we would have full compliance with said goal for 2019 (with a variation in this case of 12628,6 MWh between the target and the real consumption), especially due to the increase in the use of renewable sources.

We highlight the campaigns for the well use of the natural resources and replacement of luminaries by LED technology in substations and administrative offices as well as the replacements plans that were executed in 2019. These actions are also executed in the other subsidiaries, such as REP and CTEEP. Also stands out the acquisition of International Renewable Energy Certificates (I-REC) by the subsidiary INTERCOLOMBIA for energy consumption at the Medellín headquarters, whose supplied 25% of the demand for the year 2019.

Environmental Impacts During Assets Lifecycle:

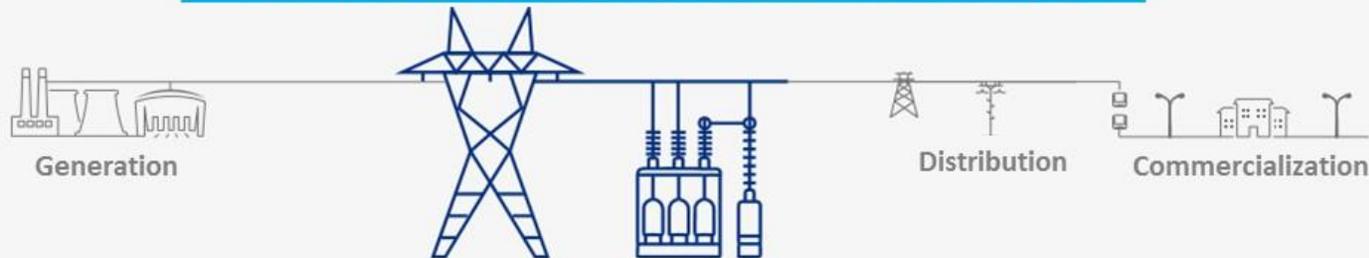
ISA has 4 business units including Electric Energy Transmission, Road Concessions, Information and Telecommunication Technologies and Management of Real-Time Systems. Among these, the main business of ISA is the Electric Energy Transmission, which consist of transporting energy generated to the energy distributors. It's fundamental for having an energy market; being the meeting point between generation and demand and is the way to perform electric energy exchanges.

Neither ISA nor its subsidiaries, don't have a significant own or managed fleet and therefore there is no generation of NOx, SOx or dust emissions. Transportation for both maintenance activities and business trips and the movement of its employees is done through contractors and public transport.

Additionally, in our processes we don't carry out combustions that generate NO_x, SO_x, ash and gypsum, mercury or dust during the operation and maintenance of the Energy Transmission business. The main materials and equipment operated to provide this service are current transformers, voltage transformers, power transformers, reactors, circuit breakers, disconnectors, tower profiles, insulators, power cables, dielectric oil and electronic equipment, among others, none of which requires a combustion process in the production cycle that generates NO_x, SO_x, ash and gypsum, mercury or dust emissions. These materials are not transformed at any time in the assets life cycle of ISA or its subsidiaries, which consists mainly of assemblies of different metal parts without the need to burn any fuel or the use of a material that can generate emissions.

Transmission

Main impact: service interruption - unavailability of the Network



Main Impacts during assets life cycle

Identify and structure Energy Transmission businesses

Build infrastructures

Environmental: loss / affectation of vegetation cover; affectation of fauna, endemic flora endangered, prohibited or of ecological, economic and cultural importance; alteration of water, soil and air by hazardous waste; modification of soil characteristics (physicochemical, biological and use).
Social: discomfort to the community for works, modification of landscape quality, limitation of the right of ownership.

Operate National Transmission System

Environmental in substations: modification of air quality, modification of physicochemical properties of surface water, impact of resources by generation of hazardous waste.
Environmental in lines: loss / affectation of vegetation cover; affectation of fauna; affectation of endemic flora threatened, closed or of ecological, economic and cultural importance.
Social: discomfort to the community; modification of landscape quality; limitation of the right of ownership; involuntary displacement of families.

Maintain National Transmission System

Renew and make the final disposition of the assets

Environmental : alteration of water, soil and air by hazardous waste, modification of the physicochemical and biological characteristics of the soil, modification in the current use of the soil.
Social: discomfort to the community for works.

Customer Management

Memorandum of independent review

Independent Review of the Integrated Report 2019 – Interconexión Eléctrica ISA

Responsibilities of the Management of ISA and Deloitte

The preparation of the 2019 Integrated Report of ISA, between January 1st and December 31 of 2019, and its content are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control which information is obtained.

Our responsibility is to issue an independent report based on the procedures applied and previously agreed upon for our review.

This Report has been prepared exclusively in the interest of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the Management of the Company.

We have performed our work in accordance with the Independence regulations required by the ethics code of the International Federation of Accountants (IFAC).

The scope of a limited review is substantially less than an audit. Therefore, we do not provide an audit about the Integrated Report.

Scope of our work

We have carried out the review of the content adaptation of ISA Integrated Report 2019, to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).

Standards and review processes

We have carried out our work in accordance with ISAE 3000 - International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC).

Our review work consisted in the formulation of questions to the Administration, as well as to the different areas and operations of ISA that have participated in the elaboration of the Integrated Report 2019, in the application of analytical procedures and tests of revision by sampling that is described below:

- Interviews with ISA employees to know about the principles, management approaches and data consolidation systems applied to prepare the Report.
- Analysis of how the content, structure and indicators were defined based on the materiality exercise according to the GRI Standards.
- Analysis of the processes to collect and validate the data presented in the report.
- Checking, by sample, testing and review of quantitative and qualitative evidence corresponding to the GRI, GCCA contents and ISA internal indicators included in the 2019 Integrated Report, and proper compilation from the data supplied by ISA the sources of information.

Confirmation that the 2019 Integrated Report of ISA has been prepared in accordance with GRI Standards: Core option "in accordance".

General contents:

It was confirmed that the report conforms to the requirements of the core option "in accordance" with the GRI Standards regarding the general basic contents.

Specific contents:

We review the management approach, the GRI, DJSI and internal contents of its material issues:

Material	GRI content and / or own indicator of ISA
Transformative leadership and ability to influence	201-1. Economic value generated and distributed.
	419-1. Breach of laws and regulations in the social and economic fields.
Proactive contribution to global environmental challenges	304-2. Significant impacts of activities, products and services on biodiversity.
	305-1. Direct GHG emissions (scope 1).
	305-2. Direct GHG emissions (scope 2).
	305-3. Other indirect GHG emissions (scope 3).
	305-7. Nitrogen oxides (NOX), sulfur oxides (SOX) and others.
	302-1. Energy consumption within the organization.
	303-1. Total water withdrawal by source.
	306-2. Waste by type and disposal method.
	307-1. Breach of environmental legislation and regulations.
	Own. Investments in environmental programs for project licensing.
Socioeconomic development	Own. People benefited.
	Own. Social investment in critical municipalities.
	Own. % of critical municipalities with presence of social actions.
	412-1. Operations subject to human rights reviews or impact assessments.
Attraction, development and care of the best talent	404-1. Average hours of training per year per employee, broken down by sex and by job category.
	403-2. Types of accidents and frequency rates of accidents, occupational diseases, days lost, absenteeism and number of deaths due to occupational accident or illness.
	Own. Organizational climate assessment.

Conclusions

Based on the work carried out described in this report, the procedures carried out and the evidence obtained, no subject matter has come to our knowledge that leads us to think that the indicators within the scope of the review and included in the 2019 Integrated Report of ISA for the period between January 1 and December 31, 2019, have not met all the requirements for the preparation of reports, in accordance with the essential option of the Global Reporting Initiative (GRI) Standards. For those indicators of the GRI Standards where ISA did not report quantitatively (figures), only the qualitative information that included procedures, policies, evidence of activities carried out, among others, was reviewed.

Alternativas de acción Alternative lines of actions

Deloitte has provided ISA with a report with the most significant alternatives of action for the future preparation of Reports, which do not modify the conclusions expressed in this report, also a few observations that will strengthen the consolidation, management, measurement and communication processes of the organization's sustainability performance.

Declaration of Independence

We confirm our independence from ISA. All of our employees carry out annual updates to the Ethics Policy where we promptly declare that we have no conflicts of interest with ISA, its subsidiaries and its stakeholders.



Deloitte asesores y consultores

Jorge Enrique Múnera D.

Partner

Bogotá, may 2020

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