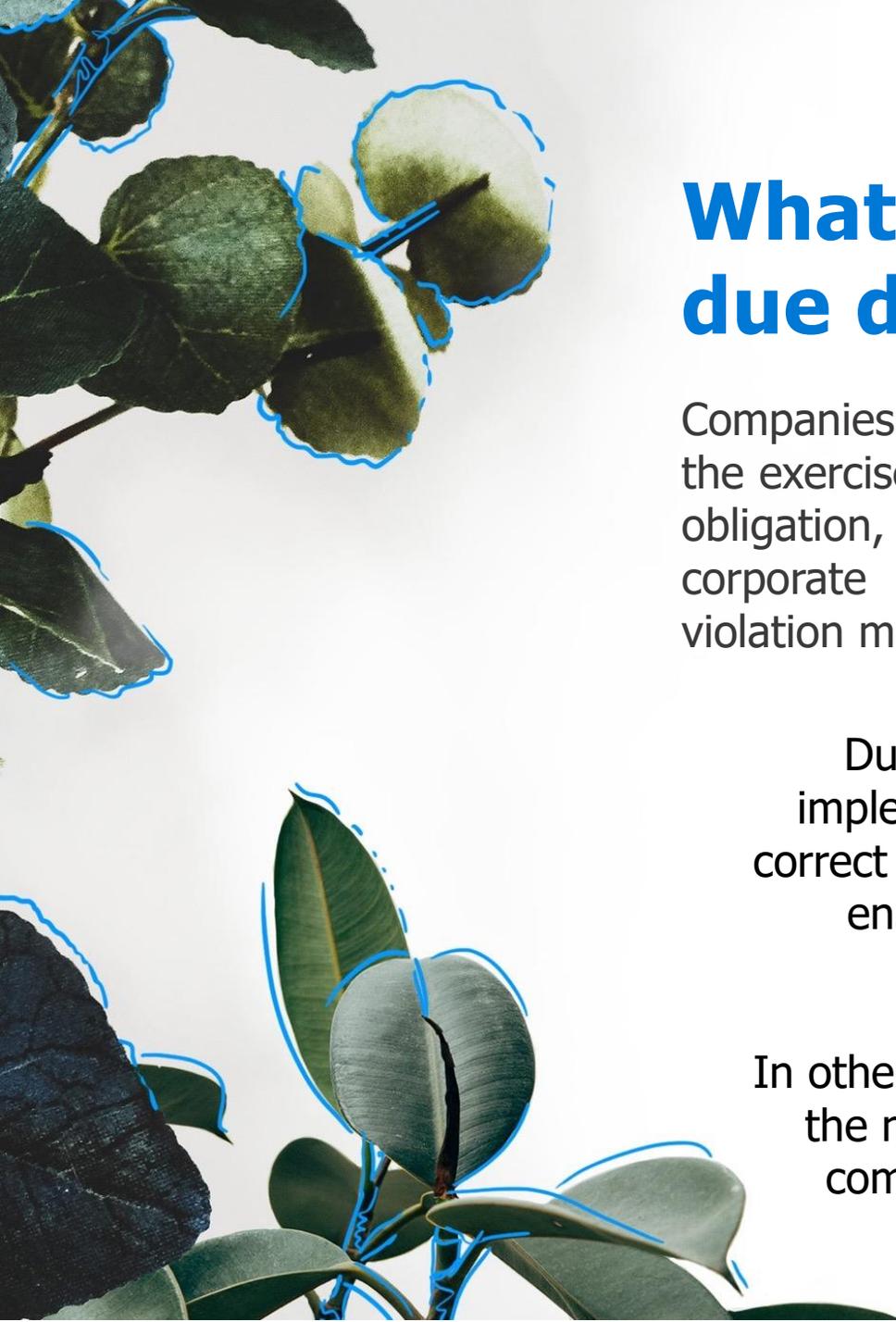


A photograph of two children, a girl on the left and a boy on the right, looking at a globe on a table. The girl is wearing a white t-shirt with colorful polka dots. The boy is wearing a light-colored long-sleeved shirt. On the table in front of them are a small green toy alligator and a small gold and blue robot toy. The globe is illuminated, showing the Atlantic Ocean and parts of South America and Africa. The background is dark blue.

DUE DILIGENCE  
AT ISA WE RESPECT  
HUMAN RIGHTS

isa

CONEXIONES QUE INSPIRAN

A decorative illustration of green leaves and branches is positioned on the left side of the slide. The leaves are dark green with prominent veins, and some are highlighted with a blue outline. The branches are thin and brown.

## What do we mean when we say due diligence?

Companies are obligated to abstain from violating, by action or omission, the exercise and enjoyment of Human Rights. In order to comply with this obligation, they must put **Due Diligence** into practice, which involves corporate behavior, risk prevention and mitigation, and repair if the violation materializes.

Due Diligence is doing the right thing before, during, and after the implementation of every project. It implies identifying weaknesses to correct them, and risks to mitigate them, through concrete actions that ensure compliance of the principles, values and policies voluntarily adopted by the Company.

In other words, it is the capacity of companies to take responsibility for the negative impacts caused by their activities. Due Diligence guides companies in adopting good practices that enable them to discover, prevent, and mitigate the risks of violating Human Rights.



# How does ISA ensure Due Diligence on Human Rights?

ISA strives to include practices related to three basic aspects of due diligence:

1

Through corporate behavior The starting point is to showcase from within its corporate framework the political commitment of assuming its responsibility to respect Human Rights. To accomplish this, companies must have appropriate policies and procedures, depending on their size and circumstances.

In that regard, ISA has established guidelines in its Code of Ethics and Social Policy, and it has made an explicit Declaration on Human Rights which expresses what the Company intends to accomplish, as well as engaging its workers, suppliers and customers in the effort. Moreover, it includes these guidelines in its Corporate sustainability management and Social and Environmental management models.



# Prevention and mitigation procedures

Companies must:

2

- Include, in management systems, tools to assess the impact or risks of violation of human rights.
- Include tools to evaluate the impact or risks of Human Rights violations in its Management Systems.
- Consider the findings of the impact evaluations in response thereto.
- Monitor the effectiveness of these responses, based on adequate qualitative and quantitative indicators; listen to the stakeholders through a system of complaints and grievances; implement a mechanism to supervise the measures adopted and commitments acquired.
- Notify the stakeholders of how the Company will manage the impacts identified in the evaluation.

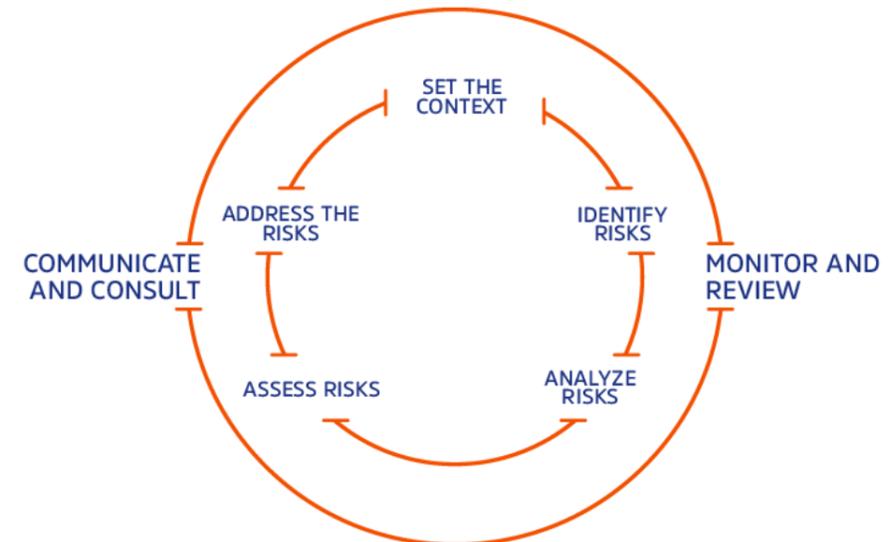
## RISK MANAGEMENT AS A KEY ELEMENT IN BUSINESS DISCUSSIONS



To preserve and maintain an excellent management of our business resources, and ensuring business continuity, ISA has a comprehensive management approach against possible risks and opportunities.

## COMPREHENSIVE RISK MANAGEMENT MODEL

ISA has implemented a mechanism for identifying, analyzing, and minimizing risks that allows us to be updated on any changes, impacts, or gains we may detect in this process.



# For ISA, it is particularly important to evaluate Human Rights impacts in specific situations such as:

- Undertaking new projects, acquisitions, or investments.
- During the operation of its businesses.
- When starting a new business or contractual relationship with suppliers, ensuring that they have not prior record of Human Rights violations, and demanding that they have in place a process to evaluate the risk of their activities when they are carried out in complex settings.
- When acquiring lots or negotiating services.
- When disseminating information on projects to ethnic or vulnerable groups.

# Reparation Procedures

3

By establishing processes that repair the negative consequences to Human Rights caused or contributed to by the Company.

For this, the Company needs to have in place grievance mechanisms at the operational level for the potential victims affected by corporate activities, and constitute an effective means of repair, always in compliance of legal requirements.

- Ethic line
- APP ISA Ethic line
- Ethic committee
- Compliance officer
- Communication mechanisms with project liaisons and authorities

In that regard, ISA realizes that because of its size and presence in complex settings, it is not always easy to identify situations of potential Human Rights violations. For that reason, it has included the issue in its Ethics Management Multi-channel System, where it can interact with its stakeholders to process reports and inquiries.

In addition, it has different communications channels, where stakeholders can contact the Company.

# How does ISA promote Human Rights?

In addition to implementing practices of respect and management of Human Rights, ISA has made a commitment to promote Human Rights among its stakeholders, with emphasis on its employees, suppliers, and society in general.

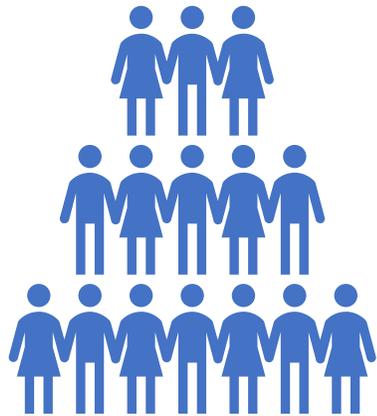


Through dialog, awareness-raising campaigns and educational talks with its employees and suppliers, ISA fulfills its commitment of respecting and promoting Human Rights and not being complicit in any violations thereof. Some examples of this include

- Human Rights and Company virtual course.
- Dialogs with stakeholders.
- Dissemination for primary groups.
- Orientation processes for new workers.
- Orientation processes for new contractors.

# How does ISA promote Human Rights?

With **Society**, ISA supports programs and projects aimed at promoting, re-establishing and demanding rights, supporting education programs, formulating public policy, and supporting leadership schools.



## Challenges assumed and progress made

One of the major challenges in due diligence is managing the value chain, because it is not enough to evaluate the Company's risks. It is also necessary to understand and address the risks and abuses resulting from the Company's activities with the rights holders along its supply chain.

For this, ISA has included a contract clause that addresses the consequences of committing ethical breaches. This is done with the goal of preventing improper actions along the supply chain and to enable every person who feels violated by an ISA contractor to present his or her complaints to the Company, with concrete consequences if said breach is proven.

# What are the main issues involving the Company's Human Rights efforts?

- ISA does not allow child labor, or forced or compulsory labor, and promotes preventive actions through its sustainability operations.
- ISA provides fair and timely wages and promotes this practice along its supply chain.
- ISA respects the rights of its workers to be represented by trade unions or other types of labor organizations.
- ISA applies OHSAS 18001 standards as a tool for managing adequate measures that ensure the health and safety of its employees in work related activities, and encourages its suppliers to do the same as part of their responsibilities.
- ISA promotes gender equality in its activities.
- ISA strives to attain a solid understanding of the culture, religion, norms and values of ethnic groups. The Company also manages all inquiries and provides information on the impacts and their management measures by holding meetings with these groups to build positive, mutually beneficial relationships.
- ISA promotes equitable treatment as regards to access to employment and adequate work conditions.
- ISA does not tolerate discriminatory practices.

# What does it mean for companies to implement and promote due diligence?

- The process of due diligence implies evaluating the context of Human Rights before launching a new business or investment.
- Whenever possible, it will identify the individuals possibly affected, catalog the norms and other relevant aspects on the Human Rights issue, and measure the consequences that the project, work or activity and corresponding business relations may have on the Human Rights of the assessed communities.
- It means that companies will not tolerate that any of its stakeholders, either directly or as an accomplice, should act in violation of Human Rights. Furthermore, it also means to reject any payment to fund illegal armed groups, contribute to terrorism, or launder money.
- Communicate and train its workers and suppliers not to offer, promise or request, either directly or indirectly, illicit payments or other undue advantages resulting from developing actions inherent to its businesses in a specific area.
- In each of its businesses, companies must directly implement risk management measures and ensure that their suppliers do the same.

# How does ISA verify and monitor compliance of its commitments to Human Rights?

- ISA verifies and monitors Human Rights compliance through the use of the Ethics Line, and keeps a record of the complaints addressed, which shall be reported on a quarterly basis to the Ethics Committee.
- ISA has a Socio-political Risks and Social Risks Analysis Group to manage potential situations of Human Rights violations.
- ISA communicates its progress through the Progress Communication (COP) System, and provides accountability of its Human Rights efforts in the Sustainability Report prepared every year. It also reports progress made to the United Nations Global Compact.

