

# True Value in ISA

A new approach to value  
creation – Results  
Presentation

May 2021

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# Project objective



Develop metrics to monitor the sustainability model and strengthen the reputation model by measuring the real value based on 10 impacts



## SPECIFIC OBJECTIVES



Defining the scope



Developing a conceptual model and capturing information



Monetizing impacts

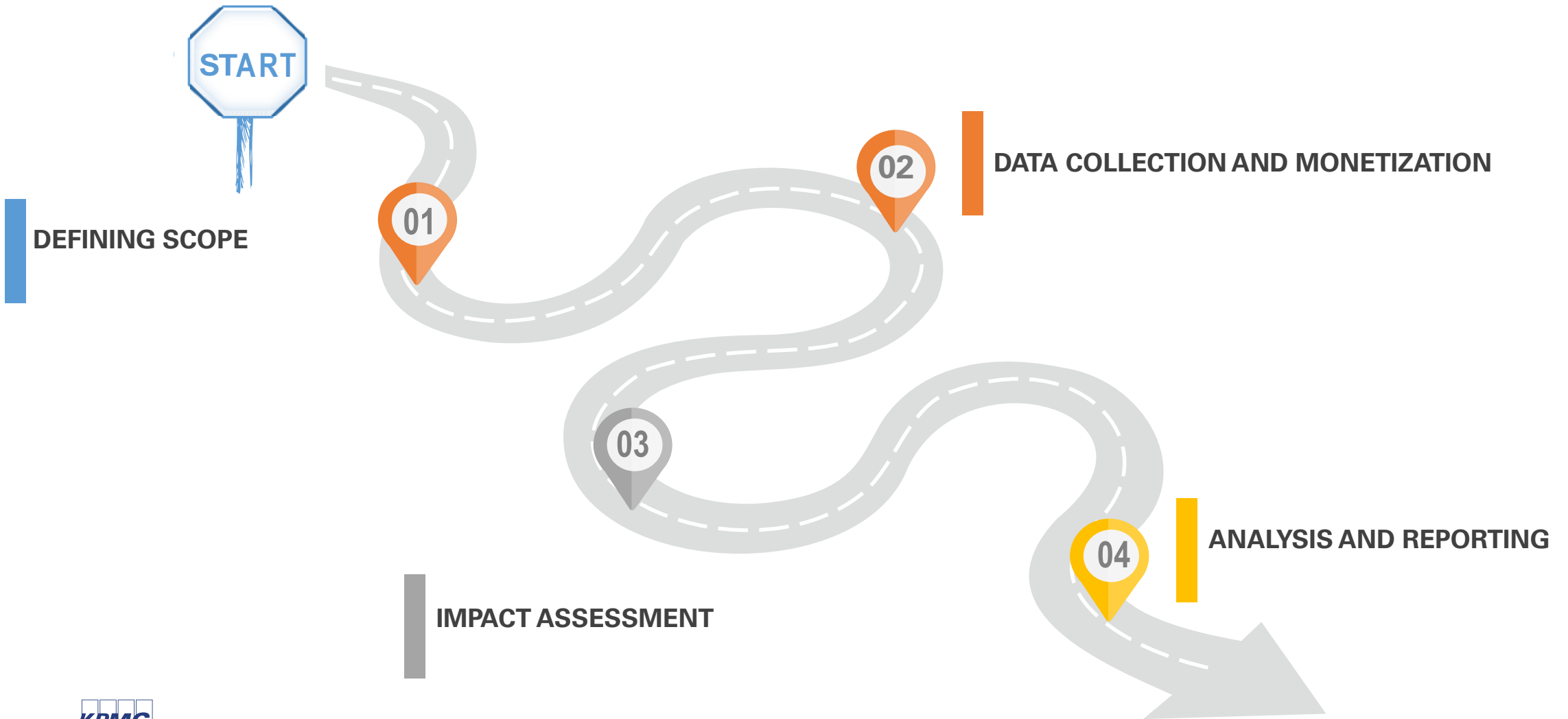
## WHAT WAS ITS PURPOSE?

- Identifying and prioritizing the main impacts of the company Group
- Defining the scope (e.g. place in the value chain, businesses, and regions of operation)

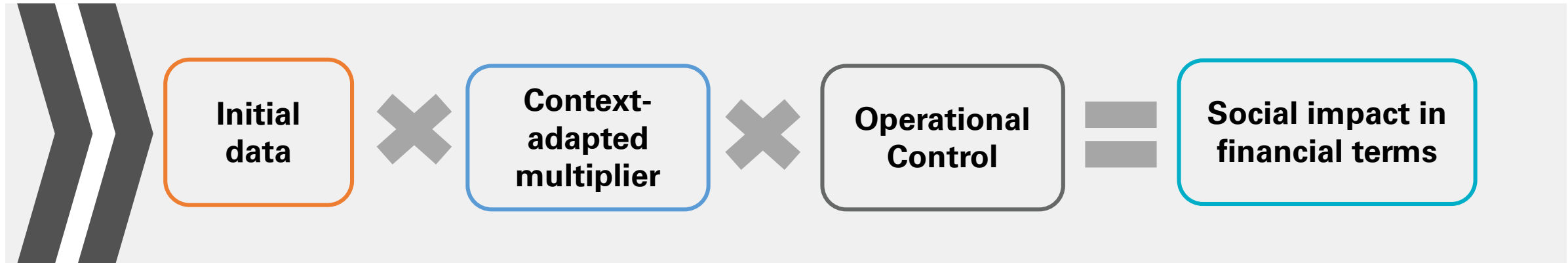
- Setting up an impact valuation model for prioritized impacts
- Compilation of available indicators for valuation

- Measuring environmental and social benefits in monetary terms

# Work route



# Impact quantification approach





## Environmental impacts

- **Biodiversity**
- **Climate Change**
- Visual change in the landscape
- Waste generation
- Air quality
- Noise
- Water resources



## Social impacts

- **Access to Energy**
- **Access to movability**
- **Access to telecommunication**
- **Health, Safety and Well-being**
- **Local development through social inversion**
- Human Capital Development/Training
- Projects social impact
- Changes in land use and value
- Impact due to infrastructure coexistence
- Institutional strengthening



## Economic impacts

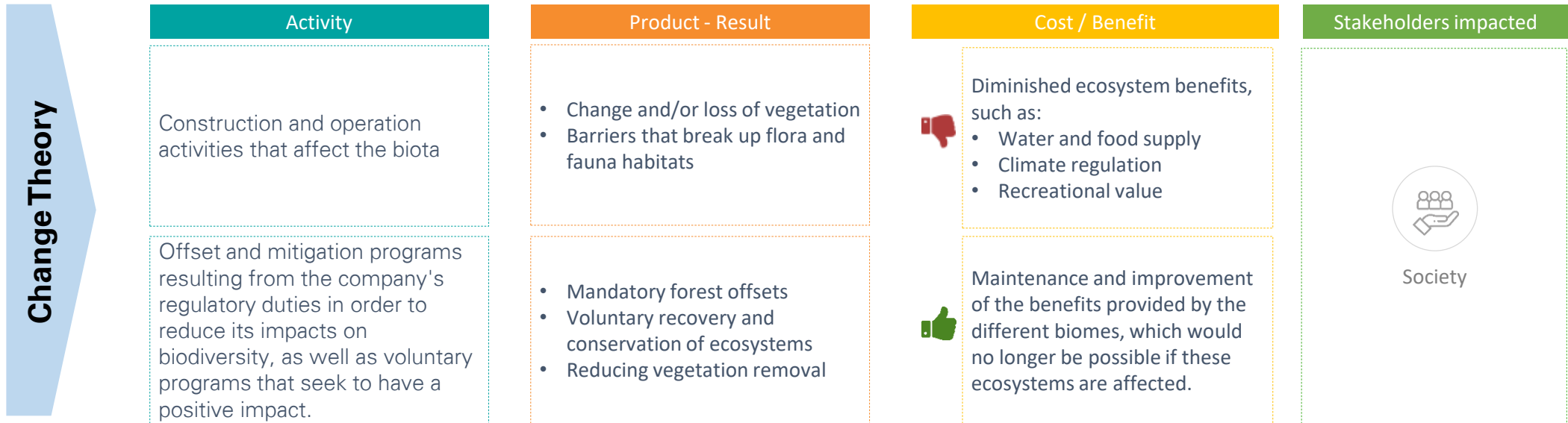
- **Payment to suppliers**
- **Tax payment**
- Salary and benefits payment
- **Payment to capital suppliers**
- Foster innovation
- Economic development
- Tax saving



# Biodiversity



Negative impact of infrastructure construction and operation on biota, or positive impact of area conservation or restoration actions, mandatory or voluntary (e.g. mandatory offsets for biodiversity loss, Conexión Jaguar Program projects)



## Related Reputation and Sustainability Areas



## Related Sustainable Development Goals





## IMPACT

- a) Ecosystem conservation and restoration
- b) Sustaining ecosystem benefits
- c) Reducing biodiversity loss

## MONETIZATION APPROACH

Social cost of damage/restoration according to the different ecosystems

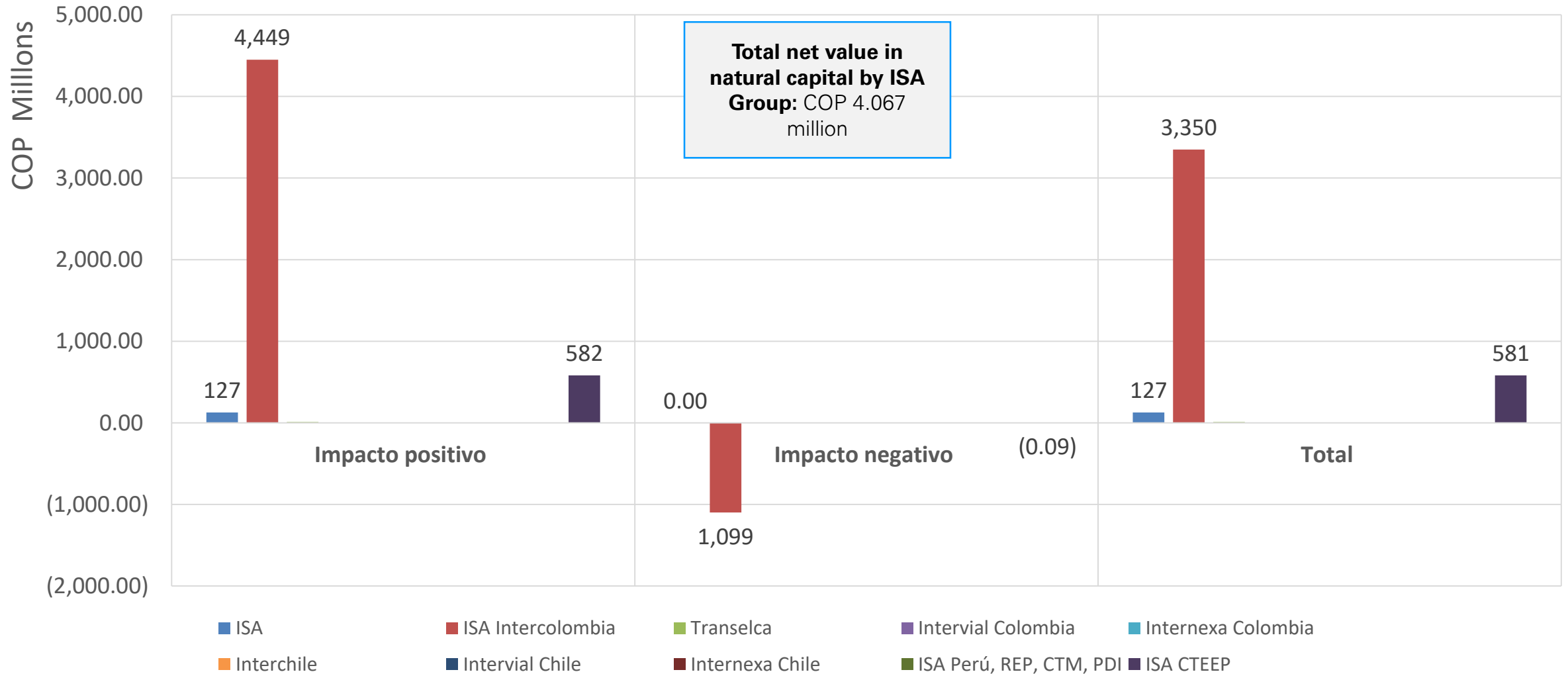
## MULTIPLIER

**Value of ecosystem benefits (range)** COP 0,8 – 116 million/ha

**Value of restoration benefits (range)** COP 1 – 180 million/ha



## RESULTS



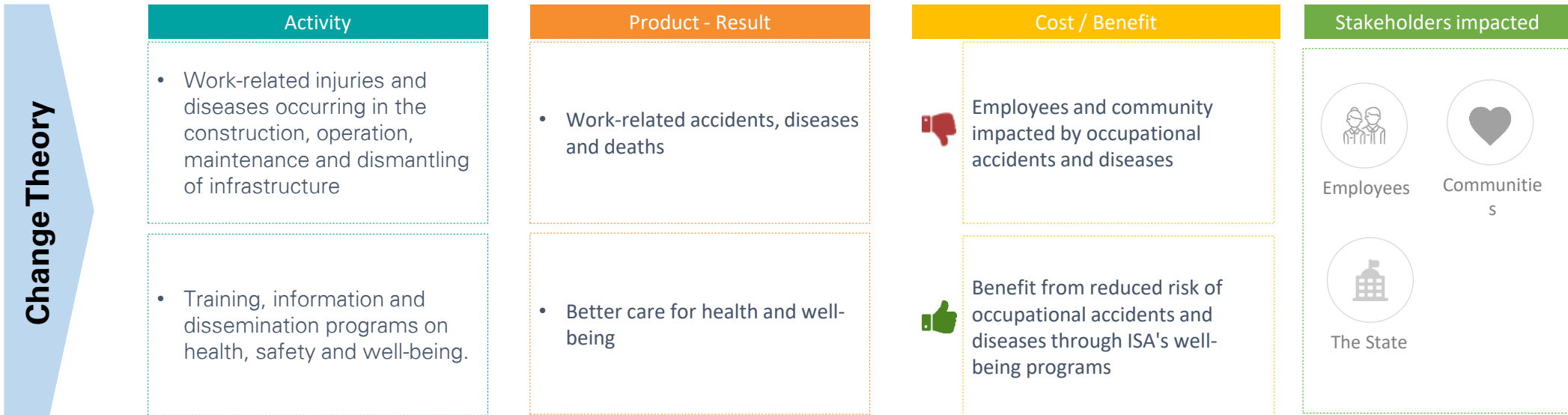


# Health, Safety and Well-being



Occupational diseases, accidents and fatalities affecting employees, contractors and third parties who have contact with the infrastructure.

Business units of the Group where impacts are reported



## Related Reputation and Sustainability Areas



## Related Sustainable Development Goals



# Health, Safety, and Well-being

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## IMPACT

- a) Work-related injuries and fatalities
- b) Work-related illnesses and fatalities by work-related illnesses suffered by employees

## MONETIZATION APPROACH

Costs to employees and community

## MULTIPLIER

### Accidents/diseases (COP millions/number of events)

Injuries

**Colombia:** 3.4

**Chile:** 5.7

**Peru:** 3.3

**Brazil:** 3.6

Fatalities:

**Colombia:** 2,242

**Chile:** 3,781

**Peru:** 2,152

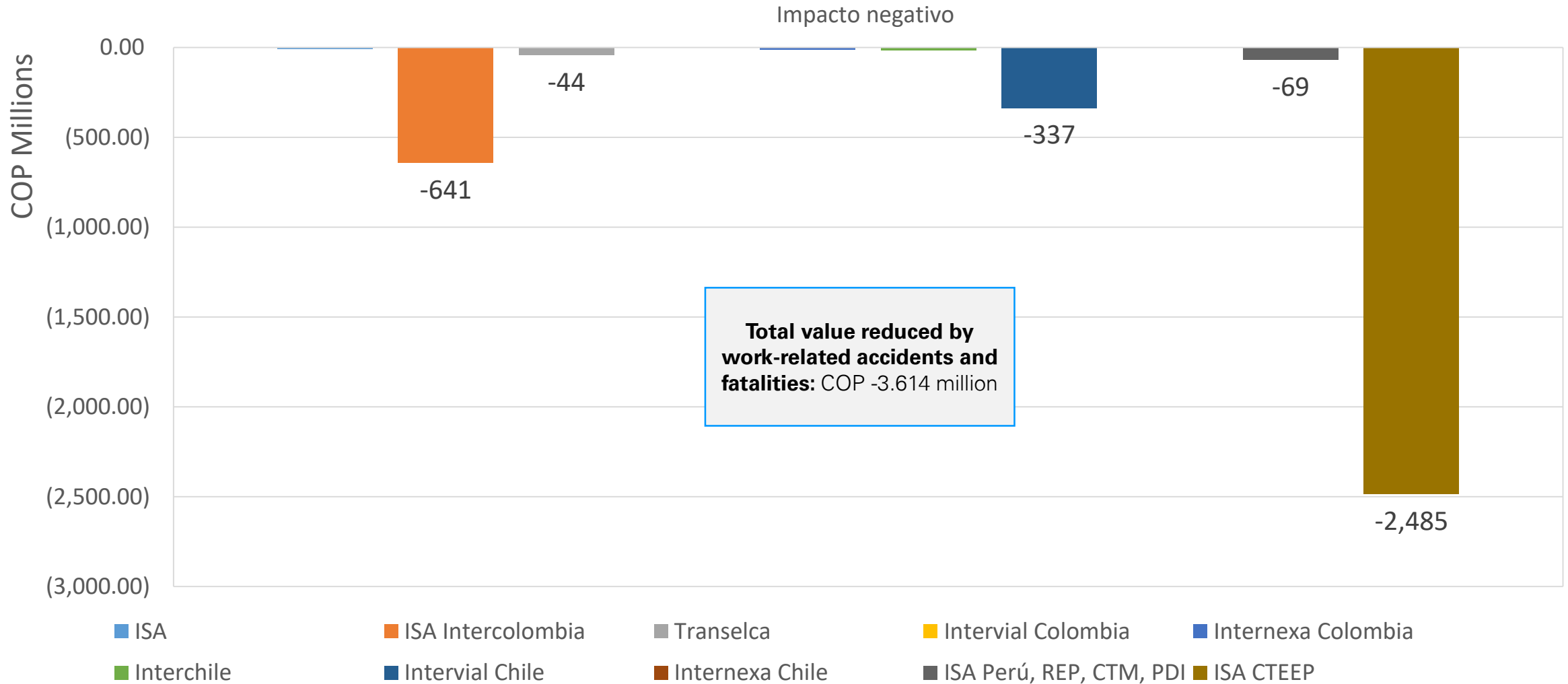
**Brazil:** 2,402

There were no occupational illnesses in 2020

# Work-related accidents and deaths



## RESULTS



# Tax payment



Economic impact at national level due to tax payments to local governments.

Business units of the Group where impacts are reported



## Change Theory




### Activity

Obligatory tax payments to the State due to financial, commercial, construction and operational activities in telecommunication, energy transmission and roads concessions

### Product - Result

- The resources are used by government to create social well-being
- The resources feed different economic sectors

### Cost / Benefit

-  Loss of resources due to corruption in the government
-  Increase of social-being
-  Dynamization of the economy due to tax payment

### Stakeholders impacted



Society

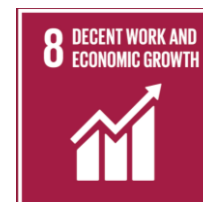


The State

### Related Reputation and Sustainability Areas



### Related Sustainable Development Goals



# Tax payment

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## IMPACT

- a) Dynamization of the economy due to tax payment
- b) Loss of resources due to corruption in the government

## MONETIZATION APPROACH

Indirect effects in the economy due to government expense

## MULTIPLIER

Economy dynamization

**Colombia:** 105%

**Chile:** 107%

**Peru:** 105%

**Brazil:** 107%

Loss due to corruption

**Colombia:** 2.3%

**Chile:** 5.9%

**Peru:** 6.1%

**Brazil:** 6.1%

# Tax payment



## RESULTS

