

ESG- Investors FAQ

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1. GENERAL

1.1. Which is the standard used for ESG information?

Currently ISA reports under GRI and IIRC.

GRI: It is the best-known reporting initiative and easy to compare with peers, to standardize the Group's companies. It responds to the Global Compact.

IIRC: It strengthens the reporting of our strategy and how we align it with our accountability report.

1.2. Are you currently considering the possibility of changing the standard or are you planning to incorporate a new one, or are getting ready to do it?

TCFD, CDP to adopt specific standards for climate change and environmental management.

1.3. Which is the materiality principle used for ESG information?

Financial materiality and environmental and social materiality.

Materiality is an articulator between the two reporting standards currently used and it also allows to link reputation and sustainability, refining the management towards the coherence between what we do and those things we would like to be recognized for.

1.4. Does ESG information have the approval of the Board of Directors?

Yes.

1.5. What are the main ESG indicators of ISA?

ISA incorporates the most relevant information as part of its regular reports for the accounting period and complements it with annual Sustainability reports. Also, the webpage publishes all related matters in detail.

<https://www.isa.co/en/sustainable-value/environmental-management/>

<https://www.isa.co/en/sustainable-value/social-management/>

<https://www.isa.co/en/isa-group/corporate-governance/>

<https://www.isa.co/en/investors/esg/>

2. ENVIRONMENTAL

2.1. What is ISA's participation in renewable energy either a) ISA's transmitted energy, or b) energy transmitted in new lines entering ISA's network as renewable energies.

- a) It is not feasible for us to measure the energy that goes along our transmission lines by identifying where the flow comes from (the generation source).

- Measuring energy flows that go through ISA's lines is a challenge per se, as the high/very high voltage transmission system, which is most of our infrastructure, is a meshed network. Generation sources are installed alongside the system, so measuring the energy flow that comes from renewable sources would not be possible.
- In addition, there are multiple owners in the transmission system, which makes determining the specific flows that come from our networks even more difficult.
- Given the above, the size of the market we cover (system's demand) is our reference, rather than the flows that go through our transmission networks.
- The system's operator (XM in Colombia) can determine how much renewable energy was generated during a specific period in the system, but it is not feasible to determine what percentage of this energy flowed through our lines, for the reasons mentioned above.

b) This measurement would only be feasible in the case of lines which connection is exclusive for renewable generation projects. The other projects that belong to the Energy Transmission System (meshing) seek to solve restriction problems or to strengthen/improve the reliability of the interconnected system and are obviously necessary for the new renewable energies connected to the system to inject their energy, but it is not the only reason.

2.2. ISA fire hazard: how significant do you consider this risk to be; measures established to reduce or mitigate the risk that the transmission lines cause fires; mapping to determine high risk areas; materials used in high-risk areas and monitoring of the condition of the transmission network.

The ISA Group manages the risk of its transmission infrastructure causing fires through strict maintenance plans implemented along the easement strips, especially where there is vegetation. Areas where vegetation could grow at potentially dangerous lengths have been identified through foot and aerial inspections. In addition, the Group has started using LIDAR technology and drones to calculate vegetation-conductor distances to perform preventive maintenance. The Group is currently assessing aerial and satellite imagery to study the vegetation.

Nonetheless, transmission lines are indeed affected by fires caused by external actions, for which prevention measures are implemented, such as overflights during dry seasons or crop burnings, and information campaigns for communities living in high-risk areas. We are also evaluating satellite and analytical imaging technology to ensure automatic detection.

2.3. What are the Conexión Jaguar Program's main achievements by 2020?

CONEXIÓN JAGUAR | isa

Conexion Jaguar is a sustainability program of ISA and its companies, which, in partnership with its technical allies South Pole and Panthera, is developed to contribute to:

- Biodiversity conservation
- The connectivity of jaguar's natural habitats
- Climate change mitigation
- Development of rural communities

It contributes to achieve the country's targets and climate change, complying with international agreements.

FIRST ISSUANCE OF THE PROGRAM'S CARBON CREDITS in the Huayabamba project in, Peru, for 223.991 credits*

*Each carbon credit is equivalent to 1 ton of CO₂.

PROGRAM'S GOALS AS OF 2030

Certified **PROJECTS** in Latin America
 2020: 7 | GOAL 2030: 20

HECTARES of the jaguar corridor protected
 2020: 784.000 | GOAL 2030: 400.000

EMISSION REDUCTION POTENTIAL OF CO₂ (Toneladas)
 2020: 6,4 million | GOAL 2030: 9 million

PROMOTE THE DEVELOPMENT OF RURAL COMMUNITIES. Improving the quality of life of 300 FAMILIES

PUMA | *puma concolor*

JAGUAR | *Panthera onca*

In Chile, where the Jaguar does not exist, we work for the conservation of the puma.

3. SOCIAL

3.1. Is there information about the areas where ISA's transmission network reaches, showing that ISA is contributing to the improvement of access to electric power 1) for consumers that did not have it before or 2) where the service was intermittent /unreliable - in urban or rural areas? –

In general, high/very high voltage transmission networks, which is most of our infrastructure, do not reach the end user directly. Given this situation, even though transmission networks are required for improving the access to electric power, the construction of medium/low voltage networks is also required. This makes it difficult to measure ISA's contribution regarding access to electric power.

- a) In the case of Colombia, the National Interconnected System covers 97% of the country; that is, close to 12 million families of which more than 2 million live in rural areas. To achieve this coverage, building a high/very high voltage transmission network (where the infrastructure of ISA and other transmission companies is concentrated) is required together with the medium/low voltage networks built by energy distribution companies (the ones that reach the end user) according to the definitions of works that are being developed as part of the Expansion Plan annually approved by the Ministry of Mines and Energy. Therefore, it is not feasible to directly associate (at least not exclusively) the expansion of the transmission infrastructure with an improved access to electric power, as greater coverage is achieved through the general simultaneous development of network activities (transmission and distribution) by the agents of the interconnected system.
- b) The expansion of the infrastructure within the country's transmission system decreases restrictions or strengthens and improves the reliability of the interconnected system. Given its characteristics, expanding the transmission networks does not mean that the service derived from the transmission network was intermittent or unreliable.

