



**INTEGRATED MANAGEMENT REPORT
ISA Group
2020**

Medellin, March 2021

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Message from the CEO

Dear shareholders:

“Let us change our conversation and our lives will change”, the Chilean biologist, philosopher, and writer Humberto Maturana said. And I quote him because to me, it expresses in a simple way what life is demanding from us in this difficult situation: for us to transcend our individuality, our particular interests and to open our conversations to greater and urgent matters that bring us together as human race; to commit to think and build from the empathy and the acknowledgement of others, thus contributing to a more equitable and solidary world where respect for others and caring for the planet are the center of attention and also of action. We have seen our existence marked in all possible ways: our values, principles, systems, the way we used to interact and do things. This year showed us that we are not invincible, but also that we are responsible for our actions, as our future and the future of others depend on them; that there is a deep connection among everyone and everything.

That is how we understood it in ISA Group. We renewed our motives to stay firm in hope and optimism, and stand by what our manifesto expresses, *we are all one and our wellbeing is linked to everyone's*. At this point the vaccine might represent a relief, but we will overcome this test if we continue growing in self-knowledge, joint responsibility, and resilience. Joichi Ito, former director of MIT Media Lab and author of the fascinating book Whiplash, wrote that “the world is in the middle of a fundamental structural change. We have to be capable of acquiring the ability to adapt and see things we usually ignore as they might not be related to our preestablished conditioning”. There is no doubt that the way we continue responding to and learning from this situation will mark the future that we continue building as human race.

The pandemic has also brought to the surface capabilities and resources that were latent or unknown to us, and they allow us to stay firm to face adversity and project ourselves in the new order. It has also brought us significant lessons about the accelerated and imperative process of digital transformation and the focus on innovation, two levers that go hand in hand and that are key to guarantee the survival of any company in today's world and in which we have been moving forward as a group. In this regard, I cannot forget to acknowledge the importance of the adaptability, networking, and flexibility of all our employees facing the change; without this, it would have been impossible to move forward under these complex circumstances.

To our company, this situation has also meant an opportunity to ratify that we are on the right path and that our choices and priorities are relevant. In this sense, first, our attention was focused on protecting the health and integrity of our employees and their families; second, on guaranteeing the continuity in the provision of our energy transmission, road concessions, and telecommunications services. All of them are decisive for the connectivity, wellbeing, progress, and development of the society.

It has also been the time to understand that our responsibility goes beyond our closest surroundings and expands to the whole society. This conviction led us to implement a humanitarian aid strategy where, together with our affiliates, we invested resources for more than USD 4,5 million in Latin America to contribute through company-academy-State alliances, with actions aimed directly to face the impact of the pandemic, such as the improvement of hospital capacity, the boost of scientific developments and the support of our communities in their most urgent needs. This way we stayed true to our purpose CONNECTIONS THAT INSPIRE. (Refer to ISA Group in the context of the COVID-19 pandemic).

During the year, and spite of the situation —which magnitude was difficult to foresee—, we continue honoring our commitment with you, our shareholders, and with all stakeholders, creating Sustainable Value, strengthening the territories, protecting the environment, and staying as leaders and benchmarks in our businesses. In this sense, we are pleased to inform that we exceeded once more our historic financial results and we reached important milestones with which we continue our progress in the fulfillment of our 2030 strategy.

Financial results

In the financial aspect, given the nature of the sectors where we are, the project management and the proper corporate decisions aimed to strengthening our businesses, we continue growing in a profitable way and capturing efficiencies to continuously improve our performance and competitiveness. In 2020, the ROE closed in 15,6%, an increase of 18,7% compared with 2019; the EBITDA was COP 6,6 trillion, 24,4% higher than the previous year, and the EBITDA margin was 64,6%. The net income reached COP 2,1 trillion, 25,7% higher than 2019; the operating revenues were COP 10,2 trillion, representing an increase of 24,9%, and the assets COP 54 trillion, an increase of 10,7% compared with 2019.

Coherent with the results mentioned, the share price has shown a consistent growth in the last years: in 2020 it has the best performance in the Colombian Stock Exchange, with a cumulative valuation of 31,1%, above Emerging Markets and US markets. The share surpassed its historical peak on six occasions during the year, reaching COP 25.700 at the end of 2020.

Resilient businesses, key for reactivation

Regarding the business dynamics, one of the most important milestones happened in the Road Concessions business unit in Colombia with the acquisition of Costera Cartagena-Barranquilla Concession: 146 km of roads that have won engineering and social-environmental awards (thanks to its innovation and impeccable construction), that connect urban, touristic, and port development sectors of significant relevance for competitiveness and economic revival of the Caribbean Coast and Colombia. This acquisition formalized the Group's entry into the road concessions market in Colombia and increased its road infrastructure in operation to 1.053 km in Colombia and Chile.

In Chile, INTERCONEXIONES VIALES was also incorporated in this business unit. This is a company that helped us materializing our alliance with Construcciones El Cóndor, so that we participate in public tenders and private infrastructure projects in Colombia and Peru, to form a solid portfolio in the region. The group exerts control over the new company through its affiliate ISA INTERVIAL CHILE, through 65% shareholding. Additionally, Construcciones El Condor holds 35% shareholding.

ISA maintains its leadership in the region as the largest high-voltage energy transmission company in the region. This year, five energy transmission projects entered operation in Brazil, Chile, Colombia, and Peru, expanding our infrastructure to 47.358 km and 95.720 MVA. We were also assigned eight transmission projects, including La Loma-Sogamoso (275 km) transmission line in Colombia; Lot 7, awarded by public tender by Agência Nacional de Energia Elétrica (ANEEL), in Brazil, as well as Chinchá Nueva and Nazca Nueva projects in Peru. The most important energy transmission movements this year occurred in these last two countries: in Brazil, our affiliate ISA CTEEP signed an agreement for the acquisition of 100% of the Piratininga-Bandeirantes Transmissora de Energia (PBTE) shares, so ISA reaffirms a relevant position in Sao Paulo State.

Also, through or affiliate ISA PERU, we acquired from ORAZUL ENERGY PERÚ S.A. 100% of shares of ORAZUL ENERGY GROUP in that country. ORAZUL ENERGY GROUP owns ETENORTE and ETESELVA, which operate six transmission lines covering 746 km of circuit. Concessions are in perpetuity and will generate annual revenues of approximately USD 13 million. We also celebrated our first-year energizing Cardones-Polpaico transmission line in Chile, the country's most important infrastructure project of the last 50 years, through which more than 5 million Chilean homes receive clean energy.

On its part, our affiliate XM, which has been operating for fifteen years, has had an essential role in the security of the Colombian energy system during the pandemic as operator of the National Interconnected System (SIN) and administrator of the Wholesale Energy Market (MEM). The company launched EcoGox, a platform for

certification and registration of renewable energy, which uses technology 4.0 to the service of sustainability, dynamizing the renewable energy market in Colombia and Latin America. Also, XM became the first company in the country to be recognized for its incorporation of renewable sources of energy in Colombia, by the Electric Power Research Institute (EPRI), which declared it “out of competition” at Gran Premio Andesco de Sostenibilidad 2020 (2020 Andesco Sustainability Awards).

In the framework of our commitment with the decarbonization of the Colombian energy sector, ISA became the first company in the real sector to issue green bonds in the stock exchange market. The resources of this successful transaction will be used to finance two projects on the northern coast of Colombia that will allow non-conventional renewable energies (wind and solar) to be connected to the National Interconnected System (SIN). The placement of green bonds had a 2,54 times excess demand compared with the amount tendered (COP 300 billion). Also, as part of this same corporate purpose, we inaugurated a solar plant at the headquarters in Medellín: 1.044 solar panels with a total capacity of 402 kW, which besides covering part of the energy consumption in the facilities, it is being used for conducting distributed energy resource research. This solar plant is one of the research projects of the Energética 2030 program, a company-academy-State alliance created to develop a comprehensive transformation proposal for the energy sector in Colombia.

Additionally, the Telecommunications and ICT business unit was decisive to support the connectivity during the pandemic. It represented many challenges for our affiliate INTERNEXA, for instance, the challenge of strengthening its services to support our customers' digital transformation processes. This year, the company gained access to two additional Internet Exchange Points (Amsterdam and London), so we are now present in five of the ten most important Internet Exchange Points (IXPs) in the world.

One of the pillars of the VIDA acronym on which our ISA2030 Strategy is supported is innovation, as we work on gradually searching for initiatives that support the competitiveness of our current business units, bring adjacent business closer or promote new business models. In this regard, Colciencias recognized five projects in the Process Innovation and Organizational Innovation categories. Also, innovation committees were created in the affiliates, which have been decisive in strengthening innovation culture.

Generating sustainable value, a commitment with the present and the future

For more than five decades we have worked to achieve the leadership in subjects such as sustainability, corporate governance, ethics, and transparency. In these areas we have been recognized by different prescribers as regional example because of our performance and treatment of opportunities, risks and impacts inherent to the economic, environmental, and social development of our businesses and

because of our deep respect for human rights. This leadership was recognized for the first time with the bronze medal awarded by S&P Global in The Sustainability Yearbook 2021, as one of the most sustainable companies in the world. Furthermore, for six consecutive years, we have been included in the Dow Jones Sustainability Index. This indicator selected us in 2020 as one of the top 10 Energy Utility Companies in the world. The company was included in the FTSE4Good, which recognizes the companies listed on the stock market with best global standards regarding corporate investment and best corporate sustainability practices. ISA was also selected as one of the top three companies with the best Private Social Investment practices in Colombia, and the Asociación Nacional de Empresarios (National Business Association of Colombia) -ANDI- included it in the list of "INspiradoras" (inspiring companies), for supporting through its affiliate ISA INTERCOLOMBIA the comprehensive development of the coffee farming in Antioquia. We are incredibly pleased with these recognitions, as they allow that external specialized entities, some of them with global coverage, recognize our indeclinable focus on Sustainable Value.

Besides, Transparencia por Colombia, rated ISA once again as a company with "low corruption risk", together with its affiliates XM and ISA INTERCOLOMBIA. We also continue with our vigorous commitment with matters such as sexual diversity, divergent thinking, gender equality and disability, through our corporate program Otras Miradas (Other Insights).

Our commitment with the development of territories goes beyond the compulsory dimension: the volunteer social investment in the countries where we have operations was COP 38.632 million, which was mainly directed to strengthening communities, supported on knowledge transfer, the development of local suppliers, promoting inclusion, participation, and building agreements and shared vision of the future. The initiatives include Programas de Desarrollo y Paz (Peace and Development Programs), Convivencia y Educación Ambiental (Coexistence and Environmental Education), Alianzas para el Desarrollo Territorial (Alliances for Territorial Development), Obras por Impuestos (Works instead of taxes), Servidumbres Sostenibles (Sustainable Easements), among many others. 95% of the population who benefits from these projects is rural, 97% is in a vulnerable condition and 100% of the programs were executed in alliance with the communities.

The Voluntariado ISA program (officially launched in 2020) is another initiative I wish to highlight, as it demonstrates the quality of the human beings within our organization. This program seeks to connect our employees with solidarity actions that have an impact on those in need. We have 90 volunteers so far in initiatives that improve the communities' quality of life.

Through our ISA2030 Strategy, we make a proactive and significant contribution to adapting to climate change and the protection and conservation of ecosystems and

their biodiversity, inspiring others for the benefit of humanity. Conexión Jaguar, the group's iconic sustainability program, allows us today to have more than 780.000 hectares of forest protected, 167 wildlife species registered, and a potential reduction of over six millions tons of CO₂ in forestry projects supported in Colombia, Brazil, and Peru. We also carried out the international first sale of carbon credits of Amazónicos por la Amazonía (Amazonians for the Amazon) -AMPA- project in Peru: a total of 35.000 internationally certified carbon credits. In Sierra Nevada de Santa Marta, an agreement was reached with the Arhuaco community to make progress in a project for the conservation and protection of their ancestral territories. At the international level, we joined the 20x20 Initiative for the recovery and conservation of more than 50 million hectares of forest throughout Latin America and included the Forest Stewardship Council (FSC) as a program's technical cooperant. I am immensely proud to share that Conexión Jaguar was recognized as the "Best Corporate Offsetting Project" award by the **Environmental Finance Awards 2020**, which recognizes the best stakeholders of the voluntary carbon market.

As part of our commitment with climate change mitigation, we also contribute to the goals of the National Development Plan in Colombia by planting and preserving more than 1,8 million trees that will create better environmental conditions in areas of ecological interest, in a process that started in 2018 and will continue until 2022. In this regard, I want to highlight that ISA INTERCOLOMBIA received from the Ministry of Mines and Energy of Colombia the recognition "Meaningful Social and Environmental Management Experiences from the Mining Sector", for its good practices and leadership in reducing impacts and its proactive contribution to SDO 13 Climate Action.

All these achievements were possible thanks to each of our close to 4.000 employees that have demonstrated once more that when facing adversities, they show even greater strength and commitment with ISA's higher purpose. This is evident when, this year again, the results of the organizational climate survey showed the pride and the strong sense of belonging that we all feel for working in this company. We reached 86% favorability index according to the Korn Ferry's measurement, one of the best climates among companies of our level in LATAM, which demonstrates strengths in the direction of the company, the trust in the leaders, and in the adaptation capacity to change and innovation. I am enormously proud, and I feel privileged to lead a team of committed people, with the highest human and technical competences. I am deeply grateful.

Gratitude and Commitment

To our stakeholders, shareholders and investors, allies, suppliers, academy, professional associations, and our communities, thank you for continuing believing in us and for being with us this year of adaptation and transformation. In 2021 this group will continue with its financial strength and human drive to contribute with the urgent economic revival, expected in all countries of the region and, of course, it will also continue committed to climate change mitigation, which will be the big

test for human race in the coming decades. We count on you to work together and prepare to face energy transformation and the economy's decarbonization, which involves working in the development of renewable and distributed energy solutions, the stimulus to efficient consumption of resources, the operational optimizations based on alliances and the collaborative innovation and acceleration of digital models' development, among other important subjects.

In ISA we received 2021 working with optimism and hope, staying profitable, competitive, thus guaranteeing that our stock is considered as an attractive investment option for local and international investors, especially building social fabric, generating progress and development for each of the lives we touch with our work.

Our unbreakable commitment will be to continue learning and inspiring by example, being the change the world needs and actively participating in global agenda matters. For this purpose, we will continue our path, led by that beautiful and challenging purpose that motivates us, to continue establishing CONNECTIONS THAT INSPIRE.

Bernardo Vargas Gibsone

ISA's CEO

ISA Group in the context of the COVID-19 pandemic

The COVID-19 pandemic made 2020 an unprecedented year in the recent history of humane race. To mitigate its impact, organizations and governments have adopted measures to protect people's lives, to ensure the provision of services, and minimize the economic and social consequences. To face this situation, the group prioritized actions in three work lines:

- Caring for employees
- Business continuity
- Commitment and solidarity with the environment

Caring for employees

The health and integrity of its employees and family circle was the priority for the company since the beginning of the pandemic. For this purpose, a series of measures were implemented in all the Group's companies to look after their safety. Also, reconditioning works were started in our facilities for the time when employees return.

- Creation of Crisis Committees in the Group's companies (24 committees in total) to cover mainly matters related to: crisis attention and coordination, prevention of contagion, management, and returning to normal activities – close to 50.000 hours of dedication.
- Creation of the Daily Monitoring System with 30 health professionals and Occupational Health and Safety (OHS) leaders, continuously operating 24/7 since March 16.
- 75 protocols defined and implemented in all countries to guide employees regarding the decisions adopted by each government and applied as our own for the health crisis attention.
- USD 2,6 million invested in meeting the needs of the different companies, such as purchasing the care material needed, supplies for disinfection processes, administering of tests, transportation, attention of operators' camps, infrastructure adaptation, among others.
- 69% employees working from home since the end of March, approximately.
- 21.084 hours of activities directed to employees of the Group's companies and their families, seeking to preserve physical and emotional wellbeing.

- 1.994 consults regarding the proper ergonomic conditions at home, physiotherapy, and guidance related to active pauses to strengthen care and wellbeing practices.
- 1.397 appointments received in the psychological attention line that was enabled to direct the handling of emotions during uncertainty.

Featured text: Here in ISA Group, people are our main priority. We are certain that our wellbeing is linked to everyone’s wellbeing, especially during challenging times like the ones we are going through as human race.

Business continuity

Within this environment, the role of sectors that faced the pandemic in the front line, such as the health sector, has become even more relevant, but also the role of those sectors like the ones where the Group has operations, that had to make viable the implementation of protection measures for the society, ensuring the continuity of economic activity, the provision of essential services, and the support for the economy revival once the crisis caused by COVID-19 is overcome.

The energy sector has guaranteed the continuity of the energy provision during the pandemic. The transportation sector has been responsible for the availability of infrastructure and transportation services. The telecommunications sector, which is indispensable for connectivity, was declared an essential service by the governments of several countries where the group has presence.

The pandemic imposed new and demanding conditions for the infrastructure’s construction, operation, maintenance, and provisioning, which required, as the economies gradually reopened and with the flexibilization of some restrictions, a continuous adaptation to the evolution of the measures defined by the governments to achieve the economic revival, mitigating the impact of possible new outbreaks.

In this context, ISA’s companies have started the actions required to ensure continuity in the provision of their services, based on the analysis of the main pandemic impacts. These actions include:

Measures to ensure continuity of operations		
Energy Transmission	Road Concessions	Telecommunications and ICT

<ul style="list-style-type: none"> ▪ Operations to 100%: 125 operators in 11 control centers (primary and backup) ▪ Re-scheduling of suspended maintenance activities ▪ Suspension and subsequent reactivation of execution of 15 projects ▪ Continuous monitoring of critical goods and services provision ▪ Contingency plans according to shortage risk ▪ Permanent assessment of risks and implementation of actions for the safety of employees ▪ On-site work for operating employees only ▪ Concentration of 27 operators for 5 months, developing tasks of the National Dispatch Center to ensure the operation of the Colombian energy system and the provision of energy to the whole country 	<ul style="list-style-type: none"> ▪ Operation of the backup control center ▪ Essential personnel on site under all health measures and protocols established ▪ Slower execution of works, considering the isolation measures applied by the Company and by third parties ▪ Curtailment of operating equipment, power plants and emergency equipment ▪ Continuous monitoring of critical goods and services provision ▪ Permanent assessment of risks and implementation of actions for the safety of employees and contractors 	<ul style="list-style-type: none"> ▪ Customer's loyalty management ▪ Focused on ensuring the services for the Group's companies ▪ Strictness in traffic engineering ▪ Reassessment of strategies and alternative suppliers and work plan with allies ▪ Inventory expansion in high demand equipment ▪ Traffic demand service and launching of services for supporting customers in the contingency ▪ Adaptation of value offer focused on solutions and niches of better demand ▪ Development of metropolitan networks with allies ▪ Acceleration of digital customer journey map and service channels
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Featured text:

ISA and its companies complied with the efficient provision of services:

- 99,99% reliability and 99,87% availability in energy transmission services
- 100% compliance of XM with CREG indicators
- 92% favorable customer service in ISA Intervial and its concessionaire societies
- 98,3% service level in INTERNEXA

Commitment and solidarity with the environment

In the humanitarian crisis caused by the pandemic, ISA Group has materialized its higher purpose and its principles: "If we are aware that we are all one, if we are

certain that our well-being is linked to everyone else's, there is connection." To promote solidarity and unity as persons and companies, a humanitarian aid strategy called TODOS SOMOS UNO (WE ARE ALL ONE) was defined, with the following objectives:

1. Contribute to flattening the infection curve through the massification of diagnostic tests.
2. Protect medical personnel and the most vulnerable populations in their most urgent needs, such as biosecurity equipment, food, and water.
3. Generate installed capacity in countries where the Group is present with equipment, infrastructure, and knowledge to address not only this situation, but also future ones.

Todos Somos Uno (We Are All One)

Main actions in Colombia		
Acción País (Country Action)	Territories	Our people
<ul style="list-style-type: none"> ▪ Mass PCR testing: <ul style="list-style-type: none"> ○ 100.000 tests ○ Community surveillance ○ Hospital surveillance ▪ Medical Brigades in 21 municipalities ▪ Convalescent Plasma ▪ Reagent local production ▪ Applied research ▪ Mass rapid testing 	<ul style="list-style-type: none"> ▪ Personal protection items for medical staff in public hospitals ▪ Contributions to the population of Sierra Nevada de Santa Marta ▪ Provision of ICU beds to the San José de Maicao hospital, La Guajira ▪ Sanitary kits delivered to vulnerable population 	<ul style="list-style-type: none"> ▪ 1x1 (contributions from companies and employees of ISA Group) ▪ Voluntary Work

Main actions in other countries:
<p>Brazil, Peru, Chile, Bolivia</p> <ul style="list-style-type: none"> ▪ Development and implementation of rapid tests (Peru and Brazil) ▪ Delivery of uniforms for vulnerable population (Brazil) ▪ Contribution to construction of vaccination plant (Brazil) ▪ Construction of 110 ventilators (100 in Peru and 10 in Chile) ▪ Community projects fund (Chile) ▪ Food and water (Brazil, Peru, Chile, Bolivia) ▪ Personal protection items for medical staff (Brazil, Peru, Chile, Bolivia) ▪ Oxygen plant (Peru) ▪ Sanitary kits delivered to vulnerable population (Brazil, Peru, Chile, Bolivia) ▪ 1x1 -contributions from companies and employees of ISA Group - (Brazil, Peru, Chile, Bolivia) ▪ Volunteer Work (Brazil, Peru, Chile, Bolivia)

In figures:

More than USD 4,5 million in total contributions in Latin America

- USD 2.702.703 Colombia
- USD 630.400 Peru
- USD 881.337 Brazil
- USD 331.376 Chile
- USD 20.000 Bolivia

The development of these actions, supported on innovation and alliances, pillars of the ISA2030 Strategy, has been marked by the teamwork and coordinated between company–academy–State–NGO, to achieve more strictness, sustainability, and impact.

Allies: [Chart: allies in different countries](#)

Report profile

This report was prepared as per the methodology adopted by the International Integrated Reporting Council (IIRC) and under the new standard of the Global Reporting Initiative (GRI) essentially required. [GRI 102-54] Corresponds to the period between January 1 and December 31, 2020 and has an annual periodicity. [GRI 102-50] For comparative purposes, the Integrated Management Report 2019, presented in March 2020, should be referenced. [GRI 102-51] [GRI 102-52]

The report addresses ISA and its businesses' management results: Energy Transmission, Road Concessions, and Telecommunications and ICT. It includes results of material issues that may affect the creation of value of the energy transmission and roads business units. Ten material issues that are part of the environmental, social, and economic dimensions are presented. At the same time, this report represents the Communication on Progress of the Global Compact of the United Nations (COP).

For 2020, the materiality analysis covers ISA (the parent company of the group) and its energy companies: ISA INTERCOLOMBIA, ISA REP, ISA CTEEP, ISA TRANSELCA, ISA INTERCHILE and XM, as well as ISA INTERVIAL which is a road concessions business unit company. Their revenues reach 68,9% from ISA's business units. The main results of the Telecommunications and ITC business are also shown. Each of the affiliates have their respective management reports, which can be found on their websites.

The materiality analysis was conducted by the Chief Institutional Relations Officer, and the Integrated Management Report was elaborated by the Chief Strategy and Institutional Relations Officers. Both processes were validated in the Board Committee to ensure that all material aspects are properly covered. [GRI 102-32]

The Company hired KPMG to conduct the verification of the Report according to the Global Reporting Initiative (GRI), ISAE 3000 and ISAE 3410 standards, to guarantee the reliability and accuracy of the information published. The scope and conclusions of the verification may be examined in the independent review report included in the annexes. [GRI 102-56]

To facilitate the query of indicators reported, the table of GRI [GRI 102-55] indicators can be found in annexes, which also includes compliance with the Principles of the Global Compact.

[GRI 102-53] For suggestions, opinions or concerns regarding this Integrated Management Report, please contact:

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Profile of the ISA Group

ISA is a multi-Latin company group with more than 53 years of experience and track record that operates in the Energy Transmission, Road Concessions, Telecommunications and ICT business units, providing quality of life to millions of people in Colombia, Brazil, Chile, Peru, Bolivia, Argentina, and Central America through the work of more than 4.352 employees in its 51 companies.

The group does business based on technical excellence, efficient provision of services, and creation of sustainable value for its stakeholders and society in general, leveraged by innovation and digital transformation, and supported on best corporate governance and ethics practices.

ISA and its companies are committed to the mitigation and adaptation to climate change, the rational use of resources, the development of programs that generate a positive impact on the environment, the comprehensive development of the communities where it operates, as well as the quality, reliability, and availability of the services it provides.

After more than five decades of leadership in the region, ISA has transcended the physical action of connecting one point with another to connect people, making each connection an inspiring action.

Shareholder structure

Shareholder structure (As of December 31 - 2020) [GRI 102-7]		
Shareholders	Shares	%
State investors	667.196.974	60,23
The Nation	569.472.561	51,41
Empresas Públicas de Medellín	97.724.413	8,82
Private investors	440.480.920	39,77
Institutional	297.761.561	26,88
Foreign investment funds	106.715.904	9,63
Natural persons	35.631.705	3,22
ISA ADR Program	371.750	0,03
Outstanding subscribed and paid-in capital	1.107.677.894	100

ISA is a mixed utility company, incorporated as a joint-stock company, of commercial nature and national order, regulated by Laws 142 and 143 of 1994, with headquarters in the city of Medellín (Colombia). The Nation, through the Ministry of Finance and Public Credit, is ISA's majority or controlling shareholder since it owns 51,41% of the capital stock. [GRI 102-1] [GRI 102-3] [GRI 102-5]

The Company has state and private investors. Its stocks and bonds are traded in the Colombia Stock Exchange. Also, the company has Level I ADRs traded in the U.S. Over the Counter (OTC) market. All the shares that comprise the capital stock enjoy the same rights and are common, registered, and dematerialized. There are no statutory restrictions on their transferability. ISA applies high standards of transparency, efficiency, and corporate governance that provide protection and confidence to investors.

Relevant figures

[GRI 102-7]

51 companies: ISA, the group's parent company and 50 subordinates
Participation in 14 other companies
Operations in 6 countries in South America and Central America
45.358 km and 95.720 MVA of transmission infrastructure in operation
65.612 km and 114.017 MVA, including ISA's participation in other companies
6.529 km and 15.603 MVA of transmission infrastructure under construction
1.053 km of roads in operation
136 km of roads under construction
Coordination of the operation of the Colombian energy system, 70.249 GWh of demand served, 17.485 MW of effective net capacity
Mobility control in 5 municipalities (Medellín and townships)
54.137 km of fiber optics in operation
4.352 employees
30% women in the executive team
43% employees in agreements and unions
Member of the Dow Jones Sustainability Index for six consecutive years
Member of Dow Jones Sustainability Index MILA Pacific Alliance

Quality seal of the Colombian Stock Exchange for its transparency, corporate governance, and commitment to the stock market, for five consecutive years

Financial figures

Consolidated financial figures: **2020** % Variation

Operating revenues	10.167.826	24,9
Net income	2.059.191	25,7
Ebitda	6.573.459	24,4
Ebitda margin	64,6%	-0.4
Assets	54.029.723	10,7
Liabilities	33.883.530	22,4

ISA's financial figures: % Variation

Net Income	2.062.950	25,5
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Business figures	Revenues	%	Ebitda	%	Assets	%
Energy Transmission	8.131.542	80,0	5.618.738	85,6	40.358.071	74,7
Road Concessions	1.657.271	16,3	796.056	12,1	12.328.234	22,8
Telecommunications and ICT	379.013	3,7	158.665	2,3	1.343.418	2,5
Total	10.167.826		6.573.459		54.029.723	

Note: Financial figures included in this report are expressed in Colombian pesos, unless otherwise specified in other currency.

ISA in Latin America

Graph: Map of presence in Latin America

ESG DATA—Environmental, Social, and Corporate Governance

Good Governance [GRI 102-18]

9 members	in the Board of Directors	(without variation)
78% independent	in the Board of Directors	(without variation)
COP 5.020.587	remuneration per meeting in the Board of Directors	(+7,39%)
7,3 years	average permanence time in the Board of Directors	
100%	complaints addressed by the Ethics Line	(without variation)
0	human rights violation events	(without variation)

Social		
COP 38.632 million	investment in communities	(-52%)
1.591	strengthened social organizations	(+2,38%)
90,4%	local purchases	(-0,66%)
13	strength suppliers	(+18%)
100%	shareholders' consults processed	(without variation)
Environmental [GRI 305-5] [GRI 304-3]		
USD 17,34 million	environmental investment	(+88,48%)
36.683	tons of CO ₂ e compensated	(+42,75%)
25.194	tons of CO ₂ e SF6 leaks	(+6,86%)
452.026	hectares protected	
12	habitats protected and restored	(without variation)
67	percentage of Group's companies that are carbon neutral	
1	non-monetary fines and sanctions	(-93,33%)
4	monetary fines and sanctions	Zero in previous year

Business units

Infographics: Business model, supply chain model, origin and destination of goods and human talent

Energy Transmission

Energy transmission:

ISA is the largest energy transmission company in Latin America. The energy transmission companies of the company group expand, operate, and maintain a high-voltage transmission network in Colombia, Peru, Bolivia, Brazil, and Chile, as well as the international interconnections that operate between Colombia-Ecuador and Ecuador-Peru. In Central America, the company holds a stake in Empresa Propietaria de la Red (EPR), which operates the Energy Interconnection System for the Countries of Central America (SIEPAC).

ISA, through its subordinates, transmits 407.000 GWh annually, by means of 47.358 km of high-voltage network circuits, which support the energy supply in the region. Also, ISA is building 6.529 km more, which will start operations in the following years.

In countries where ISA is present, energy transmission (for being a natural monopoly) is a regulated activity within the productive chain of the energy sector, whose expansion is awarded to private investors through bidding processes. Therefore, legal and regulatory stability conditions in the countries directly affect business management.

Revenues associated with the provision of the Energy Transmission service are regulated and indexed to macroeconomic variables such as the Peso - Dollar exchange rate, the Producer Price Index (PPI), the Consumer Price Index (CPI) or the corresponding indexes in the different countries.

Featured text:

Transmission is essential for the creation of an energy market, as it is the cross point between generation and demand. Through transmission, the physical exchange of energy is achieved, and the use of generation resources is optimized.

[GRI 102-2] [GRI 102-6] [GRI 103-2] The services provided by the group's energy transmission companies include:

- Design, construction, operation, and maintenance of high-voltage energy transmission systems
- Connection of generators, network operators, regional transporters, and large consumers to the energy system

XM

XM is a company of ISA's Group specialized in real-time systems management, that executes the operation planning and coordination for resources of the National Interconnected System (SIN). Furthermore, it administers the Commercial Settlement System (SIC) in the Wholesale Energy Market (MEM), administers the International Electricity Transactions (TIE) with Ecuador, and carries out the settling and clearing of charges for use of the SIN's grids. It also develops solutions and provides energy and information services. [GRI 102-2] [GRI 102-6] [GRI 103-2]

Real-Time Systems Management consists of planning, design, optimization, commissioning, operation coordination, administration or management activities for transactional systems or technological platforms involving value added information exchange and goods-and-services-related markets.

As operator of the SIN, XM guarantees the balance between production and consumption of energy in the country. Also, based on energy demand estimates, it carries out the coordinated real-time operation of the generation plants and the grid to ensure that power plants' generation continuously respond to consumers' demand in a cost-effective, reliable, and safe manner with quality standards.

Featured text:

XM's participation in other sectors:

- Financial:
 - Derivex manages in Colombia a system to trade and register energy futures.
 - The Cámara de Riesgo Central de Contraparte (CRCC) is a financial entity managing counterpart risks resulting from derivative financial instruments.
- Transit and transportation: As XM's affiliate, Sistemas Inteligentes en Red S.A.S. (SIER) offers technology and knowledge in the coordination of operation and information management in intelligent network infrastructure. Also, it takes the experience and strength in operation and planning of the

energy system, to offer multi-objective solutions directed towards traffic optimization and accidentality reduction.

- Environmental assets and sustainable development: transactional platforms EcoRegistry, EcoTrade and EcoGox, developed in alliance between XM and Latincheckout, which aim to contribute to the sustainable development of Latin America by implementing blockchain technology.

Road Concessions

Featured text:

With the closing of the acquisition of 100% shares of the Costera Cartagena-Barranquilla Concession, the Group formalized its entry into the Road Concessions business unit market in Colombia and increased its road operation to a total of 1.053 km in Colombia and Chile.

ISA designs, builds, operates, and maintains road infrastructure that connects millions of people in Chile and Colombia, contributing to their social, economic, and environmental development, and ensuring high standards of quality, safety, and connectivity to users. [GRI 102-2] [GRI 102-6] [GRI 103-2]

In Chile, the Group has experience and recognition in the sector for nearly 20 years: today we are the largest intercity road operator with 907 km and 136 km under construction, of which we will operate 111 km. ISA INTERVIAL CHILE's operations include Ruta 5 (5 route) from Santiago to Río Bueno, through which more than 126 million vehicles pass every year.

In Colombia, the Costera Cartagena-Barranquilla (RUTA COSTERA) concession has 146 kilometers of roads and connects two main cities (Tranche 1: Cartagena-Barranquilla 110 km, and Tranche 2: Circunvalar de la Prosperidad between Malambo and Barranquilla 36,7 km of double lane). The work contracted in the Concession has reached 98% progress, taking second position in progress regarding the Fourth Generation (4G) program in Colombia. The project includes the Gran Manglar Viaducto, located on the Ciénaga de la Virgen in Cartagena, with an extension of 5,4 km that, besides being the longest in Colombia, received the Pan American Sustainable Development Award, the National Engineering Award, and the National Environmental Award, because of its minimal impact on the mangrove and minimal occupation of La Ciénaga.

Product of the alliance between ISA and Construcciones El Cóndor S.A. the company Interconexiones Viales was incorporated in 2020, a platform for growth in the

primary and secondary market in Colombia and Peru. Through this alliance, a joint strategy will be executed to evaluate, participate in, and acquire concessions to create a strong portfolio in these countries.

Telecommunications and ICT

INTERNEXA is the ISA's Group information and telecommunication technologies company, recognized in the industry for its track record in the provision of services in sectors such as OTT (Over the Top, companies that provide services over the internet without being operators) and telecommunications. INTERNEXA has specialized in supporting its customers' digital transformation processes, with connectivity services, managed services, the best cloud, and security services.

In an atypical year, the company advanced in the diversification of its portfolio and market, accompanying its customers in the digital transformation process. In 2020, the company added a new line of services based on analytics and Internet of Things (IoT) that complements its portfolio of connectivity, internet, cloud, data center, security, and managed services portfolio, to assemble comprehensive solutions for its customers. [GRI 102-2] [GRI 102-6] [GRI 103-2]

In 2020, the segment diversification progressed 2,5%, mainly driven by the growth of the OTT segment. Similarly, two new data centers were incorporated in Lima and Santiago.

This has complemented the fiber optics network of more than 54.000 Km, the two Data Centers (Bogotá and Río de Janeiro), *Thunder*, the cloud, and centralized communications platforms; all the above under the supervision and control of the Network Operation Center (NOC) in Colombia and the Security Operation Center (SOC) in Brazil, which guarantee customers' IT security.

ISA also has a shareholding participation in ATP, a private operator of digital infrastructure that offers operation and lease of assets of towers, rooftops, small cells, and fiber optics in Colombia, Peru, and Chile.

Relevant milestones

Month	Milestone
March	ISA wins the La Loma-Sogamoso 500 kV transmission line project of 275 km in Colombia, that will reinforce the North of the country and facilitate the connection of renewable energies.
April	ISA Group launched its humanitarian aid project to address the health emergency caused by COVID-19 in countries where it is present, with three (3) fronts of action: Acción País (Country Action), Territorio (Territory) and Nuestra Gente (Our People).
June	ISA Group launches its corporate voluntary work program.
July	ISA Group and Construcciones El Condor create Interconexiones Viales to participate in the road infrastructure sector in Colombia and Peru.
August	ISA has a successfully placement of green bonds, with 2,54 times excess demand compared with the amount tendered.
August	The construction of the Rutas del Loa project in Chile starts: 136 km that will facilitate the connection and mobility in Antofagasta.
August	ISA acquires 100% shares of ORAZUL ENERGY GROUP in Peru, owner of ETENORTE and ETESELVA.
September	ISA Group inaugurates a solar plant at the headquarters with 1.044 solar panels, which purpose is to contribute to the mitigation of climate change and to contribute to distributed energy resource research.

September	ISA Group reaffirms its commitment as signatory of the United Nations Global Compact.
October	Through ISA INTERVIAL Chile, the ISA Group completes the acquisition of Costera Cartagena-Barranquilla Concession.
December	ISA Group signed an agreement to acquire 100% of the shares of Piratininga-Bandeirantes Transmissora de Energia (PBTE) in Brazil.
December	ISA Group was awarded the tender of Chincha Nueva and Nazca Nueva energy transmission projects in Peru.
December	ISA Group was awarded an energy transmission project in Brazil: Lot 7 in ANEEL's tender 001/2020
December	Entry into operation of energy transmission projects of ISA Group in Brazil, Chile, Colombia, and Peru for over USD 191 million.
December	The ISA share reaches a historic peak closing at COP 25.700 as of December 30.
December	XM launches EcoGox, a platform for certification and registration of renewable energy, which uses technology 4.0 to the service of sustainability, dynamizing the renewable energy market in Colombia and Latin America.

Recognitions

Month	Recognition	Awarded by
January	Colciencias recognizes five projects in the Process Innovation and Organizational Innovation categories.	Colciencias
Junio	XM is declared "out of competition" at Andesco Awards for Environmental Sustainability 2020	Andesco
July	ISA is recognized as one of the three companies with best Private Social Investment practices in Colombia	The company Jaime Arteaga in alliance with Semana Sostenible and the support of the U.S. Agency for International Development (USAID)
August	ISA Group is recognized among INspiradoras 2020 (inspiring companies), for its Programa para la Especialidad del Café -PEC- (Specialty Coffee Program), a social and business initiative that benefits coffee growers of Antioquia, led by ISA INTERCOLOMBIA.	ANDI
September	Conexión Jaguar is recognized as the best Corporate Emission-Offsetting Program in the 2020 edition of one of the most recognized awards in the voluntary carbon market worldwide.	Ranking Environmental Finance Voluntary Carbon Market
October	ISA is among the top 100 companies in Colombia with the best reputation and capacity to attract and retain talent. Bernardo Vargas Gibsone, among the top 15 business leaders with best reputation.	Merco

November	ISA is included in the Dow Jones Sustainability Index (DJSI) among the top 10 energy companies worldwide.	Dow Jones Sustainability Index (DJSI)
November	Olga Lucía López, ISA's Chief Technology and Information Officer, wins the Tech Executive category at the Globant Awards - Women that Build Colombia edition.	Globant Awards 2020
November	ISA, ISA INTERCOLOMBIA, and XM are classified as companies with a low corruption risk, according to Transparencia por Colombia.	Transparencia por Colombia
December	Conexión Jaguar wins first place in environmental management category.	Sociedad Nacional de Minería, Petróleo y Energía de Perú
December	ISA REP's project Planta Medicinal para Canchamayo (medicinal Plant for Canchamayo wins first place in "juntos contra COVID-19: sumando esfuerzos" (together against COVID-19: joining efforts) category.	Sociedad Nacional de Minería, Petróleo y Energía de Perú
December	ISA INTERVIAL is recognized for its commitment with integrity, application of ethical values, efficiency of compliance tools implemented to prevent anti-ethical conducts and the handling of the pandemics.	Fundación Generación Empresarial (FGE)
December	ISA is included in FTSE4Good Index Series.	FTSE Russell

Integrated management systems

Consistent with its desire to apply international standards to increase levels of competitiveness, ISA and its companies adopted the ISO and OHSAS standards to manage quality, occupational health and safety, environment, information, and asset management.

Company	ISO 9001	ISO 14001	OSHAS 18001 / ISO 45001	ISO 27001	ISO 55001
ISA	X				
ISA REP	X	X	X		X
ISA INTERCOLOMBIA	X	X	X	X	X
ISA CTEEP		X			
ISA TRANSELCA	X	X	X		X
ISA BOLIVIA	X	X	X		
Proyectos de Infraestructura del Perú (PDI)	X				
ISA INTERVIAL	ISA INTERVIAL and concessionaires	ISA INTERVIAL and RUTA DEL MAIPO			
INTERNEXA	X		X	X	
XM				X	

Good governance and integrity

For ISA and its companies, good governance and integrity mean counting on governing bodies that guarantee the transparency and independence of the company and ensure the creation of sustainable value.

Board of Directors

- 13 meetings held per year
- 78% independent members
- Remuneration of COP 5.020.587 per session

- 99% attendance
- 80% minimum attendance rate goal

Nombre	Miembro Independiente	Nominado por	Comités de la Junta Directiva			
			GOBIERNO CORPORATIVO, SOSTENIBILIDAD Y RIESGOS	Negocios	Auditoría Corporativa	Talento Organizacional
Isaac Yanovich Farbaiarz	x	Ministerio de Hacienda y Crédito Público				Presidente
Carlos Mario Giraldo Moreno	x	Ministerio de Hacienda y Crédito Público	Presidente			
Henry Medina González	x	Fondos de pensiones y cesantías				
Camilo Zea Gómez	x	Fondos de pensiones y cesantías				
Santiago Montenegro Trujillo *	x	Fondos de pensiones y cesantías		Presidente		
Jesús Aristizábal Guevara	x	Empresas Públicas de Medellín			Presidente	
Marcela Meléndez Arjona**	x	Ministerio de Hacienda y Crédito Público				
Viceministro Técnico del Ministerio de Hacienda y Crédito Público - Juan Pablo Zárate Perdomo	VICEMINISTRO TÉCNICO DEL MINISTERIO DE HACIENDA Y CRÉDITO PÚBLICO	Ministerio de Hacienda y Crédito Público				
Director de Crédito Público y del Tesoro Nacional del Ministerio de Hacienda y Crédito Público - César Augusto Arias	DIRECTOR DE CRÉDITO PÚBLICO Y DEL TESORO NACIONAL DEL MINISTERIO DE HACIENDA Y CRÉDITO PÚBLICO	Ministerio de Hacienda y Crédito Público				

* Presidente de la Junta Directiva

** Renunció desde el mes de noviembre de 2020

Management

- Bernardo Vargas Gibsone – CEO
- Olga Patricia Castaño Díaz – Chief Strategy Officer
- César Augusto Ramírez Rojas – Chief Energy Transmission Officer
- Ernesto Carrasco Morales – Chief Road Concessions Officer
- Carolina Botero Londoño – Chief Corporate Finance Officer
- Juliana Suso Jaramillo – Chief Institutional Relations Officer
- Carlos Humberto Delgado Galeano – Chief Organizational Talent Officer
- Sonia Margarita Abuchar Alemán – Chief Legal Officer
- Daniel Isaza Bonnet – Chief Growth and Business Development Officer
- Olga Lucía López Marín – Chief IT Officer
- Carlos Ignacio Mesa Medina – Chief Corporate Audit Officer
- Jaime Alberto Peláez Espinosa – CEO of INTERNEXA

Ethics

GRI [102-16]

Ethics defines ISA's nature. It is the intrinsic value of our employees and managers, and it is fundamental to be reliable among stakeholders. Since its inception, ISA and its companies have based their identity on ethical principles based on the adoption of honest, coherent, suitable, and responsible conducts that have remained throughout the life of strategic cycles and ensure responsible value generation for all stakeholders. Therefore, in 2020, ISA and its companies continued to strengthen the mechanisms that make this belief to be reflected on every corporate definition and choice.

Featured text:

Reporting channels are our tool to prevent and detect corruption and ethical violations and honor our obligation to carry out relevant procedures.

Below are the most relevant actions:

Definition of a protocol for ethical issues: Guided by the Chief Corporate Audit Office, the protocols to address ethical issues were defined. These include criteria to be considered by each company, the protection to whistleblowers, the protection of information confidentiality, and the protection of personal information. This protocol is supplemented by a publication addressed at all stakeholders, so they learn about it and use the Ethics Line channels.

The comprehensive management of risks included the identification and assessment of the Compliance corporate risk (which includes fraud, corruption, money laundering, among others) for the processes at higher risk. Additionally, the declaration of conflict of interest was continued to be addressed, as well as the management of the reports received.

An information and education plan, addressed at external managers, employees, and other stakeholders, was developed to preserve a solid ethical culture. The most important topics are:

- Promotion of the ethical culture: Prevention of money laundering, conflict of interests, treatment of gifts, protection of personal data.
- Ethics e-learning program as part of the introductory process for new employees.

- Talks with international experts about “La práctica de nuestra ética” (Ethics practice) and “La motivación y el liderazgo basados en valores” (Motivation and leadership based on values).
- At an external level, ISA participated in the Meeting with Suppliers and Dialogues with Stakeholders held by the different affiliates, which allowed us to confirm the importance of making of ethics the backbone of the company's decisions not only in relations with the companies of the Group, but in its everyday activities.

Relevant management at affiliates

ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, and XM maintained their voluntary work on the “Acción Colectiva del Sector Eléctrico” (Collective Action of the Energy Sector). The agreement reached with the various stakeholders, the definition of the suggested essential aspects to be considered at the companies when it comes to their corporate ethics programs, and the confirmation of our commitment for another five years must be highlighted. The eighth Ethics Forum of the Colombian Energy Sector, for the first time held online, which purpose was to continue to foster a space for thought, action, and commitment around ethics, must also be highlighted.

Featured table:

Collective Action - Commitments:

- Make progress in the development and implementation of the comprehensive anti-corruption program, which is part of International Transparency's "Business Principles to counter bribery."
- Continue promoting competition in the energy sector based on the best practices of corporate governance for the Prevention of Anti-Competitive Practices.
- Create and distribute to all the companies a Risk Map for corruption, anti-competitive practices, money laundering, and terrorist financing, including the relevant management measures. In addition, contribute to the creation of such map for the sector.
- Provide useful information for the promotion of transparency in the sector and the energy market.

ISA INTERVIAL CHILE and its concessionaires ratified the Corporate Integrity & Ethics Model – Law 20.393 (Compliance), including two new companies: RUTA DEL

LOA and ISA INVERSIONES COSTERA CHILE SPA. Besides enforcing this law, the highest implementation standards suggested by the Organization for Economic Cooperation and Development (OECD) were applied.

Likewise, the Compliance management was strengthened by incorporating indicators to monitor the efficiency and performance of the model, as well as the data analytics for continuous, online due diligence by stakeholders with respect to the crimes defined in the Chilean law (including corruption risk).

The Fraud Prevention Predictive Model was implemented for real-time monitoring of the toll collection process to identify prevention signals and alarms in advance.

ISA CTEEP kept working on the preparation of its internal processes for compliance with the new Personal Data Protection General Law, which came into force in August 2020. The diagnostic phase was completed. It was the basis for ensuring the adequate management of third-party information. The Company created the Audit and Compliance Department, who directly reports to the CEO and to the Audit Committee. The Company also created the Ethics and Compliance Portal, to which all the employees can access remotely.

Results of the Ethics Line

GRI [102-17]

As for the management of reporting channels, all the reports received were addressed during the period. No report was related to corruption acts. To complement these efforts, the Ethics Committee of each of the companies held meetings according to their guidelines.

Results of the Ethics Line	
# cases received through the Ethics Line	50
# cases open	3
# cases closed	47

Complaints addressed by the Ethics Line

	2018	2019	2020
% complaints addressed by the Ethics Line	100	100	100

Consolidado de casos Línea Ética y reportes tramitados				
[GRI 102-34] Naturaleza y número total de preocupaciones críticas				
Categoría	# de casos por tipo			
	Efectivo	No efectivo	En investigación	Total general
Otros temas		27		27
Acoso Laboral		5		5
Fraude	2	2		4
Conductas Anómalas		3		3
Sin categorizar			3	3
Acoso Sexual	2			2
Incumplimiento de Funciones		2		2
Violación de leyes, normas y regulaciones		2		2
Inadecuadas Condiciones Laborales		1		1
Manejo de Obsequios y regalos		1		1
Total general	4	43	3	50

Casos confirmados de Corrupción [GRI 205-3]			
	2018	2019	2020
Número de casos de corrupción confirmados	0	0	0
Derechos humanos			
Eventos de vulneración a los Derechos Humanos			
Número de casos de vulneración a los Derechos Humanos confirmados	0	0	0
Protección y manejo de la información			
Habeas data			
	2018	2019	2020
Número de casos comprobados por mal uso de la información	0	0	0
Número de casos reportados	0	0	0

Improvement plans implemented

With respect to the two harassment cases confirmed, the relevant administrative actions pursuant to local labor laws were carried out. Preventive actions were also carried out to avoid any further incident. These actions sought to ensure a better understanding about what constitutes harassment and how to address it. Also, training sessions were delivered by experts in the field.

Regarding fraud, one of the cases was related to undue access to sensitive information. The relevant corrective measures were applied within the legal framework and IT key controls were strengthened so that there is a more restricted access. Likewise, monitoring controls were put in place to detect misuse, and awareness campaigns about the importance of proper management and use of information were held. The other case was related to misappropriation of company resources by third parties. Complaints have been filed with the relevant authorities and the process monitoring mechanisms were strengthened.

Strategy

Review of the strategy in the context of the pandemic

Featured text:

The ISA2030 Strategy is ratified.

In 2020, a year of high uncertainty, we were able to confirm that ISA's strategy is solid enough to face new global dynamics.

The COVID-19 pandemic forced companies to deal with the crisis not only by taking timely actions to protect the health and safety of their employees and ensure uninterrupted operations and service provision, but also to reflect in depth about previously established goals, the impact of the pandemic on mid-term and long-term choices, the construction of extreme scenarios, and the creation of new strategic paths.

This is how, besides a permanent analysis of the environment and internal and external risks since the beginning of the pandemic in the region, ISA did a construction exercise based on two possible scenarios: the optimistic scenario and the pessimistic scenario. Different pandemic durations and solutions were assumed for each scenario: three months and twelve months, respectively. For each business unit, impacts on operations and maintenance, execution of projects, and procurement were identified and analyzed: Energy Transmission, Road Concessions, Telecommunications and ICT. The possible impacts on expected growth and business models were analyzed. A potential impact of the crisis on certainty or on macro-trends on which strategic decisions as of 2030 were based, were also analyzed. [GRI 102-15]

In both scenarios, both positive and negative implications were found for ISA's businesses; among the most relevant environment signals by scenario are the following:



In addition, the analysis on the possible financial performance of the Group companies in the short and mid-term regarding the two scenarios evaluated in terms of revenues, expenses, capex execution and cash flows allowed us to conclude, at a general level, that the Group has sufficient financial and market strength and favorable market conditions to reach its investment goals.

- The characteristics of our long-term businesses, regulated revenues that do not depend on demand, and the natural hedging policy adopted by each company as for revenues and financing allowed us to deal with this situation without seeing any significant negative effect on revenues.
- Deviations in administrative, operating, and maintenance expenses are mainly associated with travel for scheduled maintenance activities, travel and accommodation savings, training, and office expenses.
- The cost of debt in 2020 was impacted by the inflation rate of each country.
- The deviation in the execution of capex generated minor indebtedness needs.
- ISA companies have sufficient cash for the coming years. The monthly cash flows were positive for all the companies.

Based on these results, the validity of our goals in the short, medium, and long term was assessed, which made possible for us to conclude that the ISA2030 Strategy is adequate to overcome new challenges. Also, signals were given to make short-term adjustments to adapt to this new reality and continue the path of success when it comes to reaching our goals.

Featured text:

Permanent monitoring and analysis of the environment allowed us to make timely decisions and carry out actions to overcome the impacts of the COVID-19 pandemic.

ISA2030 Strategy – Sustainable Value

Our higher purpose, CONNECTIONS THAT INSPIRE, and its maxims are the main expression of the behavior, actions, and beliefs of ISA companies. It is reinforced by the Code of Ethics and Conduct, the Code of Good Corporate Governance, and Commitments with Stakeholders.



Feature text

ISA companies are known to be key stakeholders in the development and progress of society, going beyond obligations, and creating a legacy for future generations.

The ISA2030 Strategy seeks the creation of Sustainable Value: it is the great commitment to create value over time and to go beyond the creation of just financial value, because we consider social and environmental values and see all the opportunities that the future brings as it is increasingly dynamic, collaborative, and digital. This ensures corporate validity. [GRI 102-14]



Shareholder value:

Growth, generation of profitability, application of good corporate governance practices

Positive social and environmental impact:

Significant contribution to caring for the planet and achieving the Sustainable Development Goals in the countries where the group is present

Corporate longevity:

The companies of the future must leverage the generation of value with innovation, digital transformation, alliances and a group of high-performance collaborators

The ISA2030 Strategy is supported by four pillars in its everyday actions and choices, as well as internal relations and with the world.



Verde (Green): Minimize the environmental impacts of the business and promote positive environmental initiatives.

Innovation: Take advantage of business opportunities derived from technological evolution and trends.

Development: Build capacities and leaders to face business challenges and promote the development of the territory and an entrepreneurship ecosystem.

Articulation: Seal strategic alliances to meet objectives.

Business choices reflect how a balanced portfolio has been assembled, where there is balance between risk and profitability criteria, vision and adjacency, and geographic and business diversification.



- As for Energy Transmission, engagement in the Energy Transmission segment and the firm commitment to Distributed Energy Storage and Services segments. Consolidation of our presence in current countries and entry into new geographies such as USA, Panama, and other Latin American countries.
 - By 2030, XM's objective is to be a key stakeholder and an enabler of the transformation of the sector.
- As for Road Concessions, strengthening operations in Chile and expansion of our presence in Colombia and Peru.
- As for Telecommunications, engagement in the Infrastructure and ICT segments by consolidating our presence in current territories.

Growth in each segment and territory will be achieved through organic and inorganic transactions. We will be more competitive as our capex and opex were seamlessly formulated and executed. We have created strategic alliances. We have generated a positive social and environmental impact. We have an ambitious outlook on innovation and digitization.

Besides our goals for 2030, we have defined some mid-term goals to ensure the implementation of challenges; maintain our transcendence approach in the long term; and carry out, in the short term, the actions required to achieve future results. These metrics allow us to look at our short-term priorities according to the environment's dynamics, to synchronize the implementation pace with the nature of relevant variables in the strategy, to enable motivational connections and factors, and to facilitate the communication of goals that are attainable in the short and mid-term, among other advantages.

VALOR SOSTENIBLE



Generar valor al accionista

Aumento mínimo del **70%** en **EBITDA** sobre el 2018.

Inversión de **USD 10,5 mil millones** en negocios y geografías actuales y en nuevas geografías.



Asegurar la vigencia corporativa

Inversión de **USD 2.000 mil millones** en nuevos negocios de energía.

Inversión de **USD 150 millones** en emprendimiento.



Crear impacto social y ambiental

Reducir **11 millones** de tCO₂e

	2022	2026	2030
Achieve an increase of at least 70% in EBITDA	+25%	+50%	70% - 100%
Invest USD 10.500 million in current businesses and geographies and in new geographies	USD 2,800 million (34%) Panama USD 1,500 million in USA to 2023	USD 7,800 million (74%) USD 5,600 in current business and geographies (67%) USD 2,200 million in other LATAM geographies (100%)	USD 10,500 million (100%)

Offset 11 million tCO2e	6 million tCO2e (55%)	9 million tCO2e (80%)	11 million tCO2e (100%)
Invest USD 2.000 million in new energy businesses	USD 300 million (15%)	USD 800 million (40%)	USD 2,000 million (100%)
Invest USD 150 million in entrepreneurship	USD 45 million (30%)	USD 120 million (75%)	USD 150 million (100%)

Progress in the strategy

Goals by dimension of sustainable value: Goals to 2030	Progress to 2020:
Generate value for shareholders:	
Achieve an increase of at least 70% in EBITDA	2020 EBITDA: COP 6.573.459 million 24,4% higher than the figure reached in the previous year, which represents 97,6% compliance with the goal to 2022 and 34,85% compliance with the goal to 2030 126,5% compliance with the EBITDA indicator defined for Group companies in 2020
Invest USD 10.500 million in current businesses and geographies and in new geographies	More than USD 1.050 million allocated in 2020 for new investments, with a cumulative progress of 70% over the 2022 goal and 19% over the 2030 goal
Create a positive social and environmental impact:	
Reduce 11 million tons of CO ₂ e	452.134 tons of CO ₂ e reduced in the year, considering the reduction of impacts of operations and the outcome of the Conexión Jaguar program, accumulating 31% progress over the 2022 goal and 17% over the 2030 goal 28,19% compliance with indicator defined for Group companies in 2020
Ensure corporate longevity:	
Invest USD 150 million in entrepreneurship Invest USD 2.000 million in new energy businesses	In 2020: <ul style="list-style-type: none"> ▪ USD 12,83 million in innovation projects ▪ USD 2,55 million in revenues from new products and services Cumulative to 2020, 64% progress over the 2022 goal and 19% over the 2030 goal Innovation: <ul style="list-style-type: none"> ▪ 400 ideas or projects on the Brightidea platform as a management tool ▪ Creation and operation of the Innovation Committees at ISA and its affiliates

	<ul style="list-style-type: none"> ▪ Joint work with the ecosystem of partners and startups, especially the memorandum of understanding with DronePower in Brazil and the confidentiality agreement with Gilytics and Smart Wires <p>New energy businesses:</p> <ul style="list-style-type: none"> ▪ Delivery of a proposal to regulators in Peru, Brazil, and Chile to consolidate future regulatory projects for the incorporation of large-scale energy storage technologies ▪ Inauguration of ISA's solar plant, which is expected to reduce up to 1.427 tons of CO₂ in 25 years ▪ Design of the business case to participate in the STRD01-2020 call for bid for an energy storage system in Colombia, first quarter of 2021 ▪ Studies to identify and evaluate energy storage projects in the countries where the Group is present
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To reach these goals, we will leverage, among other aspects, on digital transformation and the development of organizational capacities, where we also made significant progress during the year:

Progress in deepening the digitization of core and support processes:

- On our path towards the work of the future, with no time and place restrictions, and where people are dedicated to more high-value activities, 300 robot assistants were consolidated at the end of 2020, impacting 70 processes, and improving productivity by 60.000 hours throughout the year.
- We created RPALAB, our first robotics laboratory for the improvement of our robot self-service capacity, where 500 employees of the whole Group were trained.
- We created the Digital Excellence Center for the ISA Group, where all the core business processes are a priority: more than 120 analytics and AI solutions with state-of-the-art techniques such as machine learning, image processing, and AI. More than 150 employees received training on these techniques.
- We made progress on the implementation of the Group's cybersecurity strategy and roadmap, as well as in assessing, controlling, and measuring cyber risks.
- 71% of the strategic initiatives are leveraged on digitization, especially: remote assistance and augmented reality for substation maintenance; Intelligent Asset Management System (SIGA), image analytics for detecting faults in transmission lines, cost-effective transfers with the Host to Host

solution, debt management, leveraging of the growth strategy for the Road Concessions business unit thanks to SAP in new companies, and INTERNEXA's internal transformation, which will be based on technology to improve services and customer experience.

Organizational capacities of the Group, required to make progress in the strategy, are customer orientation, operational excellence, innovation and entrepreneurship, digital transformation, adaptability, networking, ethics, co-responsibility, and environmental and social management. Main advancements comprise:

- Design and implementation of the capacity building model
- Identifying what kind of knowledge will be required for prioritized capacities and based on this, design training routes for employees
- Design and implementation of the capacity recognition model

Also, ISA companies are working on the execution of projects to get closer to their proposed goals. During 2020, 35 initiatives for the improvement of competitiveness, business growth in current and new geographies, social and environmental management, new energy businesses, and enabling cross-cutting projects were under execution. All these initiatives were supported by innovation and digitization.

- 10 capex and opex (competitiveness and efficiencies) operational excellence initiatives
- 4 growth-oriented initiatives in current and new businesses and geographies
- 2 initiatives aimed at new energy businesses
- 19 initiatives related to social and environmental management and cross-cutting processes
- 46% of initiatives are leveraged on innovation, 71% on digitization

Despite the impact of the pandemic on ongoing strategic projects, we made satisfactory progress as we reached 95% compliance with our milestones for the year.

Initiatives by business unit	
Energy Transmission	15
Road Concessions	4
Telecommunications	2
Cross-cutting	14

Value addition	# initiatives	%
Efficiencies	7	20%
Minimization of deviations	3	9%
Competitiveness	9	26%
Revenue diversification	5	14%
Investment capacity	1	3%
Cross-cutting with non-monetary benefits	10	29%
Total	35	

Iniciativas Estratégicas por Tipo de Beneficio



Iniciativas Estratégicas por Negocio



- 35 initiatives under execution in 2020
- 216/227 milestones achieved

ISA's performance results in 2020 were outstanding, especially after so many constraint and challenges. 2021 will also be challenging as this will be the year of economic revival, overcoming COVID-19, and adaptation to this "new normality." In this scenario, ISA will seek to transform the experience acquired and resilience shown in 2020 by giving a constructive use to uncertainty and restrictions derived from the main signals in the environment, which were seen in the short term, like: [GRI 102-15]

- Expectation of transition to political stability in the countries of the region after the turmoil generated by generalized states of emergency and recent political events in Peru and Chile. This transition will depend on the elections in both countries.

- Biden's tenure will determine the commercial relations with LATAM, the geopolitical climate in the region, and the trend in the U.S. energy markets.
- The rebound effect from the recession will boost the economy's growth in the first quarters of 2021.
- Even though, a high-country risk is expected in LATAM markets in which ISA is interested, especially Brazil, Bolivia, and Mexico.
- The higher fiscal deterioration in the countries, accentuated by growing social demands and COVID-19 management, creates tax pressure on large taxpayers.
- Continuity of investment and infrastructure agendas of the governments as economic revival measure.
- Gradual normalization of the supply chain.
- Increased operational risks of socio-environmental mobilization agendas.
- Gradual solving of the pandemic will require that we remain in the highly digitized world to which we migrated in 2020. We expect higher connectivity demand and the prevalence of digital and remote solutions.

The ISA Group will continue to contribute to development and post-pandemic economic revival in the countries where it operates. This way, uninterrupted services and high-quality projects will be guaranteed while protecting people's health and safety and boosting the development of suppliers of goods and services for operations, always believing in the protection of the planet: territorial development, environmental protection, and climate change mitigation. Value generation will continue to be leveraged on innovation and entrepreneurship, digital transformation, partnerships, and the development of capacities by a group of high-performance collaborators, always committed to active participation in social and political debates.

Feature text:

The ISA Group steadily advancing towards its ISA2030 Strategy, confident that our work will allow us to continue to generate CONNECTIONS THAT INSPIRE.

Comprehensive risk management

The Board of Directors and the Senior Management are strongly committed to risk management.

The Board of Directors regularly monitors relevant risks across the organization through the Governance, Sustainability, and Risk Committee. Also, every year, it reviews and approves criteria for prioritizing risks, establishing the Group's appetite and tolerance for business and operations.

ISA and its companies' Comprehensive Risk Management (GIR) seeks to preserve the integrity of corporate resources and the continuity and sustainability of business units. For this purpose, ISA and its companies systematically identify, analyze, evaluate, monitor, and communicate risks to which companies are exposed to minimize impacts on financial and reputation resources and to benefit from opportunities that may come from them. Each affiliate of the group applies the risk cycle and then generates a map that includes identification, assessment, and administration measures. This information is updated and consolidated on a quarterly basis.

During the period, the company made some adjustments like updating the risk dimensions and categories, and criteria for prioritizing risks in ISA (based on the concepts of appetite and risk tolerance). Also, organizational adjustments to strengthen risk management were approved.

At the end of the period, the consolidated risk map for ISA and its companies showed the following scenario in its 18 risk categories:

Perfil de riesgo recurso financiero con nuevos agrupadores y apetito		Trim IV	
ECONÓMICO	GO – Gobernabilidad		verde
	RE - Regulatorio		rojo
	JU - Jurídico		rojo
	PO – Político		rojo
	FI - Mercado, liquidez y crédito		amarillo
OPERACIONALES	MC - Mercado, competencia, fusiones y adquisiciones		rojo
	DC - Diseño y Construcción de proyectos		naranja
	ON - Operación del negocio		amarillo
	CS - Cadena de suministro		naranja
	TI - Ciberseguridad y tecnología de información		amarillo
	CH - Capital humano y relaciones laborales		amarillo
	ST - Seguridad y salud en el trabajo		amarillo
	CO - Compliance		amarillo
SOCIO AMBIENTAL	OP - Orden público y seguridad ciudadana		amarillo
	AM - Ambiental		naranja
	FN - Fenómenos naturales y cambios climatológicos extremos		verde
	PR - Predial		naranja
	SO - Social		verde



Datos para los gráficos:

Riesgos:	TELCO/TIC	Vias	Energia
JR - Regulatorio			48%
JU - Juridico	11%		23%
AM -Ambiental			8%
DC - Diseño y Construcción de proyectos			4%
CS - Cadena de suministro			4%
MC - Mercado, competencia, fusiones y adquisiciones	45%	87%	
FI - Mercado, liquidez y crédito	23%	2%	3%
FN - Fenómenos naturales y cambios climatológicos extremos		2%	
ON - Operación del negocio	9%		
CH - Capital humano y relaciones laborales	5%		
OTROS	7%	9%	10.0%

	Rojos	Naranjas
Colombia	RE	CS, AM
Chile	MC	AM, PR
Brasil	RE, JU	
Peru		DC
TODOS	PO	

Risk monitoring and review

At ISA and its companies, risk management is supported by processes, from where events that might affect the company's results are identified and addressed. Therefore, each person that is in charge of a process, project, asset, contract, among others, is directly responsible for proper identification, assessment, prevention, and mitigation of risks. Risk monitoring is associated with the level of responsibility along the structure of the organization, going from the layer of processes until reaching the highest levels of the companies including their boards of directors. Additionally, the audit areas, in the performance of their duties, base their work on the analysis of business risks.

Number of risks reported in each instance: red to directors, chief officers, and area managers; yellow to general managers; orange and red to boards of directors and their equivalents.

Rojos	8
Naranjas	6
Amarillos	114
Verdes	404

Priority risks

Cat.	Country	Risk 2020	Actions
RE	COL	Change in the energy transmission remuneration scheme	<ul style="list-style-type: none"> ▪ Direct work and work through unions with the regulator, the Ministry of Mines and Energy, and the Ministry of Finance. Comprehensive technical, regulatory, legal, and financial analyses of the regulator's proposals ▪ Support during asset management to make decisions based on cost, risk, and performance criteria when defining procurement plans
RE	COL	Uncertainty over allocation of the payment of restrictions to transporters (CREG Resolution 100 of 2019)	<ul style="list-style-type: none"> ▪ Work through different sectoral entities such as the National Association of Public Utilities and Communications (ANDESCO) and the National Council of Operation (CNO): <ul style="list-style-type: none"> ○ Comments and counterproposals to the regulator ○ Technical, regulatory, and legal analyses to define the proposal to be submitted to the regulator ○ Efforts with the Government to communicate comments and counterproposals ▪ Support asset management decisions on maintenance strategies and plans
JU	BRA	Tax events and pension liability at ISA CTEEP	<ul style="list-style-type: none"> ▪ Submission of relevant appeals to the regulatory authorities ▪ Handing over documentation and backups ▪ Work on unions ▪ Judicial and extrajudicial proceedings ▪ Management of collections and ongoing monitoring of process evolution ▪ Availability of a dedicated legal team
JU	BRA	Uncertainty over receiving the total or partial value of the remuneration from the Basic Network of the Existing System (RBSE) at ISA CTEEP	<ul style="list-style-type: none"> ▪ Permanent work with the Ministry of Mines and Energy, the Ministerio da Fazenda, the National Energy Agency (ANEEL), and the Tribunal de Contas da União (TCU) ▪ Submission of proposals and judicial management through Associação Brasileira das Empresas de Transmissão de Energia (ABRATE), in collective and individual actions ▪ Joint work with the relevant entities, providing technical-legal arguments
MC	CHIL	Uncertainty over renewal or substitution of road concessions maturing before 2030 due to political and	<ul style="list-style-type: none"> ▪ Consolidation of synergies ▪ Assessment of strategic alliance ▪ Development of private initiatives ▪ Engagement in brownfield and greenfield projects

		market situations, among others	
PO	ALL	Unstable governments, economies, and institutions	<ul style="list-style-type: none"> ▪ Management through unions ▪ Close monitoring of the regulatory agenda ▪ Follow-up, management, and response to tax changes ▪ Actions aimed at obtaining a social license to operate in the long term

Materialized risks

- Decrease in the Allowed Annual Revenue (Receta/Ingreso Anual Permitido - RAP-) with respect to the efficient operating cost due to abrupt changes in the calculation methodology in Brazil
- Higher value of the asset associated with the Coya-Yana project in Peru due to social, environmental, and contractual restrictions and of the Cardones-Polpaico project in Chile due to environmental restrictions
- Losing in the rebidding process for the Talca-Chillán road concession, Chile
- Ruling in favor of Toshiba in an arbitration proceeding related to the Madeira project in Brazil

Emerging risks

To supplement the quarterly evaluation of risks that could impede it from achieving the strategy, ISA studies uncertain events—generally external and complex, with many ramifications—that might affect, besides the current strategy, future business models. In this study, trends are monitored, and the trajectory of the main variables that could amplify them or affect the ratio between them is evaluated to redesign the business models, deviate the strategy to prepare against negative impacts, or turn them into new opportunities.



Emerging Risks	Description	Potential impacts on the organization	Actions
Unstable governments, economies, institutions, or government relations	<ul style="list-style-type: none"> High uncertainty over the regional governments' ability to face political and economic challenges. Accentuated by several election periods (in Peru, Colombia, and Brazil) and the constitutional process in Chile. 	<ul style="list-style-type: none"> More restrictions to business development and growth, which forces to adjust the strategy Greater demands from society Increased volatility of macroeconomic variables, particularly interest rates and exchange rates 	<ul style="list-style-type: none"> Monitoring of the regional environment and adjustments to strategy Business and market (geographies) diversification Proactive relations with stakeholders and leadership in sectoral economic revival Financial hedges
Deep social instability in countries of interest	<ul style="list-style-type: none"> Social unrest and potential turmoil over economic reforms, worsened quality of life, and inequality. This is closely correlated with political and economic risks 		
Reconfiguration of the energy sector's value chain (energy transition)	<ul style="list-style-type: none"> Entry of new stakeholders into the value chain as well as uncertainty over technological and regulatory developments to address the energy transition, especially batteries and distributed generation 	<ul style="list-style-type: none"> Impact on the Energy business model, on competitiveness, and current revenues More opportunities for investment and growth of the value chain 	<ul style="list-style-type: none"> Dynamization of the entry into new energy businesses (storage and distributed energy services) Development of new business models in early stages Preparation of human resources Proactive regulatory management

Legal and regulatory uncertainty and new revenue schemes	<ul style="list-style-type: none"> ▪ Great uncertainty over the possible recalculation of energy revenue schemes, associated with the energy transition 		
Climate turning points and catastrophic extreme events	<ul style="list-style-type: none"> ▪ Uncertainty over extreme weather phenomena, among other causes, due to failure to deal with global warming and pollution 	<ul style="list-style-type: none"> ▪ Damage to property and infrastructure ▪ Impact on service provision ▪ Acceleration of climate finance 	<ul style="list-style-type: none"> ▪ Expansion of conservation programs (Conexión Jaguar) ▪ Portfolio of forest offsets ▪ Entry into green financial markets
Cyber-vulnerability and fraud over critical information	<ul style="list-style-type: none"> ▪ Increased activity and uncertainty over the types of attacks at a global level, accentuated by the use of technology during the pandemic 	<ul style="list-style-type: none"> ▪ Impact on service availability ▪ Impact on information ▪ Impact on productivity and competitiveness 	<ul style="list-style-type: none"> ▪ Protection mechanisms, cybersecurity culture, and recovery plans ▪ Monitoring and application of better practices, according to security challenges
Acceleration of new technologies	<ul style="list-style-type: none"> ▪ Uncertainty over how quickly new technologies are being developed as well as their relationship with existing technologies and processes 	<ul style="list-style-type: none"> ▪ Decreased need for energy transmission services and decreased road traffic ▪ Opportunity to develop new products and services 	<ul style="list-style-type: none"> ▪ New energy businesses ▪ Business models in early stages ▪ Evolution of the innovation system
Changes in user preferences or technologies that affect the use of current road infrastructure	<ul style="list-style-type: none"> ▪ Uncertainty over the speed of incorporating the green trend into business and correlation with social demands 		

Materiality analysis

GRI [102-43] [102-44] [10-46] [102-47] [102-49] The ISA Group analyzes materiality to identify issues that are relevant to the achievement of its strategy and hence are valued as such both internally and externally, and that are relevant not only to the business but also to stakeholders. These issues are called "material issues."

Business relevance (X axis): Impact of the issues on achieving the company's strategic goals. Issues considered:

- Influence of the issue on the fulfillment of the strategic goals
- Capacity to generate an impact (positive or negative) on the corporate strategy, through management of each element of the model
- Company performance with respect to each of the issues, perceived by key publics

External relevance (Y axis): Importance of the issues according to key publics' expectations, the context, and the trends that may affect companies, non-financial reporting requirements, and investor requirements.

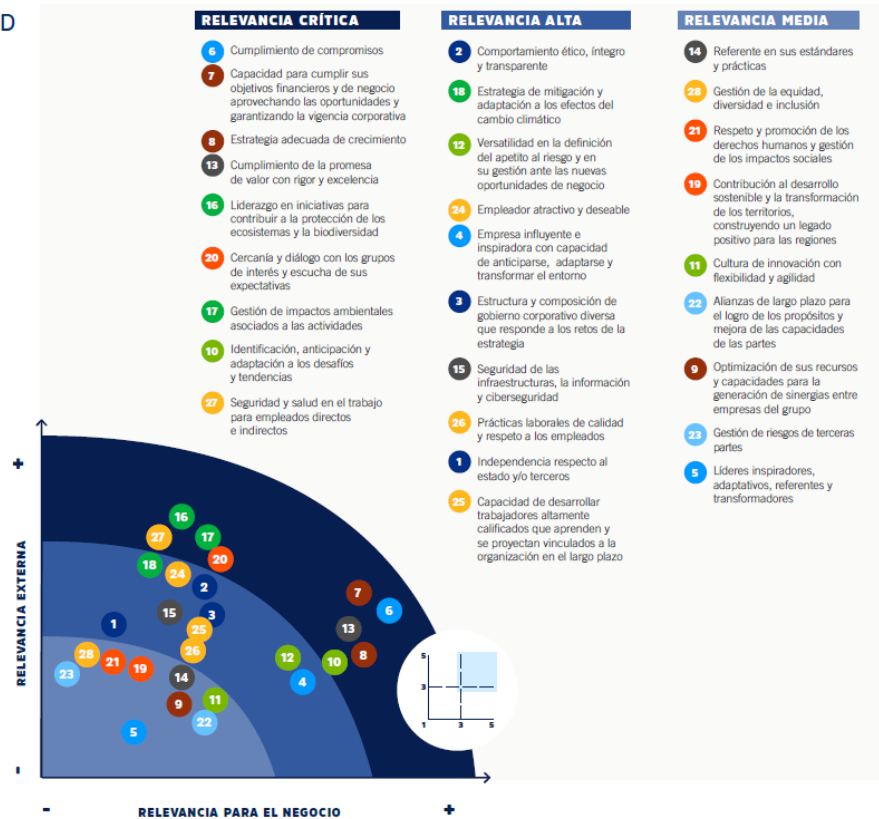
The ISA Group's materiality matrix is composed of the companies' materiality exercises: ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, XM, ISA REP, ISA CTEEP, ISA INTERCHILE, and ISA INTERVIAL.

Finding each issue in the matrix, according to their value in each axis, allows identifying the issues that are highly important for both the company and the stakeholders. The materiality analysis identified twenty-eight issues that are relevant to the company and its stakeholders, which makes it a key tool for identifying the issues that constitute sustainability priorities for ISA and its companies.

Materiality Matrix *

MATRIZ DE MATERIALIDAD

-  **BUEN GOBIERNO**
-  **LIDERAZGO TRANSFORMADOR Y CAPACIDAD DE INFLUENCIA**
-  **SOLIDEZ Y CRECIMIENTO**
-  **ANTICIPACION E INNOVACION**
-  **EXCELENCIA EN EL CUMPLIMIENTO DE SU ACTIVIDAD**
-  **CONTRIBUCION PROACTIVA A LOS DESAFIOS AMBIENTALES GLOBALES**
-  **COMPROMISO CON EL DESARROLLO SOCIOECONOMICO**
-  **ALIANZAS ESTRATEGICAS PARA LA TRANSFORMACION**
-  **ATRACCION, DESARROLLO Y CUIDADO DEL MEJOR TALENTO**

























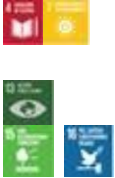





61 | Valor al accionista

* Dimensions:

- Good governance and integrity
- Transformational leadership and capacity to influence
- Strength and growth
- Foresight and innovation
- Excellence in compliance with activities
- Proactive contribution to global environmental challenges
- Commitment to socio-economic development
- Strategic alliances for transformation
- Attraction, development, and care of the best talent

Scope of material issues

Material Issues	Impact		SDG
	Internal	External	
Critical relevance			
6 - Fulfillment of commitments		X	
7 - Ability to meet financial and business objectives, benefitting from opportunities, and ensuring corporate relevance	X	X	
8 - Appropriate growth strategy	X	X	
13 - Fulfilling the value proposition with precision and excellence		X	
16 - Leadership in initiatives to contribute to the protection of ecosystems and biodiversity	X	X	
20 - Closeness and dialogue with stakeholders, listening to their expectations		X	
17 - Management of environmental impacts associated with activities	X	X	
10 - Identification, foresight, and adaptation to challenges and trends	X	X	
27 - Occupational health and safety for direct and indirect employees	X	X	
High relevance			
2 - Ethical, comprehensive, and transparent conduct	X	X	
18 - Strategy to mitigate and adapt to effects of climate change		X	
12 - Versatility in the definition of appetite for risk and in its management before new business opportunities	X		
24 – Attractive, desirable employer	X		
4 - Influential, inspiring company able to foresee, adapt to, and transform the environment	X	X	
3 - Diverse corporate governance structure and composition, responsive to strategy challenges		X	
15 – Security of infrastructure, information, and cybersecurity	X	X	
26 - Quality work practices and respect for employees	X		
1 - Independence from the state and/or third parties		X	
25 - Capacity to educate highly qualified employees who learn and see themselves linked to the organization in the long term	X		
Medium relevance			

14 - A benchmark for its standards and practices	X	X	
28 - Management of equality, diversity, and inclusion	X		
21 - Respect and promotion of human rights and management of social impacts	X	X	
19 - Contribution to sustainable development and transformation of territories, building a positive legacy for the regions	X	X	
11 - Flexible, agile innovation culture	X		
22 - Long-term partnerships for achieving goals and enhancing the capabilities of the parties	X	X	
9 - Optimization of its resources and capabilities to generate synergies between group companies	X		
23 - Third-party risk management	X	X	
5 - Inspiring, adaptive, model, and transformative leaders	X	X	

Strength and growth

GRI [103-1] GRI [103-2]

The ISA Group continues to work on the development of infrastructure while remaining a leader in the region. The company consolidates its engagement in the markets by maintaining the solvency of its companies. Supported by its strategy, it benefits from growth opportunities, synergies, and adjacencies in its portfolio. It also benefits from business model diversification and financing.

Benefiting from this value will allow the organization to make decisions with a long-term approach and to keep seizing opportunities to ensure its permanence over time.

Material issues that are a priority regarding this dimension:

- **Ability to reach financial and business goals, seizing opportunities, and ensuring corporate validity**

Company that optimizes capital investments by seizing the opportunities that guarantee corporate validity, ensuring compliance with the goals defined in its business strategic plan and obligations with stakeholders. GRI [103-2]

- **Appropriate growth strategy**

Company that grows because of a balanced business portfolio, thus ratifying and developing its organizational capabilities and generating sustainable value. GRI [103-2]

Feature text

In 2020, the investment goal for the year was surpassed.

In a year of uncertainty, in which many infrastructure expansion plans were postponed or rescheduled, ISA and its affiliates exceeded the investment target for 2020 by a wide margin, making steady progress towards the ISA2030 Strategy.



New projects in 2020:

DATE OF OFFER OR SIGNATURE OF CONTRACT	COUNTRY	SECTOR	COMPANY	TYPE	PROJECT	Km	MVA
Jan 20	Colombia	Energy	INTERCOLOMBIA	Connection	Connection of Windpeshi 200 MW Wind Farm to Cuestecitas 220 kV Substation	37	NA
Feb 20	Brazil	Energy	Taes*	Acquisition	São João Transmissora and São Pedro Transmissora	826	NA
Mar 20	Peru	Energy	ISA PERU	Acquisition	Acquisition of Eteselva and Etenorte	746	958
Mar 20	Colombia	Energy	ISA	Tender	UPME 04-2019 La Loma - Sogamoso 500 kV	275	0

Mar 20	Colombia	Energy	ISA	Expansion	Copey-Cuestecitas 500 kV Second Circuit	225	0
Mar 20	Brazil	Energy	Taes*	Acquisition	Rialma I	28	NA
May 20	Brazil	Telecommunications	InterNexa	Acquisition	Participation of IFC and GIF	NA	NA
Dec 20	Peru	Energy	ISA PERU	Tender	Chincha Nazca	2	150
Dec 20	Peru	Energy	CTM	Reinforcement	Reinforcement of Carabayllo-Chimbote-Trujillo 500 kV Transmission Line	NA	1000
Dec 20	Peru	Energy	CTM	Reinforcement	+400/-150 MVAR Static VAR Compensator in Trujillo Norte 500 kV Substation	NA	NA
Dec 20	Peru	Energy	REP	Reinforcement	+200/-100 MVAR Static VAR Compensator in San Juan 220 kV Substation	NA	NA
Dec 20	Brazil	Energy	ISA CTEEP	Acquisition	Piratininga-Bandeirantes Transmissora de Energia - PBTE	30	0
Dec 20	Brazil	Energy	ISA CTEEP	Tender	Lot 7 - ANEEL 001/2020	63	800
TOTAL						2.232	2.908
* TAESA's investment values, as it is not subordinated to ISA, are included in ISA's interest, in capital (14,88%).							

Eight bids were submitted for energy transmission projects, of which three were awarded, which represent an estimated investment of USD 400 million. As part of our commitment to strengthen the Energy Transmission business unit in Brazil, we entered into an agreement to acquire 100% of the shares of Piratininga-Bandeirantes Transmissora de Energia (PBTE). Also, we acquired 100% of the shares of ORAZUL ENERGY GROUP, owner of ETENORTE and ETESELVA, which operate six transmission lines across 746 km of circuit.

In the Road Concessions business unit, through the acquisition of Costera Cartagena-Barranquilla Concession (146 km), the road infrastructure operated by the ISA Group was extended to 1.053 km in Chile and Colombia. The transaction

amounted to COP 2,0 trillion. This value includes, besides the price of 100% of the capital and sub-debt, the value of the concessionaire's net financial debt of COP 1,5 trillion.

Cifras expresadas en millones de pesos

Resultados Consolidados	2015	2016	2017	2018	2019	2020	Var% (2015 - 2020)	CAGR - Crecimiento Anual compuesto (2015 - 2020)
Ingresos totales	5.161.227	11.892.626	6.954.265	7.234.713	8.139.008	10.167.826		
Ingresos sin eventos extraordinarios	5.161.227	6.249.914	6.594.650	6.995.056	8.139.008	10.167.826		
EBITDA total	2.871.615	8.923.823	4.439.157	4.812.249	5.285.605	6.573.459	128,9%	18,0%
Ingresos sin eventos extraordinarios	2.871.615	3.281.111	4.106.031	4.572.592	5.285.605	6.573.459		
Utilidad neta total	701.548	2.136.629	1.437.936	1.524.382	1.638.732	2.059.191	193,5%	24,0%
Utilidad sin eventos extraordinarios	701.548	763.887	1.103.992	1.321.121	1.638.732	1.808.558	157,8%	20,9%

Explanations of extraordinary events:

In 2016:

RBSE: The first value adjustment of the Basic Network of the Existing System (RBSE) at ISA CTEEP from BRL 1,4 billion to BRL 3,9 billion was made. These were the base figures as of December 31, 2012.

In 2017:

RBSE: The second value adjustment of the Basic Network of the Existing System (RBSE) at ISA CTEEP from BRL 3,9 billion to BRL 4,1 billion was made. These were the base figures as of December 31, 2012.

PERT: The Government of Brazil approved a tax amnesty known as the Special Tax Regularization Program (PERT), through which ISA Capital do Brasil and ISA CTEEP optimized the payment of tax liabilities. ISA Capital combined tax losses from previous periods (2006-2010) with taxes associated with the reversal of the liability originated by the trade agreement of ISA CTEEP.

In 2018:

Revenues: Equity tax recovery for the 2011 period at ISA Colombia, which provided revenues for COP 60.901 million.

Revenues: Tariff inflationary adjustment in Brazil going for six additional months, which generates higher operating revenues for COP 178.856 million and net income for ISA for COP 59.619 million. ISA CTEEP and its companies modified the periodicity of the revenue inflationary adjustment from annual to monthly, which is aligned with the best practices of other companies of the sector in Brazil.

Taxes: In the tax sector in Colombia, it is important to mention the enforcement of the Financing Law 1943/2018, which meant a lower expense of COP 82.741 million due to the adjustment of the deferred tax to 30%.

In 2020:

At ISA CTEEP, the Periodic Tariff Review (RTP) and adjustments of the Basic Network of the Existing System (RBSE), which represented additional revenues and EBITDA for COP 1 trillion and income for COP 250.633 million for ISA. These events will not be repeated.

Besides the projects awarded, current operations of the ISA companies undergo a proper inertial growth process, mainly due to inflationary revenue adjustments and the entry into operation of projects.

Feature text:

2020 was a year full of great challenges, achievements, and learning opportunities, which allowed us to present satisfactory results. Operating revenues for 2020 amounted to COP 10.167.826 million, 24,9% higher than the figure reached in 2019. EBITDA reached COP 6.573.459 million, an increase of 24,4% when compared with the same period of the previous year. EBITDA margin reached 64,6% and 75,3% excluding construction. ISA's net income reached COP 2.059.191 million, 25,7% higher than the figure reached in the previous year.

Excellence

GRI [103-1] GRI [103-2]

The ISA companies ensure compliance with the value proposition by applying world-class standards, by making decisions effectively and efficiently, and by taking into account the needs of their stakeholders. Also, mechanisms are in place to ensure the security and resilience of infrastructure and cybersecurity, allowing timely response to contingencies.

Material issues that are a priority regarding this dimension:

- **Fulfilling the value proposition in an accurate, seamless manner**
Company that conducts business considering the needs and expectations of stakeholders and provides top-quality services as timely and effectively as possible.

	Reliability %	Availability %	Km of circuit	MVA of installed capacity
Colombia	99,98%	99,93%	12.543	21.661
Peru	99,99%	99,68%	11.745	12.714
Bolivia	100%	99,81%	587	470
Brazil	99,99%	99,99%	20.536	56.375
Chile	99,99%	99,52%	1.948	4.500
		Total	47.358*	95.720*
			65.612**	114.017**

* Includes affiliates and subsidiaries

** Also considering shareholding in other companies

In 2020, investments of USD 191 million entered into operation in Peru, Brazil, Chile, and Colombia for the following projects, which represent annual revenues of approximately USD 28 million:

- Second transformer for the Ocaña Substation (Colombia)
- New autotransformer banks for Nueva Cardones, Nueva Maitencillo, and Nueva Pan de Azúcar Substations (Chile)
- Nova Porto Primavera-Rosana-Tibagi 230 kV Transmission Line (Brazil)
- Installation of three 900 MVAR 500 kV synchronous compensators in Itaqueré (Brazil)
- Expansion of transformation in Combapata, Huánuco, Reque, Tingo María, and Tocache Substations (Peru)

Projects commissioned in 2020:				
	# of projects	Transformation MVA	Km of circuit	Approximate investment USD millions
Brazil, Colombia, Peru, and Chile	6	2.800	19	191

ISA made progress in project construction by developing 6.547 km of which 19 km entered into operation during 2020. Also, 6.529 km will enter into operation in the next four years and will allow to the group, to meet the demand reliably. Also, ISA

companies will connect important energy projects in the countries where they operate.

Projects in progress at the end of 2020, started in previous years*				
	# of projects	Transformation MVA	km of circuit	Approximate investment USD millions**
Brazil, Colombia, Peru, and Chile	25	15.603	5.979	3.018
* Including reinforcements, upgrades, and expansions. ** The approximate investment value corresponds to the projected capex				

Projects in progress at the end of 2020, started in the year*				
	# of projects	Transformation MVA	Km of circuit	Approximate investment USD millions**
Brazil, Colombia, Peru, and Chile	15	-	550	684
* Including reinforcements, upgrades, expansions, and projects awarded in 2020. ** The approximate investment value corresponds to the projected capex.				

XM

Energy demand	70.249 GWh
Net effective capacity	17.485 MW
Market transactions	COP 23,7 trillion
Compliance with CREG indicators	100%

Coordination of the operation of the Colombian energy system:

km of line	28.059
Generators	90
National transmitters	15
Network operators	32
Regional transmitters	7
Retailers	123
Communications links	31
Generation plants	229

Supervision of the Colombian energy system:

Maneuvers per year	+ than 55.000
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Road Infrastructure

Concessionaires	In operation							Under construction
	Ruta del Maipo	Ruta del Maule	Ruta del Bosque	Ruta de la Araucanía	Ruta de los Ríos	Total Chile	Ruta Costera*	Ruta del Loa
Tranche	Santiago - Talca	Talca - Chillán	Chillán - Collipulli	Collipulli - Temuco	Temuco - Río Bueno	Santiago - Río Bueno	Cartagena - Barranquilla	Carmen Alto-Calama
Length (km)	237	193	161	144	171,7	906,7	146	136
Trunk tolls	3	2	2	2	2	11	5	1
Side tolls	39	16	16	8	5	84	NA	0
Service areas	4	4	3	3	4	18	4	1

* The contracted work is 98% complete.

Road Concessions business unit figures:		
Vehicles on the road: total traffic	129.2	million
Favorability of customer service*	94	%
Compliance with ambulance service*	90	%
Compliance with tow truck service*	91	%
Compliance with patrol service*	90	%

* Corresponding to the consolidated amount for concessionaires in Chile.

Road Projects in progress in 2020		Investment aprox. USD millones*
Ruta del Maipo	Extension to third tracks. Safety and service works	208
Ruta del Maule	Regulatory safety works	96,4
Ruta del Bosque	Regulatory safety works	80
Ruta de la Araucanía	Regulatory safety works	80,2
Ruta de los Ríos	Regulatory safety works	74,5
Ruta del Loa	Double carriageway construction and others, Calama bypass	323

* The approximate investment value corresponds to the projected capex

As for the Road Concessions business unit in Chile, after making satisfactory progress in the study and authorization stages, construction activities for the Ruta del Loa project formally started. This is ISA's first greenfield project in this business unit. This is to honor our commitment to build the infrastructure to facilitate connection and mobility in Antofagasta, northern Chile.

Telecommunications and ICT business unit figures

Customers	898	#
Fiber optics in operation	54.137	Km
Services	8.449	
Service level	98,3	%

Feature text:

Internet access all-time record: 1,9 Tbps delivered to customers and > 2,5 Tbps expansion of the telecommunications network connecting Latin American cities, to meet the demand generated by the pandemic.

Monetary value of significant fines for noncompliance with regulations concerning the provision of products and services [GRI 419-1]				
Company	Monetary value (COP)			Description for the period of validity
	2018	2019	2020	
ISA	NA	NA	NA	
ISA INTERCOLOMBIA	0	0	0	
ISA TRANSELCA	0	0*	109.609.432	
				The National Environmental Licensing Authority (ANLA) resolved the appeal for reconsideration, declaring the company liable for noncompliance with the presentation of the 2019 Environmental Compliance Report. The Company paid the fine in full to avoid coercive administrative collection. ISA TRANSELCA filed a claim for nullity and reinstatement of rights against Resolutions No.

				00910 of May 28, 2019 and No. 01147 of July 1, 2020.
ISA BOLIVIA	0	0	0	
ISA REP	0	66.711.771	3.888.378,65	Ongoing process OSINERGMIN charged REP with an alleged impact on the security of the public electricity transmission service by "not having complied with" availability standards
ISA INTERCHILE	0	NA	2.987.085,07	Fine imposed for a failure that occurred in January 2019. This fine is currently in dispute with Chile's Superintendency of Electricity and Fuels (SEC) at the Court of Appeals of Santiago.
ISA CTEEP	0	0	0	
XM	0	0	0	
ISA INTERVIAL	NA	940.401	N. D.	
Total	0	67.652.172	116.484.895,72	

* The figure is different than the one presented in the previous year as the value of the fine was totally revoked and a warning sanction was imposed instead.

Cybersecurity

Cybersecurity is one of the most relevant elements as it ensures business continuity, the protection of our own information and stakeholders' information, and the protection of the integrity of information systems and critical infrastructures driving operations and providing services to customers.

The COVID-19 pandemic crisis forced the Group to redefine its cybersecurity approach:

- The higher number of attacks and the massive number of employees working from home was a major challenge in 2020.
- Cybersecurity will be, today more than ever, one of the greatest challenges for digital transformation.

Some of the most important challenges and relevant achievements in 2020 were:

Having mechanisms in place for safe access to corporate networks, shared file servers, databases, and information systems from administrative offices, as well as

control of the entire security perimeter. However, after the beginning of the mandatory confinement due to the pandemic, most employees started working from home, so they used home networks that couldn't be controlled by ISA.

These circumstances made us expand our security perimeter to reach thousands of homes; therefore, the magnitude of the cyber risk area was widely expanded. For us, it was a priority to optimize security conditions for remote access to these services:

- The capacity of the Virtual Private Network (VPN) was expanded.
- The two-factor authentication tool was implemented.
- Strengthened protection of the employee digital ID.
- Conditional access tools were implemented, based on connection risk.
- The sensitivity of the tools that protect end-user devices was increased.

There was a high number of COVID-19-related malicious emails during the pandemic, which were detected by internal protection tools. Attackers tried to use multiple access mechanisms via e-mail, like phishing, spoofing, and contaminated attachments. These attacks forced us to design new methods for remote deployment of security patches and to streamline the implementation of advanced tools for e-mail protection, some of them AI-powered.

Feature text

The Board of Directors and the Board Committee played a key role in the materialization of cybersecurity measures, which must be implemented quickly.

The Board's Governance, Sustainability, and Risk Committee received the reports and monitored the evolution of threats periodically, as well as the advances in the cybersecurity strategy.

Other relevant aspects of cybersecurity management were: extended ISO 27001 certification for some critical business processes, renewal of insurance policies covering cyber risks for all the affiliates, and deployment of multiple training and awareness campaigns addressed at all employees.

Additionally, to prepare for a future return to normal and to foresee new cybersecurity challenges in post-pandemic times, we will benefit from what we have learned: people will become the first line of cyber defense, remote work will be consolidated, and mandatory protection measures that go beyond work stations will be extended. We also expect a higher number of increasingly sophisticated attacks, which will be monitored from the Cyber Security Operations Center. Also, the ecosystem of allies will continue to be strengthened.

Feature text

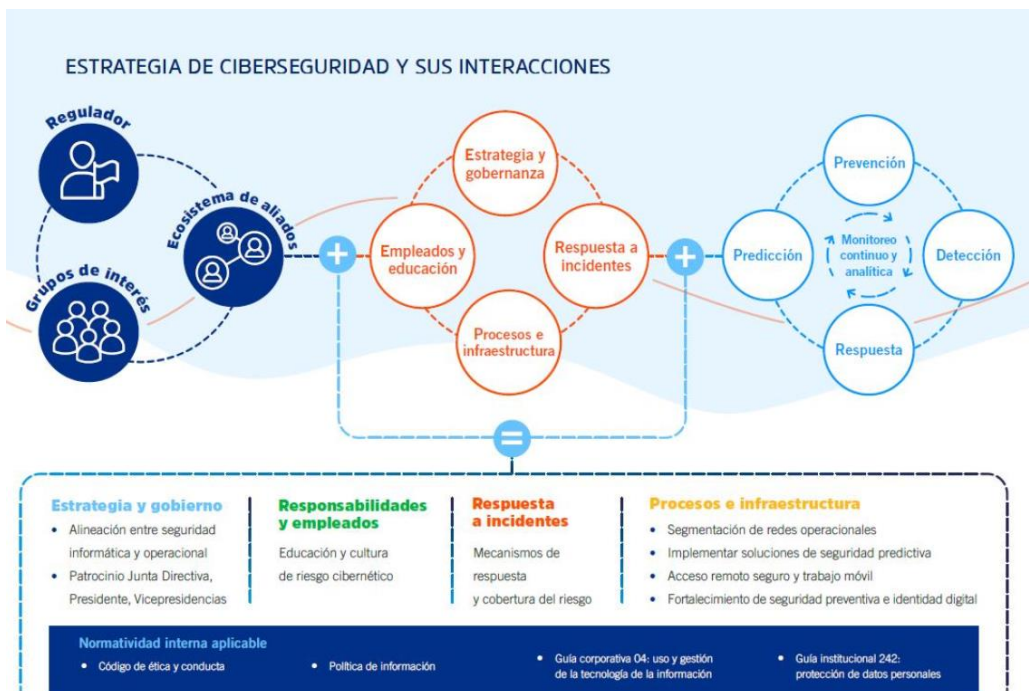
In 2000, the Security Operations Center (SOC) implementation process started in several companies of the Group in Chile, Colombia, and Brazil. This platform is the element that ensures continuous monitoring of the security infrastructure. It allows us to strengthen our prevention, detection, response, and prediction capacity against cyber threats.

Feature text

Olga Lucía López, Chief IT Officer of ISA, awarded in the Tech Executive category at the Globant Awards - Women that Build Colombia edition.

Link to: (<https://www.isa.co/es/press/olga-lucia-lopez-vicepresidenta-de-ti-de-isa-ganadora-de-la-categoria-tech-executive-en-los-premios-globant-awards-edicion-women-that-build-colombia/>)

Cybersecurity model



Applicable internal regulations:

- Code of Ethics and Conduct
- Information policy
- Corporate guide 04: Use and management of information technology
- Institutional guide 242: Protection of personal data

Foresight and innovation

GRI [103-1] GRI [103-2]

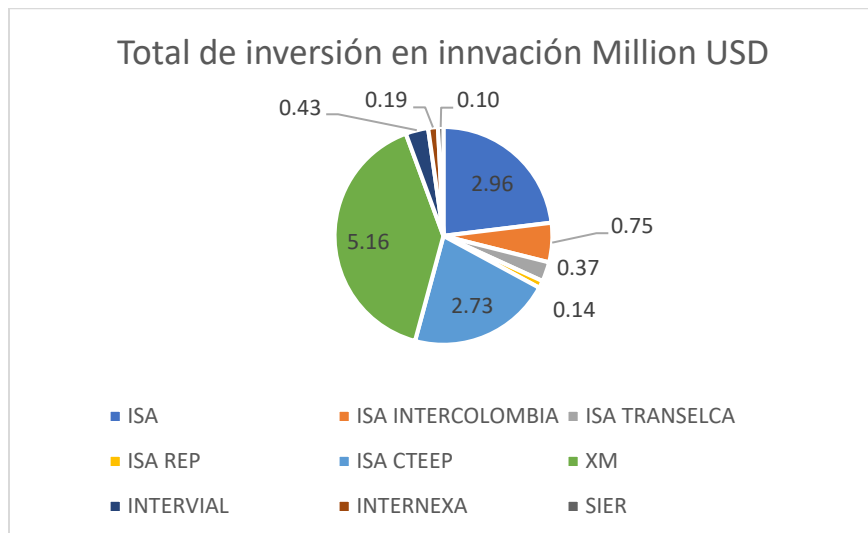
The ISA Group promotes disruptive, incremental innovation relying on the flexibility and agility of its decisions and actions to identify and foresee challenges and opportunities of the environment, taking into account the level of risk assumed. Likewise, a culture focused on sustainable innovation that ensures a positive impact on society and the environment is promoted.

Material issues that are a priority regarding this dimension:

Identification, foresight, and adaptation to challenges and trends

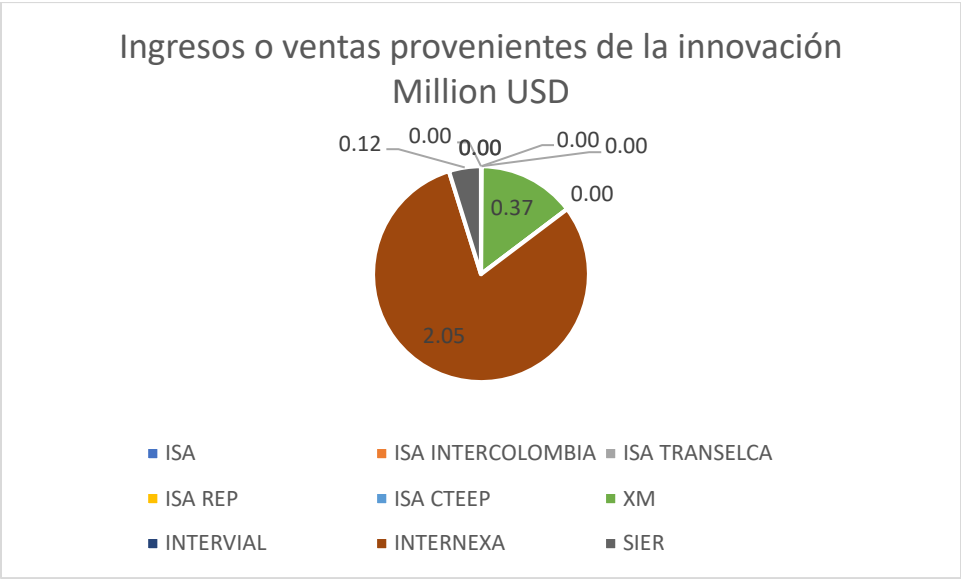
Ability to understand signals of the environment, propose solutions, and incorporate trends in a timely manner while maintaining corporate validity.

Innovation total investment



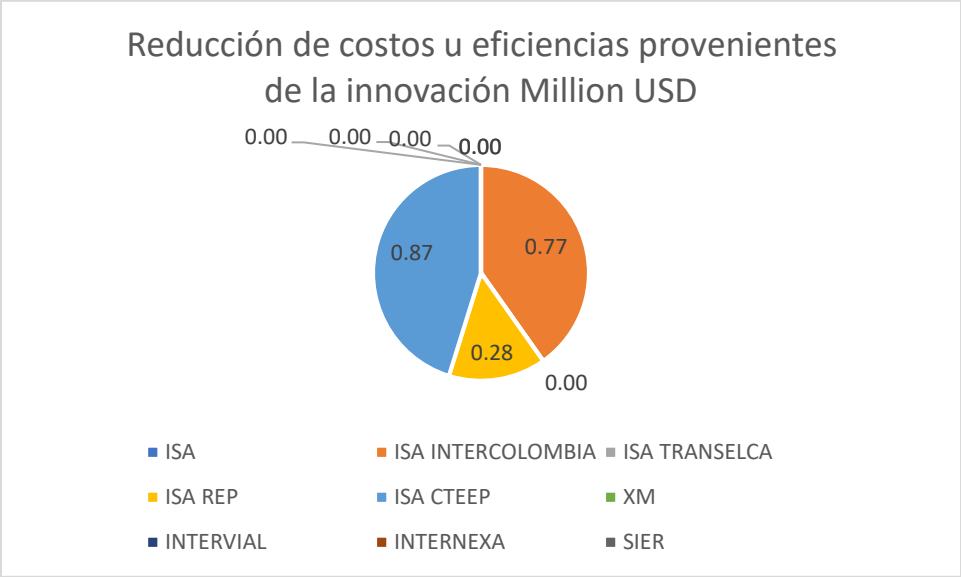
Total value: USD 12,83 million

Income or sales from innovation



Total value: USD 2,55 million

Cost reduction from innovation



Total value: USD 1,93 million

Foresight

Major global trends and challenges will deeply transform the world and its dynamics. This includes, of course, relevant changes in the ISA's businesses. The ISA2030 strategy consolidates the company's response to this vision of the future, as it was built based on a macro-trend and foresight analysis, which combines the company's own experience and the experience of global experts in the businesses managed by ISA. Thus, we determined which of these global trends could significantly affect the Group's business models, and the strategy was structured to address these changes efficiently, ensuring the competitiveness and permanence of the ISA companies in the long term.



Some of these trends are explained below due to their relevance, taking into account that impacts expected in the industries where ISA operates are highly relevant:

- **Digital transformation:** Incorporation of 4.0 technologies to support the transformation of processes and the sector in general, to increase energy efficiency, and to leverage innovation. Generalized penetration of these technologies will have relevant impacts on our business units, such as automation of infrastructure maintenance and operation, and extension of the useful life of assets through smart use of data. The creation of platforms that enable Peer to Peer (P2P) energy transactions will transform the energy industry. The implementation of telecommunications and IT systems for transit and transport will improve the travel experience, will optimize routes, and will increase road safety.

- **Decarbonization:** Massive electrification of large carbon emitters, like the transport industry, implies a convergence among the sectors that will boost the dissemination of new business models focused on sustainability. The incorporation of many clean energy sources is expected. Value chains in the infrastructure will have to implement technologies and processes aimed at reducing their impacts. There is a new trend where the energy system provides complementary solutions to electrification, and where hydrogen will be protagonist.

- **More active social engagement:** In their main mobilization agendas, citizens have included topics related to infrastructure and its impacts, while engagement mechanisms have been gradually strengthened. Growing interest in sustainability not only implies project socio-environmental management challenges, but also attracts opportunities like the development of new products and services to meet these new demands. Decentralization across the energy value chain generates a more active consumer; that is, consumers can meet their energy needs autonomously, and even sell energy. It is expected that, besides production, consumers will eventually incorporate local storage technologies. While this brings major challenges to the operation of the grid, it also brings new opportunities to disruptive business models.

- **Optimization of energy resources:** To reach the goals of the Paris Agreement (COP21), it is mandatory to optimize the energy resources available. A holistic approach of the energy system will allow us to meet society's needs while respecting nature. The energy transition will be possible thanks to the leading role of renewable energies in the generation matrix. However, significant progress in other technologies and end-user behaviors will also be required. Distributed energy resources and 4.0 technologies will result in a consumer that is more empowered and conscious about using energy.

Innovation

ISA will have to face the challenges of a world that is living a full digital transformation, hyperconnected, and automated, with more active consumers and citizens who prefer green solutions. This will take place in increasingly competitive markets where new segments are emerging, modifying traditional value chains, and breaking the boundaries between sectors, like the aforementioned trends have demonstrated.

These challenges are crucial for the corporate strategy and for the new innovation system of the Group, which was adopted specifically to face the challenges of the future:

- Ensure the **competitiveness of our current business units** (Energy Transmission, Road Concessions, and Telecommunications and ICT)
- Develop **new adjacent energy businesses**
- Benefit from **new business opportunities in areas of convergence** of current businesses

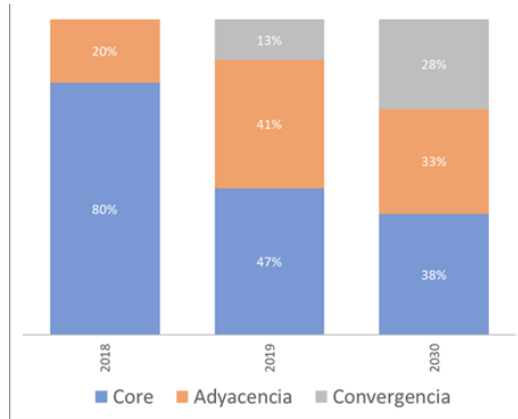
Innovation challenges



In this regard, innovation seeks to strengthen capacities and ensure excellence as a guarantee of business growth and profitability.

To meet these objectives, ISA accepted the challenge of diversifying its innovation projects portfolio to gradually include initiatives that go beyond its traditional businesses, to obtain value from new segments and complement its current value chain. There have been significant advances in recent years:

Diversification of portfolio 's innovation projects



Progress was also made in the consolidation of the open innovation approach: many of the initiatives launched resulted from interaction with our wide network of allies, with whom work was done to capture greater value from the global innovation and entrepreneurship ecosystem. 2020 had many interactions through startups that were relevant in the sector:

Projects carried out with partners

Startup	Joint project
GILYTICS	Pilot to implement AI and data analytics to support an optimal routing process for energy transmission lines
SMARTWIRES	Joint work to optimize power flows across current transmission lines, using industry cutting-edge technology
DRONEPOWER	R+D+i project for line and substation inspection automation using drones, doubling the number of findings in half the time
Buró 4.0	INTERNEXA offers its Thunder project, which is a sandbox-type multicloud collaborative project for engineering and construction corporations and startups to develop joint projects in an innovation environment in Medellín
SUN&PLAY	Pilot to implement a smart road node network, such as road studs, for dynamic sensors and signals on highways to improve road safety

Great achievements by objective:

Competitiveness of current businesses:

- Management of energy transmission assets: Development of the first phase of the organization's O&M transformation process through the incorporation of the Asset Performance Management (APM) concept and data analytics tools, achieving operating and performance efficiencies throughout the asset lifecycle.
- Optimized operation of the Colombian energy system: Design and beginning of the implementation phase of the Dynamic Line Rating (DLR) pilot in the Colombian National Interconnected System (SIN), which will allow us to learn about the feasibility of new installations and their impact on the operation of the energy transmission network.
- First open road mobility challenge event in the region: First road mobility hackathon in the region, aimed at finding road mobility solutions, especially user experience. More than eighty applications and five pilot projects were received, which promise benefits such as: cost savings, new revenues, reduction of CO2 emissions, reduction of road accidents, and customer satisfaction.
- Smart management of telecommunications assets: INTERNEXA developed and implemented an IoT solution and other disruptive technologies on its nodes to obtain real-time data, make informed decisions, identify improvement opportunities in O&M processes, and eventually achieve unattended node operations.

New adjacent energy businesses:

- In Colombia, the Energy Mining Planning Unit (UPME) released for comments the pre-tender specifications of the STR01-2020 call for a 45MW/45MWh energy storage system in Barranquilla. This will be the first storage project to be performed through a call for bid in Latin America. ISA will participate in the call for bid process scheduled for the first quarter of 2021.
- ISA submitted an energy storage formal proposal to regulators of Brazil and Peru. The proposal recommends considering storage as a network element to provide cost optimization services for system operation, to regulate frequency, and to relieve network congestion.
- Studies to identify and assess energy storage projects were conducted in Colombia, Brazil, Chile, and Peru, to promote them among energy planners and system operators in these countries.

New business opportunities in areas of convergence of current businesses:

Many intrapreneurship projects were created and consolidated at the group's affiliates. Many of them are currently marketed; especially:

- Ecogox: XM, affiliate of the ISA Group, developed a blockchain platform that provides renewable energy certification and registration services to end users of energy.
- Ecoregistry: This is a pioneering platform in Colombia and Latin America, based on the blockchain technology for the issuance, monitoring, and withdrawal of carbon credits, contributing to the mitigation of climate change.
- Thunder: Cloud service developed by affiliate INTERNEXA* that allows users to quickly and flexibly access their computer infrastructure resources. It is integrated with multiple clouds and delivers a better business app experience to customers.
- ARCO: Service to estimate the value of portfolio provisions of companies engaged in the Wholesale Energy Market. It provides important information for credit risk management.
- Business-IOT: Affiliate INTERNEXA developed a solution based on the internet of things to monitor, view, and predict asset critical variables in real time through a clear, usable, modern interface.
- GAPS: Solution based on applying mathematical methods to power systems to identify and assess all possible scenarios and restrictions of a network.

Transformational leadership and capacity to influence

GRI [103-1] GRI [103-2] GRI [102-12] GRI [102-13]

ISA and its companies are accepting current and future challenges that transform the environment. They do this relying on proactivity, foresight, responsibility, and closeness with leaders who help reach goals and fulfill the commitments declared by the company to stakeholders, demonstrating an exemplary trajectory.

Material issues that are a priority regarding this dimension:

- **Fulfillment of commitments**

Company that transcends through the generation of sustainable value, articulated with global initiatives to transform the sectors it belongs to, positively impacting the environment and society through proactive leadership.

Regulatory management

ISA and its companies establish actions to generate good conditions for business operations through effective relations with governments, being a relevant stakeholder in the construction of public policies, and foreseeing and adapting to the regulatory environment.

During the year, the ISA companies attended different sector committees such as technical committees and union committees. Spaces were created to analyze and address new proposals on regulations that benefit the development of businesses in the countries where they are present.

Colombia

- Participation, together with the Energy and Gas Regulation Commission (CREG) and the National Association of Public Service and Communications Companies (Andesco) in the review of the energy transmission remuneration scheme for the next regulatory period, especially reviewing the methodology to define the remuneration rate for regulated activities. In addition, a study to update and complement unitary costs of the National Transmission System (STN)'s construction units was submitted.
- Direct, sectoral joint work with the Commission for the Regulation of Energy and Gas (CREG) to address energy transmission-relevant topics:
 - Proposal to review the concept of expansion of STN facilities for more flexibility and feasibility in the incorporation of new technologies.
 - Proposal of a regulatory scheme for repowering and reconfiguration as an expansion alternative
 - ISA Group's work plan to reduce restrictions originated during energy transmission asset maintenance
- Analyses and proposals on energy policies for comments by the Ministry of Mines and Energy:
 - Draft decree and draft resolution with guidelines for the assignment of connection points to the networks
 - Draft resolution on the creation of the intersectoral commission for follow-up on the energy and fuel gas sectors

- Draft resolution on energy supply resilience, reliability, and security criteria
- Active participation in analyses and exercises carried out by the Ministry of Mines and Energy within the framework of the Energy Transformation Mission. Proposals based on the Mission's recommendations, especially about the transmission activity.
- Comments and proposals around the UPME call for bid for the Atlántico Energy Storage project, based on CREG Resolution 098 of 2019, which will provide solutions to problems in the Regional Transmission System (STR) area.

Peru

At the end of 2020, the Multisectoral Commission for the Reform of the Electric Subsector (CRSE) and the Ministry of Energy and Mines started working on the "Libro Blanco" (White Book) to upgrade the Peruvian energy system so that the traditional energy system can orderly migrate to a more modern one through the use of disruptive technologies —like intelligent networks— and the incorporation of unconventional renewable energies. To achieve this, the Commission will address the following axes:

- Strengthening the institutional framework
- Transformation of the wholesale market
- Innovation in retail distribution and marketing
- Streamlining transmission regulation and management

Together with sectoral groups, ISA REP will be part of this upgrading process and will contribute with its knowledge and experience.

Chile

ISA INTERCHILE participated in conversations about the study contracted by the regulator, the National Energy Commission (CNE), to process the valuation of the STN facilities for 2020-2023. The final report is expected to be published by the CNE in 2021.

Because of the efforts of ISA INTERCHILE and other four energy transmission companies of the country, the corresponding generation companies would receive gradual payments associated with the single transmission fee through the collection mechanism determined by the CNE. This is due to the discrepancy reported by the transmission companies to the Panel of Experts, which was originated by CNE's delay

—of about one year— in publishing the name of the energy generation companies adhered to the Equivalent Transmission Charge (TEC). The date of commencement of this regime was stipulated in Law 20.936.

Additionally, ISA INTERCHILE actively participated in the analyses that resulted in the Technical Standard for Energy Unavailability and Compensations, which establishes the requirements, procedures, methodologies, and conditions of application when calculating and paying compensations to end users if they were affected by energy service unavailability, published by the regulator in December, pursuant to Article 72-20 of the Compensation Law and Regulations, which is in force as of January 2021.

Brazil

2020 was marked by relevant definitions of standards. This implied challenges such as ensuring that the amounts of the RBSE are received and ensuring proper remuneration to the concession contract 059 in its Periodic Tariff Review (RTP).

As a result of ISA CTEEP's efforts, among other factors, the RTP for 2018-2023, applicable as from July 2018 but postponed for the 2020-2021 cycle was approved with favorable results for the company, which are reflected on the following:

- An increase in revenues, retroactive to 2018/2019
- Efficiency gains in the O&M costs due to getting the first place in the efficiency benchmarking
- Increase in the remuneration rate for investment payments
- Remuneration to special obligations, previously nonexistent
- Recognition as from the first quarter of 2020, with retroactive effect, of the Ke financial component corresponding to the remuneration portion, which was suspended in judicial proceedings

In addition, ISA CTEEP participated by sending comments to the Technical Note No. 094/2020-SRG, published by the regulator, about regulatory requirements to incorporate storage systems in the National Interconnected System (SIN) which final regulation is expected for 2021.

[Feature text](#)

[Regulatory management in the energy sector in the pandemic context](#)

The COVID-19 pandemic had significant impacts on the economy, including the population's compromised capacity to pay for utilities, which compelled the

governments to adopt extraordinary measures to support both users —especially the impoverished population— and companies, seeking the sustainability of the utility provision. Said measures are based on the principle that utilities should be for profit as a factor that is crucial for business sustainability and continuity. In this context, regulatory management was crucial when balancing the interests of companies and users.

From the energy user's perspective, the most common measures sought to ensure the service provision by eliminating power cuts due to non-payment and the postponement of payment option for the most vulnerable users.

From the service suppliers' perspective, governments' current priority has been to define relief measures, among which are financing instruments that would allow the companies who collect fees directly from users (retailers in Colombia or distributors in other countries of the region) to comply with their obligations with other supply chain stakeholders.

Feature text

ISA and its energy transmission companies permanently monitor regulatory changes to detect risk signals and to contribute, together with the other companies of the sector, to the development of regulatory proposals to overcome the difficulties faced by each country and to mitigate risks while ensuring sustainability in the productive chain, which is one of the pillars of society during crises. This will contribute to economic revival once the COVID-19 crisis has been controlled.

COLOMBIA – PANAMÁ INTERCONNECTION PROJECT

The region's strategy regarding the energy sector is based on encouraging the energy integration among the countries to boost competitiveness and efficiency. This way, it would contribute to the economic, sustainable development of these countries. To achieve this, policies and projects that guarantee the continent's energy security are being promoted through diversified, safe, reliable, and eco-friendly service provision.

In this regard, both the countries of Central America and the Andean Community have made significant progress towards integration by promoting projects and schemes for energy free trade, export, import, and transmission between and in the countries of the region. As a result of this endeavor, the development of the Panama-Colombia energy interconnection is being encouraged, which represents the integration between Central America and the Andean Community. The execution of this project favors the access to cost-effective sources of generation that benefit

users and allow an optimum use of energy resources and surplus generation with the corresponding benefit in terms of fuel savings, reduce emissions, and increase system reliability and safety.

To ensure its viability, the governments of both countries signed, in 2019, a Bilateral Complementation Agreement to establish a regulatory harmonization scheme within the framework of the Mesoamerica Project, considering, as benefit, the efficient supply of the energy demand and establishing development and remuneration mechanisms for the interconnection works. This scheme will be developed through a Ministerial Agreement (in process of subscription) which will establish the basic principles and criteria, and a Regulator Agreement that will contain the regulatory treatment and guidelines for the definition of operational and commercial issues.

After receiving the approval from indigenous communities, under the environmentally sustainable corridor approach, the Environmental and Social Impact Assessment (ESIA) and the project's field design study are being conducted. They will be coordinately developed by stages. Simultaneously, the marine inspection has been contracted (process postponed in 2020 due to the pandemic). This study seeks to gather the detailed technical and environmental information required for the design, engineering, and execution of the cable laying and protection activities. It also seeks to define the baseline study for the ESIA.

Management of unions

The ISA Group has strategy in place for stakeholder relationships, where unions play a relevant role as they are the connection between the company and corporate, sectoral, and country discussions. The purpose of engaging in these spaces is to help build public policies, participate in and lead transformational dialogues with the sectors to benefit society, and create collaboration networks to be aligned with the countries' priorities.

In 2020, with the help of unions, besides addressing the agendas established for the year, we worked on the consolidation of the public policies in the context of the COVID-19 emergency and on the articulation of the contributions of different unions for impact mitigation, humanitarian aid, and economic revival.

Today, the Group actively participates in more than 100 relationship spaces in the countries where it operates through defined work teams, spokespeople, and consolidated agendas.


Actions with entities of the area*

Company	Entity	Value
ISA	Andesco	COP 40 millions
	Cámara Colombiana de la Infraestructura (CCI)	
ISA INTERCOLOMBIA	Andesco	COP 15 millions
	Asociación Nacional de Empresarios de Colombia (ANDI)	
ISA CTEEP	Asociación Brasileña de Infraestructura e Industrias Básicas (ABDIB) and ABRATE	COP 170 millions

ISA Group’s engagement in unions is part of its permanent strategy to contribute to today's dialogues in the industry. Unions are spaces where the company is able to interact with peers, decision makers, and influential stakeholders in the different sectors. The company can also learn about the trends and contribute actively to the construction of the public policy that benefits society and responds to the business needs of the present and future. The purpose of these spaces is neither finance nor promote political parties, their representatives or candidates, nor sponsor seminars or activities aiming at political propaganda.

Institutional commitments

[GRI 102-12] Focused on the generation of sustainable value, the ISA2030 Strategy responds to global challenges included in the United Nations 2030 Agenda. It seeks to contribute to the Agenda's goals by means of specific actions within the framework of the prioritized Sustainable Development Goals (SDG). These actions are supported by partnerships and cooperation (SDG 17: Partnerships for the goals):

	<ul style="list-style-type: none"> ▪ Energization and development of the communities where we operate ▪ Promotion of new energy businesses ▪ Promotion of innovation and development for new energy solutions
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 <p>9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA</p>	<ul style="list-style-type: none"> ▪ Strong commitment to innovation in the different businesses of the Group. Offer solutions to economic and environmental challenges, like increasing energy efficiency ▪ Help face employability and small business development challenges derived from the health emergency. Based on ISA's business growth, promotion of the Conexiones para el Desarrollo (Connections for Development) Program and of the economic revival initiative proposed
 <p>13 ACCIÓN POR EL CLIMA</p>	<ul style="list-style-type: none"> ▪ Climate change reduction and mitigation actions ▪ Strategic goal of reducing 11 million tons of CO₂e ▪ Alignment of corporate goals with the employee variable compensation system ▪ Climate change prevention through actions carried out by the Conexión Jaguar Program
 <p>15 VIDA DE ECOSISTEMAS TERRESTRES</p>	<ul style="list-style-type: none"> ▪ ISA's declaration of commitment to the protection of ecosystems through its forest offset programs, covenants, and partnerships that promote the protection of vulnerable ecosystems ▪ Conexión Jaguar Program, which one of its purposes is to preserve the biodiversity and connectivity of the jaguar's natural habitats
 <p>4 EDUCACIÓN DE CALIDAD</p>	<ul style="list-style-type: none"> ▪ Creation of opportunities for the development of capacities and for strengthening employability and entrepreneurship through the Conexiones para el Desarrollo Program ▪ Improving the quality of education through the professional studies support program
 <p>16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS</p>	<ul style="list-style-type: none"> ▪ ISA declares its commitment to the promotion and protection of human rights and to an ethical, transparent conduct ▪ Ethics and Compliance Corporate Program to manage, in each geography and business, regulatory compliance related to the risks of fraud, corruption, bribery, money laundering, and terrorism financing, which may affect business resources and therefore the reputation and sustainability of the Group ▪ Code of Ethics and Conduct and on the ethical actions and attributes promulgated ▪ Good corporate governance practices

Global Compact of the United Nations

During the seventh meeting of the Global Compact (Construction of a learning community on sustainability crisis management) ISA and ISA INTERCOLOMBIA, together with other Colombian companies, shared best practices of business continuity amid the pandemic:

- Response to crisis: sustainability during the crisis
- Revival: accepting new realities and building new sustainability narratives
- Sustainability as an ally in organizational redesign

Feature text: 2.564 attendants

Feature text

ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, ISA REP, ISA CTEEP, XM, and SIER offset 100% of their greenhouse gas emissions through the purchase of carbon credits. These companies were ratified by the South Pole Group as Carbon Neutral. 36.683 tons of CO₂e

In the promotion of a comprehensive anti-corruption system, ISA, ISA INTERCOLOMBIA, ISA TRANSELCA, and XM are part of Collective Action in the Energy Sector.

Red Prodepaz

Red Prodepaz (Prodepaz Network), together with Red de Pobladores (Settlers Network), advanced towards the construction of a peaceful nation based on local and regional dynamics and processes for development and peace. ISA, as a supporting entity, facilitated:

- Strategic relations and partnerships for reconciliation and peace building
- Involvement in territory and peace strengthening policies and movements

Contribution to global environmental challenges

GRI [103-1] GRI [103-2]

ISA and its companies are committed to excellence and leadership to protect the environment. In this regard, the management of business impacts has evolved towards proactive, significant contributions to mitigate and adapt to climate change and to protect and preserve ecosystems and their biodiversity.

Material issues that are a priority regarding this dimension:

- **Commitment to the protection of biodiversity:**
Company that has a proactive approach to the protection and conservation of natural resources. It inspires other people to protect natural resources and help improve our natural surroundings.
- **Management of environmental impacts:**

Company that takes responsibility for the environmental impact of its activities by maximizing eco-efficiency and complying with environmental and legal requirements.

▪ **Climate change mitigation and adaptation:**

Company that understands, measures, and joins efforts to mitigate and adapt to climate change, positively supporting this global agenda.

Feature text

ISA and its companies make sure that their processes and operations are aligned with the search for sustainable development to comply with commitments acquired, applicable regulations, and corporate guidelines and standards. [GRI 103]

They also value, respect, and support the natural heritage, especially in areas of high biodiversity relevance, according to environmental regulations of each country where they are present. To that end, the declarations of the International Union for the Conservation of Nature (IUCN) for category I - IV protected areas are considered. [GRI 304-4]

Conexión Jaguar Program

PUMA
Puma concolor

CONEXIÓN JAGUAR | isa

Conexión Jaguar es un programa de sostenibilidad de ISA y sus empresas, que, en conjunto con sus aliados técnicos, South Pole y Panthera, desarrolla para contribuir a:

- La conservación de la biodiversidad
- La conectividad de los hábitats naturales del jaguar
- La mitigación del cambio climático
- El desarrollo de las comunidades rurales

En Chile, al no existir el jaguar, trabajamos para la conservación del puma.

METAS DEL PROGRAMA AL 2030

- 20 proyectos** certificados en Latinoamérica. A la fecha se están apoyando 7 proyectos
- 9.000.000 toneladas de CO₂** reducidas. Con los proyectos apoyados se cuenta con un potencial de reducción de emisiones de más de 6 millones toneladas de CO₂.
- 400.000 hectáreas** del corredor del jaguar protegidas. A la fecha hemos contribuido a la conservación de 784.000 hectáreas.
- Promover el desarrollo de las comunidades rurales. Con los proyectos apoyados se ha contribuido al mejoramiento de la calidad de vida de **300 familias.**

Contribuimos al logro de las metas país en biodiversidad y cambio climático, aportando al cumplimiento de convenios internacionales.

JAGUAR
Panthera onca

¿QUÉ HEMOS LOGRADO?



4 proyectos en Colombia:
Cimitarra, Tierralta, Kogis y Arhuacos



502.625* hectáreas con actividades de conservación



Un potencial de reducción de emisiones de **2.735.675 tCO₂e** durante la duración de los proyectos**



Un proyecto en Brasil:
Instituto Homem Pantaneiro



76.855 hectáreas con actividades de conservación

Un potencial de reducción de emisiones de **644,471 tCO₂e** durante la duración de los proyectos**



2 proyectos en Perú:
Huayabamba y Biored



205.428 hectáreas con actividades de conservación

Un potencial de reducción de emisiones de **2.972.825 tCO₂e** durante la duración de los proyectos**



1 proyecto en evaluación en Chile

*área de proyecto Kogui en verificación

** Cada proyecto tiene una duración diferente que fluctúa entre 20 y 40 años
Para más información de los proyectos ir a: <https://conexionjaguar.org/>

¿QUÉ HEMOS LOGRADO?

Convivencia Humano - Felino

Promoción de la convivencia entre los humanos y los grandes felinos en 4 regiones: Simacota y Cimitarra (Santander), en la Sierra Nevada de Santa Marta con el pueblo arhuaco y en Amalfi (Antioquia)



Primera emisión

Primera emisión de créditos de carbono del Programa en el proyecto de Huayabamba, Perú por 223.991 créditos*



Reconocimientos 2020

Mejor "Programa Corporativo de Compensaciones de Emisiones de Environmental Finance Awards"

Primer Puesto en Categoría Gestión Ambiental en el Premio Nacional de Sostenibilidad de la Sociedad de Minería Petróleo y Energía de Perú

6to lugar en categoría Fauna en el ranking "Latinoamérica Verde 2020".



*Cada crédito de carbono equivale a una tonelada de CO₂



¿QUÉ HEMOS LOGRADO? RECONOCIMIENTOS

CONEXIÓN JAGUAR | isa



**Initiative
20x20**

Somos parte de **INITIATIVE 20X20**, que
buscar proteger 20 millones de
hectáreas de bosque en América
Latina



Commitment to the protection of biodiversity

The ISA Group manages, through legal and voluntary actions, their potential impacts on biodiversity throughout the life cycle of their assets:

Biodiversity model



Main actions to manage ecosystem and biodiversity protection in 2020, apart from the Conexión Jaguar Program:

<p>ISA INTERCOLOMBIA</p>	<p>Biotic offsets</p> <ul style="list-style-type: none"> ▪ Continued execution of a cost-effective, sustainable forest offset portfolio aimed at recovering prioritized areas according to environmental authorities, as they are of ecological interest, especially areas that contribute to the recovery of connectivity in jaguar’s habitats ▪ Design of 13 offsetting plans covering around 11.390 ha. Nine offsetting plans have been submitted to the National Environmental Licensing Authority (ANLA) covering around 5.300 ha, approximately 47% of the requirement ▪ Support to the identification of biotic offset risks, measures to deal with them, possible synergies, etc. together with companies of the various sectors that develop linear infrastructure projects (EPM, PROMIGAS, ENEL, GEB, CENIT, and ODINSA) <p>Forest exploitation variable strips</p> <p>In the design and construction stages, the forest exploitation variable strip methodology has been implemented in projects at the environmental licensing stage or which license modifications are in progress. A reduction close to 50% has been achieved in natural ecosystems, semi-natural ecosystems, and wooded pastures to be intervened.</p> <p>Flight diverters</p> <p>Installing these devices has become crucial in the mitigation of bird collisions against conductor cables. To do this, the project easements are analyzed to identify local and migrating bird crossing spots.</p> <p>Structure height assessment (towers)</p> <p>The design of the projects proposes to evaluate the heights of some of the structures that overlap with the ecosystems, to evaluate the relevance and appropriateness of building taller structures, and to analyze the mitigation of biotic intervention that results from this choice, by performing a cost-benefit evaluation.</p> <p>Alliances</p> <ul style="list-style-type: none"> ▪ Covenant signed with EL CABILDO to create and implement a Forestry Establishment and Management Plan (PEMF) to reforest 3,8 hectares in the Achote creek micro basin ▪ Incorporation, in the BioCaribe Agreement, of the forest offsetting plan for the Bolívar–Copey–Ocaña–Primavera Transmission Line for the protection, restoration, connectivity, and sustainable development of biodiversity in Canal del Dique-Montes de María basin ▪ Covenant with National Natural Parks: offsetting alternative for the Antioquia-Medellín-Ancón Sur project in the Paramillo National Natural Park, included in the offsetting plan that will be submitted for evaluation to ANLA in 2021 ▪ Covenant between Banco de Hábitat de Bosque Seco de Antioquia, Terrasos S.A.S., and Contrebutte S.A.S.: innovative environmental offset and rural development model that is part of the Antioquia–Medellín–Ancón Sur Connection project offset
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ISA TRANSELCA	<ul style="list-style-type: none"> ▪ Development of the REDD+ Arhuaco project in the department of Cesar to strengthen indigenous territories in Sierra Nevada de Santa Marta through a plan for the conservation of biodiversity and sacred natural areas of the Iku (Arhuaco) community, covering approximately 90.000 ha
ISA REP	<ul style="list-style-type: none"> ▪ Covenant with the Peruvian National Forest and Wildlife Service (Serfor) for the exchange of scientific information for biodiversity conservation. Through this covenant, the algarrobo or mesquite tree (<i>Prosopis</i> spp.) was characterized in five towns of the department of Tumbes ▪ More than 1.000 trees were planted in ISA REP substations as part of the decarbonization project in energy facilities
ISA CTEEP	<ul style="list-style-type: none"> ▪ Drones for surveillance and cable laying, reducing the need for tree pruning and logging ▪ Height and special cables: higher towers and light cables, so structure reinforcements are not necessary ▪ Armored substation technology and hybrid modules in some substations, which allows for greater compactness and therefore a smaller area used ▪ The total area of conserved or preserved habitats was 46,43 ha for the year. The areas restored during the year through forestry plantations reached 17 ha
ISA INTERCHILE	<ul style="list-style-type: none"> ▪ 5-year covenant with the Institute of Agricultural Research (INIA) to develop the flora and vegetation biological plan, which seeks to return more than 190.000 individuals of 21 species to the Atacama and Metropolitan regions ▪ Launching a community plant nursery in the Atacama region, partnered with the Municipality of Freirina and receiving technical support from BioMapu, for the conservation of desert native flora and endemic species ▪ Bird monitoring and tracking programs and installation of anti-collision devices in defined areas pursuant to current regulations ▪ Biodiversity information program for the La Campana-Peñuelas Biosphere Reserve, allied with El Observador, La Campana National Park of the National Forest Corporation (CONAF) and the Native Forest Defenders Network

Challenges to prevent and reverse biodiversity loss

Challenges associated with the protection of biodiversity consider sustainable offsetting schemes with the highest added value to neutralize the loss of biodiversity and increase positive impacts:

Colombia	<p>Plan offsetting strategies that favor the conservation or restoration of natural ecosystems, focusing on biodiversity management, through an ecosystem approach that recognizes the importance of protecting endangered species and management measures for the conservation of living organisms:</p> <ul style="list-style-type: none"> ▪ Based on the Offset Portfolio, design and implement cost-effective biotic offsets aligned with national and regional strategic conservation goals to meet the requirements of the environmental authority and to improve environmental conditions in areas of ecological interest. ▪ Strengthen relationships with communities, authorities, and environmental institutions. ▪ Expand the coverage of the Conexión Jaguar Program through the management and execution of projects and partnerships and through the generation of synergies
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	with other processes in the companies, such as mandatory offsets and environmental education programs.
Peru	<ul style="list-style-type: none"> ▪ Make the third Conexión Jaguar Project in Peru to comply successfully with the methodology to calculate benchmark levels of forest emissions according to the Ministry of the Environment. ▪ Make progress on a regulatory framework for carbon credit issuance projects.
Chile	<ul style="list-style-type: none"> ▪ Fight desertification and drought in the country: within the framework of Chile's National Biodiversity Strategy (2017-2030), improve designs and selection of layouts to minimize environmental impacts, and design actions for efficient water use, lower water pressure in aquifers, and soil restoration. ▪ Joint work with environmental institutions and active involvement in the Biodiversity and Protected Areas Service.

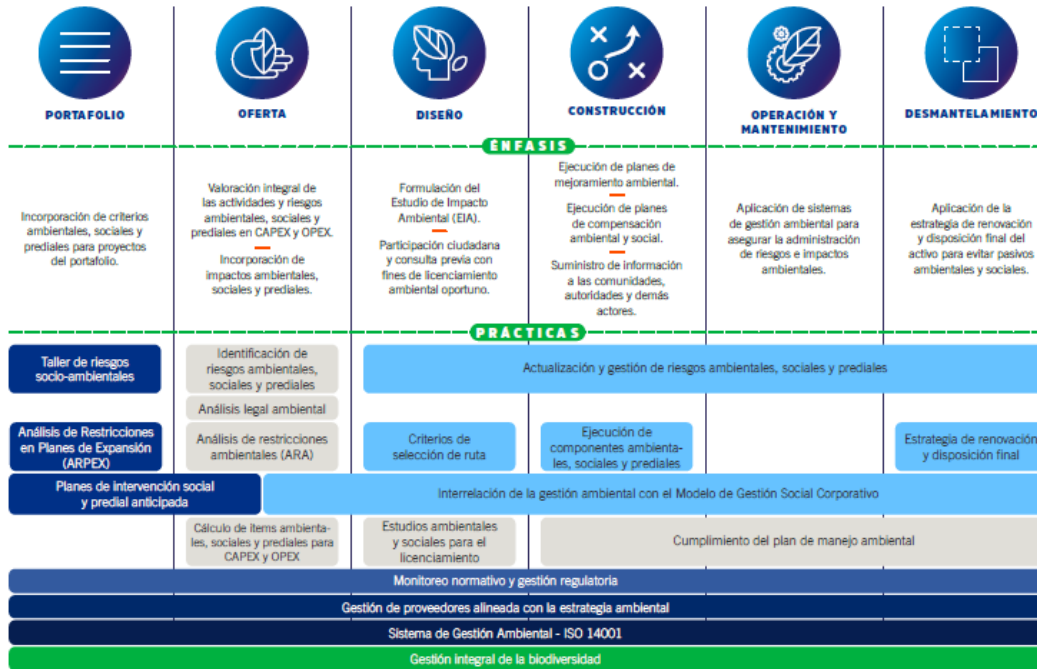
Management of environmental impacts

[GRI 102-11] [GRI 103-1] [GRI 103-2] [GRI 103-3] The ISA companies manage environmental permits and licenses required to develop their projects and operations, thus complying with regulations applicable in each country where they are present, and guaranteeing sustainable development according to the Group's Environmental Corporate Policy and the environmental management model.

This environmental work is done throughout the life cycle of assets, through actions such as:

- Addressing impacts with a preventive approach
- Addressing environmental contingencies that may affect natural resources, ecosystems, communities, or their interrelationships
- Identifying, assessing, and implementing necessary measures, both obligatory and complementary, to manage the risks that can impact ecosystems and society, caused by the development of business operations

GESTIÓN AMBIENTAL



The main actions to reduce environmental impacts, which go beyond the natural management of processes and compliance with legal commitments, are shown below:

ISA INTERCOLOMBIA	<ul style="list-style-type: none"> Strict follow-up on commitments undertaken with authorities and with communities, and on the implementation of environmental management plans (PMA) of projects. Application: administrative offices, energy substations, and projects under construction Sectoral synergies to strengthen the benefits of the management on companies, environment, and society
ISA TRANSELCA	<ul style="list-style-type: none"> ISO 14001 recertification
ISA REP	<ul style="list-style-type: none"> Implementation of the Eco-efficiency Committee, which will allow mapping and centralizing the best projects, and having a cost-benefit analysis
ISA INTERCHILE	<ul style="list-style-type: none"> Implementation of the Environmental Management System Design and implementation of the Environmental Disencumbrance Program, which regulates environmental deviations; periodic follow-up at the Board level Management and participation in unions during environmental regulatory discussions
ISA INTERVIAL	<ul style="list-style-type: none"> Implementation of the ISO 14001 Standard in Ruta del Maipo and ISA INTERVIAL In-depth analysis of exposure to environmental risks, following the Group's comprehensive risk management methodology; periodic monitoring at board level

	<ul style="list-style-type: none"> ▪ Studies to use recycled asphalt in sidewalk and berm pavement, a project developed together with the Universidad de la Frontera ▪ Traffic-powered generation pilot, a project developed together with the Universidad de Talca
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Environmental licensing for projects

Company	Project	The State
ISA INTERCOLOMBIA	Antioquia–Porce III Connection	Modification of the license granted
	Antioquia–Medellín–Ancón Sur Connection	Modification of the license granted
	Antioquia–Cerrmatoso Connection	Modification of the license granted
	Porce III–Sogamoso Connection	Modification of the license in progress
	Sogamoso–La Loma	Study stage (Assessment of environmental diagnosis of alternatives -DAA-)
	Sabanalarga–Bolívar	Environmental Impact Study (EIA) stage
	El Río New Substation	Assessment by the authority
	Modification of environmental license for Costa Caribe Reinforcement: <ul style="list-style-type: none"> ▪ Cerrmatoso–Chinú–Copey ▪ Copey–Cuestecitas–Fundación ▪ Cuestecitas–Majayura 	Three modifications: one modification in assessment process and two modifications in the EIA stage
ISA TRANSELCA	N/A	
ISA REP	Nueva Yanango–Nueva Húanuco	Environmental license granted
	Mantaro–Nueva Yanango–Carapongo	Environmental license granted
	Upgrade of the Talara Refinery	Environmental license granted
	Moquegua–Papujune	Environmental license granted
	Expansion 20	Environmental license granted
ISA Bolivia	N/A	
ISA CTEEP	IE BIGUACU	Environmental license for partial installation granted

	IE TIBAGI	Environmental license for operations granted
	IE ITAQUERE	Environmental license for operations granted
	IE ITAÚNAS	Environmental license for installation granted
	IE ITAPURA- LORENA	Environmental license for installation granted
	IE AGUAPEI	Environmental license for installation granted
	PROJETO MINUANO (substation)	Environmental license for installation granted
	PROJETO MINUANO (transmission line)	Awaiting prior environmental license
	PROJETO TRÊS LAGOAS	Awaiting environmental license for installation
	PROJETO TRIÂNGULO MINEIRO	Awaiting prior environmental license
	AIE PARAGUACU	Environmental license for installation granted
	AIE AIMORÉS	Environmental license for installation granted
	AIE IVAÍ	Environmental license for installation granted
INTERCHILE	Compensación de potencia reactiva en línea Nueva Pan de Azúcar-Polpaico	Environmental permits
	Nuevo banco de autotransformadores en subestaciones Nueva Cardones, Nueva Maitencillo y Nueva Pan de Azúcar	Environmental permits
	<ul style="list-style-type: none"> ▪ Expansion substation Nueva Maitencillo ▪ Expansion subestación Nueva Pan de Azúcar 	Environmental permits

To monitor compliance with environmental permit and license objectives, the following indicators were established:

Indicator	Company	Result 2018	Result 2019	Result 2020	Goal 2020
Compliance with physical progress of projects (as per the schedule)	ISA INTERCOLOMBIA	105%*	106%	97.90%	Greater than or equal to 95%
	ISA TRANSELCA	102%	100%	104.60%	
	ISA INTERCHILE	104%	103%	96.50%	
	ISA REP	99%	82%	62.40%	
	ISA CTEEP	120%*	119%*	98.40%	
	Consolidated for the group	106%*	102%*	92%	
Days of delay in obtaining the environmental license (as per the schedule)	ISA INTERCOLOMBIA	463	303	230,27	Obtaining licenses as per the schedule
	ISA TRANSELCA	N. A.	N. A.	N. A.	
	ISA INTERCHILE	645	N. A.	N. A.	
	ISA REP	238	51	227	
	ISA CTEEP	0	163	0	

* Values in prior years adjusted for comparison purposes

Failure to meet the project's physical progress deadline was mainly due to impacts of the pandemic on work schedules, such as: restrictions imposed by the authorities, supply of goods, land management, and environmental licenses (term suspension and consultations with communities). The goal for 2021 is to maintain our compliance rate equal to or higher than 95% for the physical progress scheduled.

Legal proceedings inherent to the business, arisen during the term:

Sanctioning processes as of December 2020	
ISA INTERCOLOMBIA	<ul style="list-style-type: none"> ▪ 22 ongoing processes
ISA TRANSELCA	<ul style="list-style-type: none"> ▪ Dispute resolution procedures on 4 cases ▪ 1 penalty for COP 108.506.112
ISA REP	<ul style="list-style-type: none"> ▪ Dispute resolution procedures on 6 cases ▪ 2 penalties for COP 5.981.976
ISA Bolivia	<ul style="list-style-type: none"> ▪ No procedures

ISA CTEEP	<ul style="list-style-type: none"> ▪ Dispute resolution procedures on 7 cases ▪ 0 penalties
ISA INTERCHILE	<ul style="list-style-type: none"> ▪ Dispute resolution procedures on 3 cases ▪ 1 penalty for COP 1.947.708.048

Non-monetary sanctions for non-compliance with environmental regulations

Company	2017	2018	2019	2020
ISA INTERCOLOMBIA	0	0	0	1
ISA TRANSELCA	0	0	0	0
ISA REP	0	0	0	0
ISA BOLIVIA	0	0	0	0
ISA CTEEP	25	0	12	0
ISA INTERCHILE	NA	0	3	0

Mitigation and adaptation to climate change

[This section is under translation process](#)

La estrategia climática de ISA parte de una práctica consolidada de medición, reducción y compensación de los gases de efecto invernadero (GEI) producidos por la operación de los negocios, considera la afectación por los fenómenos de variabilidad climática y oportunidades del cambio climático y planifica una serie de acciones, la mayoría de ellas enfocadas en la mitigación. Esta estrategia se encuentra, además, alineada con las prioridades y acciones de los gobiernos, la sociedad y las empresas contenidas en los compromisos de la Conferencia de las Naciones Unidas sobre el Cambio Climático (COP 21), las contribuciones determinadas a nivel nacional (NDC) previstas para disminuir las emisiones de GEI en los países donde se tiene presencia y la agenda 2030 de Naciones Unidas.

Adicionalmente, ISA y sus empresas reducen sus emisiones con inversiones en modernización de equipos y productos ecoeficientes, mejoras de procesos, movilidad sostenible y programas de educación ambiental.

Gestión de gases efecto invernadero (GEI)

Para el año 2020 se estableció como meta de reducción 533 toneladas CO₂e, teniendo en cuenta el consumo de agua y energía, la generación de residuos, y la movilidad sostenible. Los resultados son positivos, pues la meta fue superada con un total de 2.404 toneladas CO₂e evitadas.

La meta de movilidad sostenible incluye: uso de red de transporte corporativa, teletrabajo, uso de bicicletas y *car pooling*. Sin embargo, en 2020 de acuerdo con las medidas tomadas por Grupo ISA para proteger a los trabajadores de la COVID-19, esta meta se calculó como las emisiones evitadas en el año, debido a que los trabajadores no se desplazaron a las sedes la mayor parte del año, lo que consecuentemente se traduce en evitar el uso de combustibles fósiles. Una vez los trabajadores de las distintas empresas retomen sus labores cotidianas en las sedes, la meta de movilidad sostenible incluirá todos los componentes descritos previamente.

Para más información, consultar el inventario de consumos y emisiones de GEI en su alcance 1, 2 y 3 en la página web de ISA:

Gestión de cambio climático

Los negocios de ISA, especialmente su *core*, transmisión de energía, tienen una intensidad de emisión de carbono muy baja, comparada con otros sectores de la cadena energética; esto, debido a que no posee dentro de sus procesos productivos la necesidad del uso de combustibles fósiles a escala industrial, ni tiene fuentes fijas de emisión significativas, lo cual se ve reflejado en unos inventarios muy inferiores, especialmente frente a los demás sectores de la generación de energía, como lo son las termoeléctricas.

Teniendo en cuenta lo anterior, el mayor porcentaje de las emisiones de ISA se encuentra en el gas hexafluoruro de azufre o SF₆, el cual tiene un Potencial de Calentamiento Global (GWP) 23.500 veces mayor que el del CO₂, lo que indica su alta contribución al calentamiento global por unidad emitida. En la actualidad no existe un sustituto de este gas para los sistemas de alta tensión que opera ISA. Respecto a sus emisiones directas (alcance 1) de GEI, más del 80% corresponde a emisiones fugitivas de SF₆ instalado en subestaciones encapsuladas e interruptores de alto voltaje.

Texto destacado:

Desde 2016 se establecieron metas anuales de reducción de un 10%, buscando al año 2020 un nivel de fugas igual o inferior al 0,5%, según lo establecido por el estándar Comisión Electrotécnica Internacional (IEC). La meta se logró desde el año 2018 a nivel de grupo. Para el año 2020 se alcanzó un porcentaje de fugas consolidado del grupo de 0,45%.

En términos del impacto de este gas sobre el cambio climático se logró una reducción de emisiones fugitivas equivalentes a 9.213 toneladas de CO₂, valor inferior a la meta trazada de 18.500 toneladas (para el período 2016 – 2020), situación que se explica, por las siguientes razones:

- En general, para las empresas de transporte de energía, hubo un incremento del 68% del inventario de SF₆ en el período acumulado entre los años 2016 y 2020, debido al crecimiento del negocio, con el consecuente aumento de equipos que contienen este gas, especialmente en las nuevas subestaciones encapsuladas.
- En particular, ISA CTEEP logró disminuir sus emisiones desde el año 2016 en 34,5%, valor inferior al nivel esperado, por lo cual no consiguió el estándar IEC para el año 2020. En los años 2019 y 2020 tuvo fugas del 0,75% y el 0,69% respecto a la cantidad de SF₆ instalado. Cabe resaltar que esta es la filial con el mayor inventario de este gas en el grupo debido a su cantidad de activos; tiene el mayor desafío para ajustarse a los valores de referencia, especialmente por la edad de los equipos y la complejidad técnica para eliminar las fugas. Al respecto, ISA CTEEP está implementando un plan diseñado para ajustarse al valor de 0,5% para el año 2022.
- En 2020 ISA TRANSELCA, tuvo un evento inesperado en la subestación GIS de Termocartagena, donde se fugaron 192,36 kg de SF₆. Para solucionar este incidente se requiere la intervención experta del fabricante, sin embargo, debido a las restricciones que ha impuesto la pandemia, el caso está en proceso de resolución.

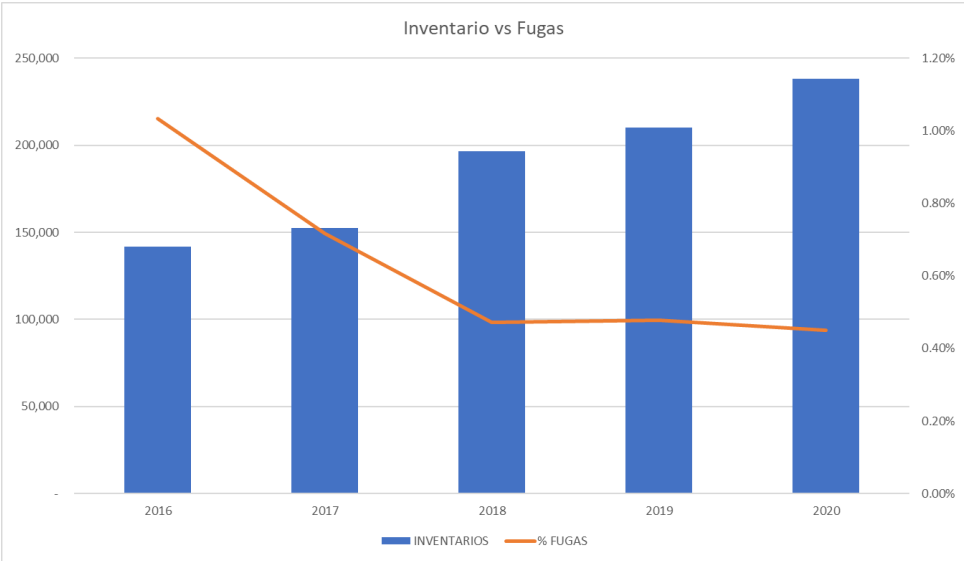
Texto destacado:

El grupo tiene definida actualmente en su estrategia ISA2030 una meta de reducción de emisiones de 11 millones de TCO₂e.

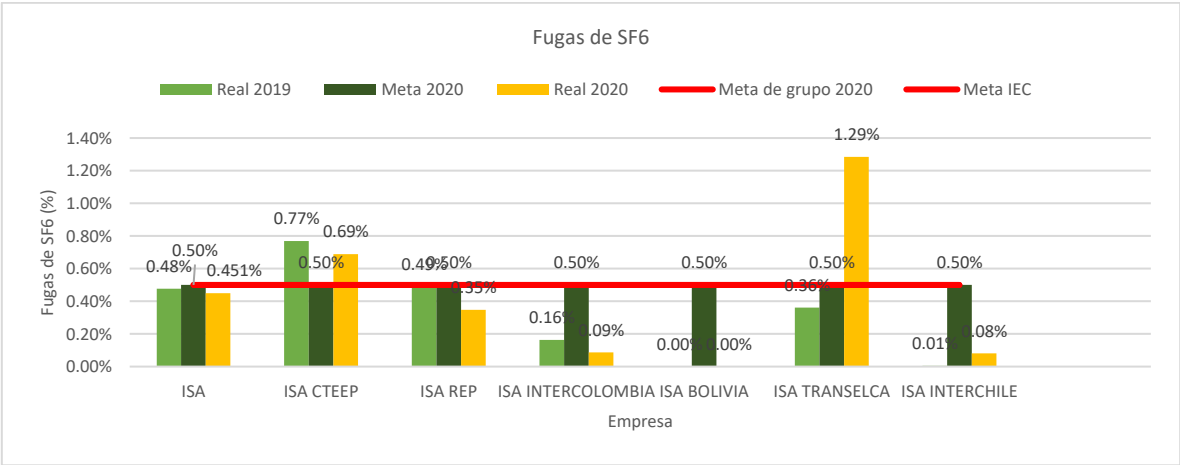
Análisis del SF₆ del año 2020 comparado con 2019:

Por otro lado, respecto al análisis del comportamiento del grupo en 2020, las empresas de transporte de energía –ISA INTERCOLOMBIA, ISA REP, ISA

INTERCHILE e ISA BOLIVIA– cumplieron con la meta anual establecida de fugas por debajo del 0,5% del estándar de la IEC, aun cuando hubo un incremento en la cantidad de fugas netas totales.



El porcentaje de fugas disminuyó respecto al año anterior. El incremento en el inventario de GEI (13%) es superior al aumento de las fugas netas (7%); por lo tanto, el nivel de fugas relativo se mantiene por debajo del estándar internacional de fugas IEC-60376.



El aumento de emisiones respecto al año anterior se debe a un evento presentado en ISA TRANSELCA, lo que implicó 192,36 kg de gas fugado. ISA CTEEP no logró el estándar; sin embargo, tuvo una reducción respecto al año anterior que representó 75 kg menos de gas fugado, lo que equivale a 1.767 tCO₂e. ISA REP presentó una reducción de emisiones respecto a 2019 de 724 tCO₂e.

Los resultados positivos asociados a la gestión de SF₆ se deben a la implementación de buenas prácticas y a la adecuada operación y mantenimiento de los equipos como:

- Análisis de mejora por recurrencia de fallas en equipos, permitiendo anticiparse a las fugas
- Mantenimiento preventivo de interruptores de alta tensión
- Renovación de interruptores de alta tensión al final de su vida útil
- Plan de formación integral y procesos de sensibilización a los ejecutores de mantenimiento para evitar fugas en los procesos manuales
- Adquisición de medidores de SF₆ de última tecnología, que permita conocer y monitorear las fugas en tiempo real
- Reutilización del gas SF₆ en buenas condiciones fisicoquímicas, principalmente el gas sobrante de los proyectos
- Plan de mejoramiento establecido en 2020, en cuanto al inventario, manejo y seguimiento del SF₆
- Adecuada disposición final con empresas certificadas

Las empresas de ISA continuarán cumpliendo el estándar; adicionalmente, en aras del mejoramiento continuo se establecieron metas más retadoras para las filiales: desde 2021 la meta será un valor menor al promedio de los últimos tres años.

En el caso de ISA CTEEP, la meta para 2021 es reducir sus fugas en 10% respecto al año anterior y continuar con la disminución hasta lograr el estándar en 2022, a través de la implementación de las acciones aplicables en todas las empresas de transmisión de energía del grupo; adicionalmente, acciones puntuales como implementación de un plan de inversión, seguimiento bimestral de la evaluación, resolución de fugas y prueba de validación de equipos de tratamiento de gases en compartimentos energizados.

Destacado

La experiencia adquirida en **operación** del Sistema Interconectado Nacional de Energía y **administración** del Mercado de Energía Mayorista se ha extrapolado a

otros sectores de la economía del país, aportando al cumplimiento de algunos de los ODS y a los compromisos del Acuerdo de París:

- XM desarrolló EcoGox, herramienta que responde a la necesidad de contar con un programa de certificación y registro de certificados de energía renovable competitivo y adaptado al contexto latinoamericano, agregando valor a los atributos de la energía renovable para que sea reconocida por el usuario final, y ayudará a que el mercado de certificados de energía renovable sea más asequible para todos, para contribuir a la mitigación del cambio climático y a la resiliencia de la industria eléctrica.
- Otras soluciones innovadoras puestas en marcha fueron EcoRegistry, plataforma de registro de proyectos y certificados de carbono que cuenta en la actualidad con 25 proyectos registrados, con los cuales se compensa un total de 22,3 millones de toneladas de CO₂, y EcoTrade, plataforma de compra y venta de certificados de carbono.

Logros y retos de la gestión de GEI

ISA INTERCOLOMBIA	<ul style="list-style-type: none"> ▪ Compensación voluntaria del 100% de su inventario GEI de operación y mantenimiento, mediante la compra de bonos de carbono transados en el mercado voluntario, con lo cual se obtuvo la certificación como carbono neutro ▪ Cuatro proyectos del programa Conexión Jaguar al cierre del año, los cuales suman 502.000 ha con actividades de conservación y un potencial de fijación de carbono de aproximadamente 2,3 millones de tCO₂e ▪ Reducción de 1.658 tCO₂e ▪ Instalación de la microrred con paneles fotovoltaicos en la sede principal de ISA en Medellín-Colombia ▪ La energía consumida en la sede de Medellín es energía verde de EPM, generada por medio de fuentes 100% renovables, con certificado I-REC
ISA TRANSELCA	<ul style="list-style-type: none"> ▪ Compensación voluntaria del 100% de su inventario GEI 2019, equivalente a 2.186 tCO₂e, a través de iniciativas para reducción de impactos en proyectos del Programa Conexión Jaguar y la compra de bonos de carbono certificados por South Pole
ISA CTEEP	<ul style="list-style-type: none"> ▪ Mapeo de otros gases GEI (ejemplo, freón/R22) en todas las instalaciones y formulación del plan de manejo respectivo
ISA INTERVIAL	<ul style="list-style-type: none"> ▪ La energía que consumirá Ruta del Maipo en sus sedes: edificio de plaza Angostura y centro de control de tránsito será de fuentes de generación "limpia". En curso, proceso de contratación para adquirir la energía directamente del generador
XM	<ul style="list-style-type: none"> ▪ Desarrollo de EcoGox ▪ Puesta en marcha de EcoRegistry y EcoTrade

ISA INTERCHILE	<ul style="list-style-type: none"> ▪ Inscripción de todas las instalaciones en el Programa Nacional de Cuantificación y Gestión de la Huella de Carbono Corporativa – Huella Chile ▪ Normalización de todas las instalaciones, bodegas de almacenamiento de residuos peligrosos, así como el procedimiento de manejo y reporte (en proceso de aprobación por parte de la autoridad)
SIER	<ul style="list-style-type: none"> ▪ Medición, a través de la aplicación AppiMotion, de 389 tCO₂e evitadas por los usuarios, equivalentes a sembrar 49.241 árboles robles ▪ Compensación del 100% del total de emisiones GEI a través de la inversión en el proyecto de protección climática de South Pole, con lo cual se obtuvo la certificación como carbono neutro

Compensación por emisiones de CO₂

Empresa	Emisiones	Emisiones compensadas ton CO ₂	Compensación%	Nombre del Proyecto
ISA	1.217	1.218	100	Proyecto REDD+ AMPA*
ISA INTERCOLOMBIA	5.699	5.700	100	Proyecto Procuena Colombia
ISA TRANSELCA	2.186	2.186	100	Proyecto Procuena Colombia
ISA REP	3.079	3.227	105	Proyecto REDD+ AMPA*
ISA BOLIVIA	369	-	0	N. A.
ISA CTEEP	24.061	24.000	99,7	Proyecto Envira de Brasil
ISA INTERCHILE	837	-	0	N. A.
ISA INTERVIAL	7.930	-	0	N. A.
XM	317	352	111	Custodiar
SIER	98	98	100	Custodiar

* Asociación Amazónicas por la Amazonía (AMPA)

Destacado

- Instalación de microrred con paneles fotovoltaicos en la sede principal de ISA en Medellín, Colombia. La planta solar cuenta con 1.044 módulos de

generación solar fotovoltaica que cubrirán entre el 12% y el 14% del consumo de energía mensual. Esta iniciativa hace parte de los proyectos de investigación del programa Energética 2030, una alianza empresa-universidad-Estado, para desarrollar una propuesta integral de transformación del sector energético en Colombia. Se proyecta que en los 25 años de operación de la planta se reduzcan hasta 1.427 toneladas de emisiones de CO₂.

BONOS VERDES ISA



PRIMERA EMISIÓN

de bonos verdes en el mercado público de Colombia por un valor de \$300.000 millones. Los recursos contribuirán con la conexión de energías renovables no convencionales al Sistema Interconectado Nacional (SIN) mediante la financiación de dos proyectos: [UPME 05-2014 Refuerzo Costa Caribe 500 Kv](#) y el proyecto [UPME 09-2016 Líneas de Transmisión Copey-Cuestecitas 500 Kv](#) y [Copey-Fundación 220 Kv](#).

[Click aquí para consultar:](#)

- [Informe Inicial de SITAWI](#)

USO DE LOS RECURSOS

2 Proyectos Elegibles

[UPME 09-2016 Líneas de transmisión Copey - Cuestecitas 500 Kv](#) y [Copey - Fundación 220 Kv](#)

[UPME 05-2014 Refuerzo Costa Caribe 500 Kv](#)

\$299.997 millones

de recursos captados en la emisión y recaudados en una cuenta de uso exclusivo.

\$165.546 millones

de recursos liberados de la [cuenta de uso exclusivo](#) para reembolso de costos relacionados con los dos proyectos elegibles.

\$134.451 millones

de recursos inmovilizados en la [cuenta de uso exclusivo](#).

BONOS VERDES

Los bonos verdes son un instrumento financiero de deuda (renta fija), cuyos recursos son destinados exclusivamente para financiar o refinanciar proyectos que generen beneficios ambientales claros y específicos, de acuerdo con los Principios de Bonos Verdes (GBP).

En 2020, ISA realizó su primera emisión de bonos verdes en el mercado público de Colombia por un valor de COP 299.997,6 millones, destinando los recursos a contribuir con la conexión de energías renovables no convencionales al SIN mediante la financiación de dos proyectos: [UPME 05-2014 Refuerzo Costa Caribe, 500 kV](#) y [UPME 09-2016 Líneas de Transmisión Copey-Cuestecitas, 500 kV](#) y [Copey-Fundación, 220 kV](#).

Uso de los recursos al 31 de diciembre de 2020

- COP 299.997 millones de recursos captados en la emisión y recaudados en una cuenta de uso exclusivo
- COP 165.546 millones de recursos liberados de la cuenta de uso exclusivo, para reembolso de costos relacionados con los dos proyectos elegibles
- COP 134.451 millones de recursos inmovilizados en la cuenta de uso exclusivo

Avance de los Proyectos Elegibles

1. UPME 05-2014 Refuerzo Costa Caribe, 500 kV

a. Estado de las licencias ambientales

Acto Administrativo: Resolución 0837 del 16 mayo de 2019

Estado: activa

Inicio construcción: agosto de 2019

Frentes de construcción: 3 - Activos

Avance físico obras civiles: 76,26%

Avance físico montaje: 53,51%

Avance físico tendido: 37,01%

Avance total promedio: 55,60%

b. Gestión ASG del proyecto

▪ Ambiental

Beneficios sobre la biodiversidad e impacto en ecosistemas estratégicos:

- Franjas variables de aprovechamiento forestal
 - Uso del software (PLS CADD), genera optimizaciones en las áreas a licenciar y mitiga la demanda de recursos naturales, disminuye las intervenciones de áreas protegidas, áreas con iniciativas de conservación, áreas importantes para la conservación de aves o ecosistemas con importancia ecológica
 - Área total de servidumbre: 2.406,2 hectáreas, área de intervención de 676,6 hectáreas, la cual considera una optimización o reducción en el área a intervenir de un 71,8 %
 - El proyecto cruza nueve zonas con estas categorías de importancia, donde el área a intervenir es de 51,53 hectáreas, de las cuales para el año 2020 se han intervenido 9,79 hectáreas: 4,23 de coberturas naturales y 5,56 de otras coberturas
 - Áreas con categoría de importancia: distrito regional de manejo integrado complejo cenagoso Zárate, Malibú y Veladero; reserva de la biosfera Sierra Nevada de Santa Marta; bosque seco tropical; complejo cenagoso depresión momposina-río Magdalena; corredor de bosques y arbustales secos de la Serranía de San Jerónimo; bosques húmedos del Bajo Cauca; complejo de bosques y arbustales secos de Monterubio; complejo de bosques y arbustales secos de Monterubio-Tenerife; complejo ribereño de la quebrada Chimuica y el arroyo Caraballo

- Mitigación de impactos en áreas de intervención
 - Garantizar la conservación de especies mediante el rescate, traslado, reubicación, seguimiento y mantenimiento de la flora en condición de amenaza, veda e interés económico o cultural, de esta manera para las áreas intervenidas según las categorías de UICN y del Ministerio de Ambiente y Desarrollo Sostenible se reportan cinco especies en peligro y 35 especies en preocupación menor.
 - Desviadores de vuelo, son dispositivos que se instalan sobre el cable de guarda para que sean más visibles y reducir la colisión de aves con estos. Se identificaron los corredores de vuelo de las aves: instalación de 6.884 desviadores de vuelo para 143 vanos con longitud total de 67.125 m, lo que representa la instalación en el 18,2 % de la longitud de línea de transmisión; de los cuales en 2020 se ha instalado un total de 80 desviadores en dos vanos.
- Métodos alternativos de tendido (DRONE)
 - Permite realizar el tendido de cables, en zonas de exclusión para el proyecto o en ecosistemas sensibles que se cruzan, con el objetivo de reducir los impactos en la vegetación sobre la servidumbre, la fragmentación de los ecosistemas y la pérdida de hábitat para la fauna silvestre
 - El avance del tendido para el año 2020 se ha aplicado a 141 vanos de los 806 vanos totales para el proyecto

- **Comunidades**

- Gestión arqueológica

Se cuenta con estrategias relacionadas con la conservación y protección del patrimonio arqueológico enmarcadas bajo la normatividad nacional, así como mecanismos de participación de la comunidad aledaña a las áreas intervenidas por la obra civil

 - Originalmente se tenían 124 sitios previstos para rescate arqueológico de acuerdo con los planes de manejo para el proyecto. Las prospecciones intensivas y los cortes exploratorios permitieron reducir a 28 los sitios sometidos a rescate arqueológico (6 para el tramo I, 13 en Tramo II y 9 en Tramo III)
 - Visitas periódicas en el área de excavación por parte de delegados de la comunidad, quienes verificaron las actividades arqueológicas
 - Inversión COP 4.382.703.256 para el programa de arqueología preventiva
 - Se vinculó laboralmente a 47 personas de los municipios del área de influencia

- Reasentamiento:
 - o Mejoramiento de condiciones de vida de dos familias (nueve personas)
 - o Inversión de COP 254.147.546
- Consultas Previas:
 - o 25 consultas previas con las comunidades étnicas Zenú (24 cabildos indígenas) y los cuatro pueblos de la Sierra Nevada de Santa Marta
 - o Proceso acompañado por un delegado del pueblo Arhuaco durante la consulta y construcción del proyecto con el fin de garantizar que todas las acciones realizadas respetaran la cultura y el territorio, fortaleciendo la confianza empresa-comunidad étnica.
 - o Inversión COP 107.837.000
- Desarrollo de comunidades:
 - Departamentos del área de influencia: Córdoba, Sucre, Bolívar, Magdalena y Cesar
 - Municipios del área de influencia: Montelíbano, Buenavista (Córdoba), Planeta Rica, Pueblo Nuevo, Ciénaga de Oro, Sahagún, Chinú, Sampués, Roble, Sincé, San Pedro, Buenavista (Sucre), Corozal, Córdoba, Zambrano, Tenerife, Plato, Sabanas de San Ángel, Nueva Granada, Ariguaní, Bosconia, El Copey
 - Número de Organizaciones comunitarias: 172
 - 24 cabildos Zenú (minoría étnica)
 - Pueblo de la Sierra Nevada (Rep. Pueblo Arhuaco)
 - 3 cabildos indígenas Zenú no certificados, pero con gestión social
 - 138 juntas de acción comunal
 - 6 asociaciones
 - **Trabajadores**- Se generaron cerca de 1.255 puestos de trabajo con personal de la región
 - **Gestión socioambiental**
- Proyectos de Información y Participación Comunitaria (PIPC)
 - o 213 reuniones de avance, además de todos los espacios atendidos para aclarar dudas o inquietudes generadas en torno a la construcción del proyecto
 - o Presencia de las gestoras sociales de campo (2), quienes mantienen y fortalecen el relacionamiento con los actores sociales del área de influencia
- Educación ambiental a las comunidades:
 - o Entrega de información sobre ganadería sostenible, adecuado manejo de residuos sólidos, cuidado de la fauna
 - o Inversión de COP 30.971.806

- Proyectos de Beneficio Comunitario:
 - o 174 proyectos de los cuales en el 2020 se concertaron 89 y se dio inicio a 80 proyectos
 - o Iniciativas priorizadas y concertadas: proyectos productivos, construcción o adecuación de infraestructura vial, comunitaria, recreativa, soluciones a necesidades de servicios públicos a través de la instalación de kit solares, construcción de pozos profundos o instalación de tanques de almacenamiento de agua
 - o Inversión total COP 2.125 millones de los cuales se tiene una inversión en proyectos de COP 1.104 millones y gastos de gestión de COP 1.021 millones
- Ayuda humanitaria en el marco de la pandemia por la COVID-19:
- 6.699 paquetes alimentarios
- 420.500 litros agua potable
- Insumos hospitalarios y elementos de bioseguridad
- COP 262.000.000 total de recursos destinados

2. UPME 09-2016 Líneas de transmisión Copey-Cuestecitas, 500 kV y Copey-Fundación, 220 kV

a. Estado de las licencias ambientales

- Etapa del proyecto: licenciamiento, elaboración de estudio de impacto ambiental (EIA)
- Avance estudios ambientales: 90%
- Avance consultas previas: 81,25% (13 consultas protocolizadas/16 comunidades)
- Proyección radicación EIA: abril 2021

b. Gestión ASG del proyecto

- **Ambiental**

Beneficios sobre la biodiversidad e impacto sobre ecosistemas estratégicos:

- Componente florístico: franjas variables de aprovechamiento forestal, cuyo objetivo principal es disminuir las áreas de intervención con tala, por medio de procesamiento de información en software que reúne variables técnico-ambientales
- Desviadores de vuelo: instalación de dispositivos para mitigar colisiones de las aves con los cables conductores

- Evaluación de altura de las estructuras (torres): pertinencia y oportunidad de implementar estructuras con alturas mayores, para la mitigación en intervención biótica
- Métodos alternativos de tendido de cables (DRONE): evita impactos en la vegetación presente en ecosistemas sensibles, la mitigación del impacto es considerable y minimiza la fragmentación de ecosistemas y la pérdida de hábitat para la fauna silvestre

- **Comunidades**

Gestión arqueológica

- Se contó con la presencia y participación de la comunidad indígena Arhuaca
- Ejecución de 10 rescates. 6 cortes en área en la subestación Copey, 2 en la torre 22 y dos cortes exploratorios
- Se vinculó laboralmente a 18 personas del área de influencia
- Inversión COP 675.251.040

Consultas Previas

- Relacionamiento anticipado con las comunidades étnicas
- 16 comunidades certificadas por el Ministerio del Interior; se protocolizó la consulta con 13 comunidades, los 3 restantes se encuentran en proceso

Desarrollo de comunidades

- Departamentos del área de influencia: La Guajira, Cesar y Magdalena
- Municipios del área de influencia: Fundación, Algarrobo, El Copey, La Paz, San Diego, Valledupar, Bosconia, El Molino, Urumita, La Jagua del Pilar, Villanueva, Hatonuevo, Barrancas, Fonseca, Distracción, Albania, San Juan del Cesar
- Juntas de acción comunal: 66, conformadas por 7.970 personas
- Consejos comunitarios: 8, conformados por 2.000 personas
- Comunidades indígenas: 8, conformadas por 3.400 personas

- **Trabajadores**

- Se contrataron cerca de 168 personas

- **Gestión socioambiental**

- Proceso de información y participación comunitaria (PIPC):
 - Ejecución del PIPC en dos momentos con 66 unidades territoriales, 3 gobernaciones, 3 corporaciones ambientales y 240 propietarios privados
 - 402 encuentros realizados

Destacado:

Esta es la tercera emisión de bonos verdes de Grupo ISA; la primera fue de ISA CTEEP, en Brasil en 2018 y la segunda fue la filial Consorcio Transmantaro en Perú, en 2019, la cual fue la primera compañía de ese país y de la región en emitir bonos verdes sin garantía en el mercado internacional.

Ecoeficiencia:

En 2020 se estableció como meta para ISA y sus empresas la reducción de 1% en el consumo de agua, energía y generación de residuos, partiendo del promedio de tres años como línea base de medición (2015, 2016 y 2017). Esta meta se ajustó incluyendo el componente de movilidad sostenible considerando los desplazamientos evitados por las personas que trabajaron desde sus casas como efecto de la pandemia por COVID-19.

Destacado:

Durante el año se logró la reducción de 2.404 tCO₂e, asociadas al mejoramiento en el desempeño de la ecoeficiencia, lo cual representa un 451% de la meta propuesta (533 tCO₂e).

A continuación se presentan los resultados de 2020 de las metas anuales asociadas a la reducción y compensación de emisiones de CO₂e de las empresas del grupo:

	Filiales	Meta 2020 (toneladas CO ₂ e)	Resultado 2020 (toneladas CO ₂ e)	% cumplimiento
Reducción de impactos	ISA	70,48	117	166
	ISA INTERCOLOMBIA	130,39	1.658	1.271
	ISA TRANSELCA	30	60	200
	ISA REP	100	85	84,89
	ISA CTEEP	28,27	152	536
	ISA INTERCHILE	10,13	19	185
	ISA BOLIVIA	5,40	62	1.154
	XM	59,93	111	185
	ISA INTERVIAL	60	98	169
	INTERNEXA	40	42	106
	TOTAL		533	2.404

A partir de 2021, estas metas se incluirán también en el sistema de compensación variable para los empleados, como un incentivo para la mejora continua en torno a los procesos de ecoeficiencia de ISA.

Acciones en ecoeficiencia

ISA INTERCOLOMBIA	<ul style="list-style-type: none"> ▪ Proyecto sedes y subestaciones verdes <ul style="list-style-type: none"> • Gestión integral del agua: <ul style="list-style-type: none"> – Aprovechamiento aguas lluvias – Agua de escorrentía en patios de conexión – implementación de equipos generadores de agua atmosférica – Equipos de filtración de aguas grises para reúso – Sistemas sanitarios de bajo consumo de agua – compostadores e incineradores – Tratamiento de aguas residuales mediante humedales artificiales en algunas subestaciones • Gestión integral de residuos • Programa de Movilidad Sostenible ▪ Cinco Ecorretos por la sostenibilidad: Programa de educación ambiental que abarca los temas de movilidad sostenible, consumo responsable, conexión con el territorio y huella ecológica
ISA TRANSELCA	<ul style="list-style-type: none"> ▪ Programa de movilidad sostenible El Chance, 70% de los empleados usuarios de la aplicación AppiMotion, evitando la emisión de 37,34 TCO₂e
ISA REP	<ul style="list-style-type: none"> ▪ Mejora de la eficiencia energética mediante el cambio a luminarias LED ▪ Optimización de uso de agua subterránea a través de la sistematización de la conducción y cambio de bombas periféricas ▪ Implementación de sistemas de biodigestores para el tratamiento de efluentes domésticos ▪ Proyecto piloto de atrapanieblas en la zona centro del país, aplicación en la subestación Marcona
ISA CTEEP	<ul style="list-style-type: none"> ▪ Uso de biocombustible para la flota móvil: 99,86% etanol ▪ Intensificación en el uso de drones para las inspecciones de activos y subestaciones con mayor precisión, menores desplazamientos y necesidades de poda de vegetación ▪ Mejora de la eficiencia energética mediante el cambio a luminarias LED en subestaciones ▪ Reutilización de ~1 tonelada de uniformes usados en la fabricación de nuevas prendas ▪ Reutilización de agua en algunas subestaciones en operación

ISA BOLIVIA	<ul style="list-style-type: none"> Mejora de la eficiencia energética mediante el cambio a luminarias LED en subestaciones y sede administrativa
ISA INTERCHILE	<ul style="list-style-type: none"> Contratación de nuevos sistemas de almacenamiento de agua que evitan generación de pérdidas
INTERNEXA	<ul style="list-style-type: none"> Extensión al máximo de la vida útil de los equipos y las tecnologías habilitadas, evitando renovaciones tecnológicas apresuradas Optimización de la capacidad de uso de fibras ópticas Reutilización tecnológica: Estrategia para entregar capacidades en interfaces de 100 Gbps, usando menos equipos, de menor tamaño y con menor consumo de energía Prolongación la vida útil de los sistemas de telecomunicaciones en condición de obsolescencia tecnológica a través de la adquisición de tarjetas <i>refurbished</i>
ISA INTERVIAL	<ul style="list-style-type: none"> Uso de asfalto reciclado en vías locales y bermas
SIER	<ul style="list-style-type: none"> 100% de los trabajadores vinculados a la estrategia de movilidad sostenible empresarial por medio de la aplicación móvil AppiMotion Se complementó AppiMotion con micro movilidad, gracias a la alianza realizada con la empresa Cosmic Go para gestionar la movilidad al interior de diferentes organizaciones: nueve compañías con más de 2.289 usuarios activos actuales

Commitment to socio-economic development

GRI [103-1] GRI [103-2] ISA Group contributes to the development and transformation of territories where it is present, seeking to leave a positive and everlasting legacy of fostering and respect for human rights. In design and construction of projects, as well as in the execution of operations, the company aims to cause the lowest impacts on the surrounding community and on the environment, with a peaceful coexistence and sustainable approach.

Material issues that are a priority regarding this dimension:

- ### Socioeconomic development

To contribute to the development and transformation of territories where the company is present, through sustainable programs that leave a positive and everlasting legacy of empowerment, fostering, and respect for human rights. Proximity, listening and dialogue, to create relationships with trust and legitimacy.

- **Proximity and dialogue with stakeholders, listening to their expectations**

The company recognizes its stakeholders as relevant for achieving the business strategy, and therefore, it listens to their expectations and establishes transparent and close relationships, focused on complying with the commitments and co-responsibility.

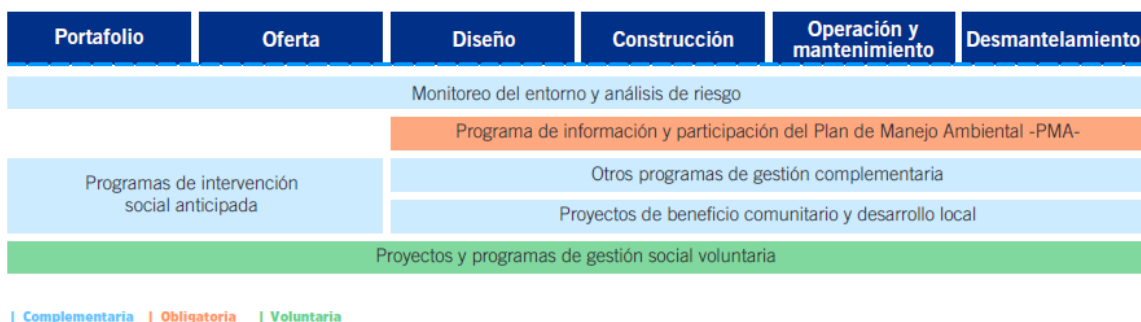
Social management in the asset life cycle

ISA, through its social management model, designs relationship strategies with communities in the area of influence, which allow it to build with them healthier and more prosperous environments that ensure the continuity of the assets in the long term. Such strategies respond to a vision and a systemic analysis of territories. They seek to capture opportunities and to create a legacy for future generations, as well as to prevent, mitigate, correct, and compensate the impacts created by infrastructure in neighboring communities.

In this regard, the Social Management Model establishes the main guidelines to address relationships and investment plans in the communities:

- Economic development
- Community infrastructure
- Education and safe coexistence with the infrastructure
- Social promotion actions

Social management in the asset life cycle chart



Social investment

Total investment	COP	38.632.034.150
People benefited		349.044
Benefited organizations		1.591
Colombia		
COP	23.615.645.090	Investment
	310.246	People benefited
	1.443	Benefited organizations
Perú		
COP	3.902.757.581	Investment
	2.380	People benefited
	33	Benefited organizations
Brasil		
COP	9.232.139.677	Investment
	12.695	People benefited
	17	Benefited organizations
Chile		
COP	1.206.052.852	Investment
	18.723	People benefited
	84	Benefited organizations
Bolivia		
COP	675.438.944	Investment
	5.000	People benefited
	14	Benefited organizations

Líneas de inversión						
	Desarrollo local y Fortalecimiento Institucional	Educación y convivencia	Infraestructura comunitaria	Acciones de promoción social	Gestión de proyectos	Conexiones para el Desarrollo
Cifras en COP						
2018	5.767.208.928	12.251.784.060	18.720.068.706	10.258.714.251	N. A.	N. A.
2019	10.584.731.943	39.710.165.962	8.447.010.222	18.281.093.836	N. A.	N. A.
2020	2.747.329.943	6.847.081.168	4.738.478.129	6.453.791.494	16.578.123.414	1.267.230.000

Voluntariado	
Horas de voluntariado personales	175
Horas de voluntariado laborales	85
Total de voluntarios	1066

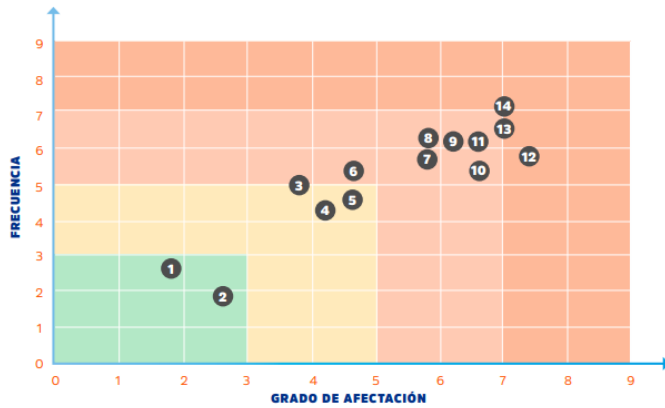
Percentage of critical municipalities with presence of social investment

Country	Company	2018	2019	2020	Goal 2020	Goal 2021
Colombia	ISA INTERCOLOMBIA	95%	86%	99%	90%	90%
	ISA TRANSELCA	100%	100%	80%		
Brazil	ISA CTEEP	100%	N.D.	N.D.		
Peru	ISA REP	33%	72%	5%		
Chile	ISA INTERCHILE		100%	100%		
	ISA INTERVIAL	70%	80%	80%		
Total		79,6%	87,7%	72,8%		

Social Impacts Matrix and Risk Management Tools

ISA has different tools to identify social impacts that could be generated by projects and operations to structure better solutions, programs, and measures that directly contribute to the prevention, mitigation, or offsetting of such impacts.

MATRIZ DE IMPACTOS SOCIALES



- 1 Modificación de la calidad del aire
- 2 Modificación en la disponibilidad del recurso hídrico
- 3 Afectación a características culturales de grupos étnicos o no étnicos
- 4 Configuración de economías paralelas no deseadas (micro tráfico, prostitución, delincuencia común, entre otros)
- 5 Alteración a los accesos/infraestructura vial o modificación a la movilidad urbana
- 6 Alteración al patrimonio histórico y arqueológico
- 7 Modificación en el uso actual del suelo (afectación a cultivos, destinación económica del suelo)
- 8 Limitación al derecho de dominio
- 9 Generación de radio-interferencias e inducciones eléctricas
- 10 Incremento del riesgo de accidentalidad
- 11 Modificación en los niveles de presión sonora (contaminación sonora-ruído)
- 12 Desplazamiento involuntario de familias o de infraestructura (incluye afectación a la infraestructura comunitaria y privada)
- 13 Generación / potenciación de conflictos
- 14 Modificación de la calidad paisajística

Social risk refers to events that could affect the commitments undertaken by ISA and its companies with society. These could include protests of communities or other stakeholders due to the presence of the businesses in a territory, third-party actions affecting the infrastructure, limitations for project development, among others. Social management is supported by several tools, actions, and programs aimed at creating positive social impact and addressing, in a timely manner, social risks during the life cycle of assets, thus contributing to obtaining the social permit to build and operate the projects:

Tool	Definition	Management
Analysis of Restrictions of the Expansion Plan (ARPEX)	A tool that analyzes georeferenced social, environmental, and property type variables in the area of interest of a project to identify risk areas and generate mitigation actions	ARPEX applied to three projects in Brazil and Chile, and a prototype applied to one project in Perú
Environment analysis	Analysis to identify risks and opportunities associated with social, political, and environmental realities in the area of influence of the infrastructure	Periodic reports with 100% reach in countries where the company is present
Community Benefit Projects (PBC)	Initiatives agreed with the community to provide populations with social infrastructure to support the environmental licensing process	450 projects in the area of influence of infrastructure under construction in Colombia
Program for safe coexistence with the infrastructure	Risk prevention program aimed at strengthening the relationship with the population in the area of influence of transmission lines and promoting safe and friendly coexistence	Programs developed in Colombia, Peru, Brazil, Bolivia, and Chile

Early Relationship Program (PRA)	Complementary social management actions, projects, and programs that seek to generate acknowledgement and genuine support from the communities in stages prior to the construction of projects	Relationship activities with six communities in Colombia and four socio-political studies
Conexión Jaguar Program	Sustainability program created for the conservation of biodiversity and mitigation of climate change	A new project in Colombia in 2020, plus the ongoing projects in Brazil, Peru, and Colombia
Human Rights Promotion	Actions to train in and promote Human Rights	<ul style="list-style-type: none"> ▪ In 2020 there were no cases of discrimination, restriction of freedom of association, child exploitation, or forced labor in any of the Group companies ▪ 420 hours of human rights training
Complementary and voluntary social management	Programs aimed at creating long-term, trust relationships with communities, addressing social risk, and mitigating social impacts	Social programs in all countries where the group is present (refer to graph: social projects investment)
Environmental Management Plans (PMA)	Activities aimed at preventing, mitigating, correcting, or offsetting the environmental and social impacts and effects of the development of a project, work, or activity	In 2020 environmental licenses and modifications were obtained for 17 projects
Community Information and Participation Processes (PIPC) in Colombia	Comprehensive strategy aimed at creating community participation spaces to establish effective communication channels.	Around 1.319 agreements reached with local communities in more than 107 municipalities in Colombia

Connections for development

Conexiones para el Desarrollo Program

This program is the ISA Group's contribution to generations of today and tomorrow, which seeks to strengthen the capacities of the community ecosystem to generate transformations in the areas of influence.

Through the strengthening of educational, community, and institutional capabilities, the goal is that communities implement sustainable strategies that involve an improvement of their quality of life in at least three levels: individual, family, community, and public policy.

Program cycle:

- **Selection of territories.**
- **Characterization of territory:** Familiarization with territory and dynamics to ensure proper participation that meets the needs of the context, establishing participative development agendas.
- **Strengthening of capabilities:** Specific projects are materialized to strengthen competences for transforming territories at the school, family, and community levels and in institutions of local governments.
- **Transformations:** The goal is to ensure the continuity of projects after the end of the community program support, through the alliance with local stakeholders.

Program allies:

- Fundación Barco (Barco Foundation)
- UNDP (United Nations Development Programme)

Results:

First project in Colombia

ISA INTERCOLOMBIA and allies defined the implementation of the project in the Sabanalarga–Bolívar transmission line, that seeks to interconnect two substations located in northern Colombia and to reinforce the network in the area.



- 7 municipalities in Atlántico and Bolívar
- 20 territorial units
- Close to 31.000 people will be benefited
- 100% educational institutions benefited in the municipalities, with support to improve the quality and relevance of education
- Support for families and community organizations in the area of influence of the project for the improvement of their quality of life by means of productive and community infrastructure projects
- Support for local governments to improve their management capabilities and to prepare projects of interest for the territory

Corporate volunteer program

ISA Group's Voluntary Work Program aims to connect employees with solidarity actions that have impact on those who need them the most, being aware that one of the most important demonstrations of the commitment with their needs is related to human capital contribution.

A program of ISA and its companies that seeks to connect their employees with communities, enabling them to generate new enriching experiences for their lives, maximize their skills to share with others, and directly contribute to the development of the territories where we are present.

Lines of action through which employees get involved with different initiatives, mostly proposed and structured by them:



In 2020, we worked in an additional line focused on solidarity actions to help communities that were most affected by the pandemic.

Dialogue with stakeholders




[GRI 102-40] [GRI 102-42] [GRI 102-43] [GRI 102-44] ISA respects, recognizes, and values its stakeholders and incorporates them into its strategic model by formulating commitments to each of them, to generate value.




For ISA companies, stakeholders are groups of people, organizations, and institutions with whom common interests are built and shared. They may be affected by the company's services or activities. The relationship between them and ISA companies is clear, visible, and legitimate. [GRI 102-42]

The company is committed to develop, strengthen, and promote mechanisms of relationship and commitment to its stakeholders to:

- Promote ethical, transparent, constructive, and respectful human rights relationships.
- Generate communication channels that provide information and ensure spaces for dialogue.
- Strengthen relationships based on trust and legitimacy.
- Provide timely information of public interest.
- Contribute to sustainable development and welfare of society.

Stakeholders

	Interés material	Respuesta estratégica Prácticas de valor	Indicadores estratégicos	Mecanismo de relacionamiento
 <p>Trabajadores</p>	<p>ATRACCIÓN, DESARROLLO Y CUIDADO DEL MEJOR TALENTO</p> <ul style="list-style-type: none"> ▶ Empleador atractivo y deseable ▶ Capacidad de desarrollar trabajadores altamente calificados que aprenden y se proyectan vinculados a la organización ▶ Prácticas laborales de calidad y respeto a los empleados ▶ Seguridad y salud en el trabajo para empleados directos e indirectos ▶ Gestión de la equidad, diversidad e inclusión 	<p>Vigencia corporativa</p> <ul style="list-style-type: none"> ▶ Programas de entrenamiento ▶ Planes de salud ▶ Programa de liderazgo ▶ Condiciones laborales competitivas 	<ul style="list-style-type: none"> ▶ Clima organizacional ▶ Desempeño superior ▶ Índice de frecuencia de accidentalidad ▶ Agregar índice de liderazgo 	<ul style="list-style-type: none"> ▶ Medición de clima laboral y medición de liderazgo ▶ Medición del riesgo psicosocial ▶ Gestión del desempeño ▶ Intranet, boletines, carteleras, correo electrónico y buzones de sugerencias ▶ Café con el Presidente ▶ Comunidades virtuales ▶ Comités paritarios de salud ocupacional y comités de convivencia ▶ Comités y grupos primarios ▶ Procesos de negociación colectiva
 <p>Estado</p>	<p>BUEN GOBIERNO</p> <ul style="list-style-type: none"> ▶ Independencia respecto al gobierno y terceros ▶ Comportamiento ético, íntegro y transparente ▶ Estructura y composición de gobierno diversa que responde a los retos de la estrategia 	<p>Valor al accionista</p> <ul style="list-style-type: none"> ▶ Promoción y prestación de servicios públicos de calidad ▶ Gestión ética y prácticas anticorrupción ▶ Promoción de ODS (7 acceso a la energía, 13 Gestión por el clima, 15 Ecosistemas) ▶ Programa Conexión Jaguar 	<ul style="list-style-type: none"> ▶ Utilidad neta ▶ EBITDA 	<ul style="list-style-type: none"> ▶ Espacios de participación de promoción de políticas públicas ▶ Espacios de participación gremial ▶ Consultas
 <p>Inversionistas</p>	<p>BUEN GOBIERNO</p> <p>SOLIDEZ Y CRECIMIENTO</p> <ul style="list-style-type: none"> ▶ Capacidad para cumplir los objetivos financieros y de negocio aprovechando las oportunidades y garantizando la vigencia corporativa ▶ Estrategia adecuada de crecimiento 	<p>Valor al accionista</p> <ul style="list-style-type: none"> ▶ Liderazgo y compromiso de la Junta Directiva ▶ Prácticas de buen gobierno ▶ Pago de dividendos 	<ul style="list-style-type: none"> ▶ Utilidad neta ▶ EBITDA ▶ Valorización de la acción respecto al mercado ▶ Inclusión Dow Jones Sustainability Index 	<ul style="list-style-type: none"> ▶ Asamblea General ▶ Oficina de atención al accionista ▶ Webcast ▶ Informes trimestrales ▶ Reuniones y visitas ▶ Línea de atención ▶ Email ▶ Chat accionistas ISA

	Interés material	Respuesta estratégica Prácticas de valor	Indicadores estratégicos	Mecanismo de relacionamiento
 Proveedores	<p>ANTICIPACION E INNOVACION</p> <ul style="list-style-type: none"> Aplicación de la innovación en el desarrollo de nuevos productos y servicios Mejora continua, innovación de procesos y transformación digital <p>ALIANZAS ESTRATEGICAS PARA LA TRANSFORMACION</p> <ul style="list-style-type: none"> Alianzas de largo plazo para el logro de los propósitos y mejora de las capacidades de las partes 	<ul style="list-style-type: none"> Impacto social y ambiental Valor al accionista Prácticas de aprovisionamiento responsable Gestión de la ética y los Derechos Humanos Compras locales Programas de desarrollo Compromiso y formación permanente en SST 	<ul style="list-style-type: none"> Índice frecuencia de accidentes empleados - Contratistas 	<ul style="list-style-type: none"> Encuentro Evaluación de desempeño Visitas en campo y fábrica
 Cliente/Usuario*	<p>EXCELENCIA EN EL CUMPLIMIENTO DE SU ACTIVIDAD</p> <ul style="list-style-type: none"> Cumplimiento de la promesa de valor con rigor y excelencia Referente en sus estándares y prácticas Seguridad de las infraestructuras, la información y ciberseguridad 	<ul style="list-style-type: none"> Impacto social y ambiental Comunicación permanente Programas de habilitación para la prestación del servicio Satisfacción del cliente/usuario Confiabilidad y disponibilidad de la red de energía Seguridad vial 	<ul style="list-style-type: none"> Cumplimiento de estándares de servicio Energía no suministrada no programada índice de Satisfacción de usuarios concesiones viales Índice de seguridad vial Cumplimiento niveles de servicio TELCO Indicadores CREG 	<ul style="list-style-type: none"> En las filiales Encuentro anual Boletín Visitas Evaluación de satisfacción Buzón clientes
 Sociedad	<p>CONTRIBUCION PROACTIVA A LOS DESAFIOS AMBIENTALES GLOBALES</p> <ul style="list-style-type: none"> Liderazgo en iniciativas para contribuir a la protección de los ecosistemas y la biodiversidad Estrategia de mitigación y adaptación a los efectos del cambio climático <p>COMPROMISO CON EL DESARROLLO SOCIOECONOMICO</p> <ul style="list-style-type: none"> Contribución al desarrollo sostenible y la transformación de los territorios, construyendo un legado positivo para las regiones Cercanía y diálogo con los grupos de interés Respeto y promoción de los derechos humanos y gestión de los impactos sociales 	<ul style="list-style-type: none"> Impacto social y ambiental Compromiso con el desarrollo Inversión en áreas críticas para el negocio Comunicación y consulta con la comunidad y sus representantes Programa Conexión Jaguar 	<ul style="list-style-type: none"> Compensación emisiones CO₂ Cumplimiento ponderado avance físico de proyectos TE Cumplimiento del avance físico del proyecto Obras de Seguridad Normativa de Ruta del Maule Cumplimiento TIR obras seguridad normativa Ruta del Maule 	<ul style="list-style-type: none"> Talleres de formación Reuniones informativas y de sensibilización Rondas de relacionamiento Programa radial Encuesta cierre de convenios Encuentro con pobladores

*Este grupo de interés es gestionado directamente por las filiales

- DIALOGOS CON GRUPOS DE INTERES
- INVESTIGACION DE REPUTACION

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Main matters of meeting and dialogues

The pandemic and its effects on health, development, economy, stability of contracts with suppliers, COVID-19 management with employees and work dynamics, were the core of conversations with stakeholders.

ISA established a dialogue with academy, unions, the Nation, scientific community, representatives of civil society, employees, and suppliers to address these matters and how they are affected, to identify joint actions and design solutions to minimize impacts.

As a result, three work fronts were prioritized, and actions were defined to be implemented in 2020, 2021, and 2022:

Work front	Actions
Health and scientific research management	In the framework of Todos Somos Uno* (We are all one) program and together with universities, innovation centers, health entities and foundations, the company's OHS teams and the epidemiological advisory group, the ACCIÓN PAÍS (Country Action) line was created, focused on economic revival and health services, in matters such as diagnostic tests, personal protective equipment for medical staff and development and research for the generation of local capabilities. Close to 50 proposals or

	<p>projects in the following aspects were evaluated with an impact on:</p> <ul style="list-style-type: none"> • Country presence • Flattening of the contagion curve • Stimulus for innovation matters <p>Main actions performed:</p> <ul style="list-style-type: none"> ▪ Community surveillance strategies to strengthen diagnostic capacities and flatten the contagion curve. ▪ Active monitoring of health personnel (hospitals), weekly random testing of 10% of medical and administrative staff in six hospitals, for 25 weeks as of December 2020 and a total of 6.999 tests administered ▪ Support for the first clinical study for using convalescent plasma for COVID-19 patients ▪ Research support for the production of COVID-19 test reagents ▪ Contribution to the development of "Protocolo Colombia" (Colombia Protocol) ▪ Support to the National Health Institute (INS) for seroprevalence study ▪ DogSavior: PCR test support for training dogs to detect odors characteristic of volatile organic compounds generated when a patient is infected by COVID-19 ▪ Wastewater, characterization of chemicals, molecules, and organic waste in wastewater as an effective platform for monitoring the health of communities ▪ Reinfection/Co-infection, evaluation of immunity level, infection percentage for herd immunity and mechanisms for extended protection as a basis for establishing vaccination protocols ▪ Medical brigades in 21 municipalities, some of them in remote places
Economic revival	<p>Conversations and document review led to the conclusion that the focus between 2021 and 2022, as an economic revival response, would be in:</p> <ul style="list-style-type: none"> ▪ Creation of employment from the projects area with ISA's contractors and suppliers: to promote contracting of local labor in infrastructure construction projects. ▪ Entrepreneurship, with two scopes: i) the development of productive projects in territories that create means of subsistence for rural women, prioritizing reforestation due to its potential to create employment, its affinity with Conexión Jaguar Program, and the reforestation goal of the National Government, ii) ISA gets involved as a trailblazing company, to include new suppliers from an inclusive market perspective and to strengthen the Company's current suppliers. ▪ Training for employability: Pilot for creating skills in "no-code programming" to develop applications and webpages and for a quick hiring for young high school graduates that are not working or studying

	<ul style="list-style-type: none"> ▪ Energizing: pilot for developing micro network type systems to energize non-interconnected territories.
The impact of COVID-19 on suppliers' supply chains	<p>ISA's Corporate Procurement Department, together with the main suppliers of goods and services of centralized categories, executed a diagnosis regarding the impacts of COVID-19 on supply chains and agreed on joint actions to be implemented during the contingency:</p> <ul style="list-style-type: none"> ▪ Work from home ▪ Mitigation plans in production plants ▪ Ground and private transportation for moving personnel and material ▪ Regular COVID-19 testing ▪ Prioritization and monitoring of orders and logistics with customers and suppliers and expansion of suppliers' base ▪ Dissemination of biosecurity protocols to suppliers and contractors ▪ Flexibilization of deliveries with suppliers

*Refer to chapter ISA in the context of COVID-19 pandemic.

Main dialogue meetings with stakeholders in affiliates:

ISA INTERCOLOMBIA	<p>In 2020, in the midst of the pandemic, the company deployed a communication and relationship strategy through virtual media to guarantee due diligence in the reactivation and continuity of the company's operations in the territories, focused on preserving the trust of stakeholders and facilitating the management of their expectations, to offer real supportive behaviors.</p> <p>Dialogues with stakeholders to identify expectations; a comprehensive agenda was prepared, developed in eight virtual events, following the same core subjects: trust, leadership, resilience, empathy, care ethics, optimism.</p> <p>Participant stakeholders: employees, suppliers, customers, local government, trade associations, social management allied organizations, social stakeholders (community and ethnic leaders, NGO, universities, research, and study groups), the church.</p> <p>As a result of these dialogues, the stakeholders' expectation in relation to the following needs was disclosed:</p> <ul style="list-style-type: none"> ▪ Strengthening of social dialogue to establish projects ▪ Entrepreneurship for reactivation, food security, and productive projects ▪ Facilitating better connectivity and internet access ▪ Community participation in renewable energy projects ▪ Remote social support for communities ▪ Ecosystem offsetting and preservation within the framework of alliances for social management ▪ Improved relationships with contractors operating in the territory: communication, information, and respect for human rights ▪ Hiring of local workforce for projects ▪ Building trust from the dialogue in easement management
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ISA REP	<p>Conversation spaces with communities and employees were created</p> <p>Communities The main concerns expressed by communities, arising from the COVID-19 situation are related to more social investment, health promotion, and humanitarian aid.</p> <p>Collaborators They have a constant concern for occupational health and safety, which increased due to COVID-19. In this sense, constant communication was established through different webcasts with senior management, communication spaces regarding relevant and organizational matters.</p>
ISA TRANSELCA	<p>The conversations considered the materiality and reputation results, selecting the most relevant aspects and analyzing them from a triple bottom line approach (environmental, social, and economic). The purpose of the conversations was to create value aspects for stakeholders, understanding that the company is not unrelated to reality and challenges arising from the pandemic.</p> <p>In addition, a meeting with suppliers was held, whose core subject was aligned with the diversity and inclusion program OTRAS MIRADAS (Other Insights).</p>
ISA INTERCHILE	<p>The management performed by the Freirina community, which objective was to improve the quality of life through a participative process of design, construction and creation of public spaces for encounters, with the participation of the municipality, the community, and the company. The most important milestones were:</p> <ul style="list-style-type: none"> ▪ Physical change: construction of a meeting space for the community according to needs and characteristics. ▪ Social change: development of a strategy to create, use, and care of the space. ▪ Community empowerment for making its own decisions.

Care and human capital development

GRI [103-1] GRI [103-2] Human talent management in ISA Group is framed within a work model that prioritizes the leader-employee relationship as the core where the real development of people occurs.

Material issues that are a priority regarding this dimension:

- **Talent development**

Company committed to the practices and activities aimed at strengthening the knowledge and at acquiring new skills and competences to improve the performance of employees and achieve the strategy.

- **Quality of life**
Promotes the balance between work responsibilities and personal life, as well as quality work practices, valuing the talent's care and respect.
- **Occupational Health and Safety**
Company that manages the health and safety of its own and indirect employees, by promoting healthy workplace environments, the implementation of safe practices, and the development of a self-care culture:

Talent development

GRI [103-1] GRI [103-2] GRI [103-3] GRI [404-3] During 2020, progress was made in consolidating the learning and knowledge strategy on the three fronts defined:

Leadership center	Excellence center	Development center
It allows to develop skills defined in the ISA leadership brand in key leaders and talents, to leverage the achievement of the ISA2030 Strategy.	It maintains and develops core knowledge of companies, promoting in technical experts the knowledge that strengthens the business and ensure its validity, competitiveness, and sustainability.	It is designed to develop and strengthen organizational capabilities to achieve the ISA2030 Strategy.
8% programs in relation to other centers	36% programs in relation to other centers	56% programs in relation to other centers
Investment USD 226.312,41	Investment USD 540.853,67	Investment USD 1.036.483,92
Training hours 12.520,4	Training hours 126.700,5	Training hours 121.087,1
5% of total training hours	49% of total training hours	47% of total training hours
Level of satisfaction 4,7	Level of satisfaction 4,5	Level of satisfaction 4,4

- General satisfaction average of training events in the group: 4,48/5
- Total investment in training: USD 1.803.650. Its reduction in relation to 2019 occurred due to a decrease by 50% of the planned budget.
- Total training hours: 260.308

Hours of training for women	72.277
Average training/per woman in the company	72 hours of training per woman
Hours of training for men	188.031

Average training/per man in the company	62 hours of training per man
Job openings filled with internal talent	75
Equivalent percentage	16%

Hiring cost/FTE in the last fiscal year USD		
2.018	2.019	2.020
2.249	2.449	2.649

Main training actions and programs:

Leadership center	<p>ISA's Liderando el Futuro (Leading the Future) Program This program is addressed to managers and key talent, as well as the development of new talent. It was a 7-month virtual program with 29 participants from all the group's affiliates. Level of satisfaction: 100%</p> <p>Leadership blended program Two (2) programs were developed to share with participants ISA's leadership brand, to provide tools and create coherence on what is expected from leaders. Participation of 83 persons from the different affiliates of the group with 89% adherence. Level of satisfaction: 9,6/10</p> <p>Strengthening the Leadership Brand and the development of organizational capabilities MBA program tailored to ISA. Participation of 29 persons from the different affiliates. Level of satisfaction: 94% Individual and group support through coaching of more than 32 company leaders to strengthen their leadership style in uncertainty and change settings.</p> <p>Leaders meeting For the first time in ISA Group, all company's leaders had a virtual meeting in four events. This initiative arose to create spaces to support the development of 260 group leaders and to achieve alignment with the Leadership Brand, its attributes, and how to put them into practice. Attendance over 85%. Level of satisfaction 4,1/5</p>
Operating Excellence Center	<p>This training center strengthens operational excellence and safety in the provision of services, linking people, processes, and technologies.</p> <p>Safe Culture Program To ensure personal safety and quality maintenance of energy transport assets, the programs for certification of work at heights, work leaders, technical week, Occupational Health and Safety week, and the Safe Culture program were maintained.</p> <p>"General technical aspects and introduction to the legal framework of renewable and non-conventional energy sources (FNCER)" diploma course, held in response to the identified need to develop competences associated</p>

	<p>to new energy businesses focused on distributed energy services. Participation of 25 persons from the different affiliates of the group. 80% assistance</p> <p>Operational security program Addressed at the engineering group of Control Center:</p> <ul style="list-style-type: none"> ▪ Training in Threat and Error Management (TEM) and human factors in operational security ▪ Training through UPGRADE Software SCADA_MONARCH ▪ Training workshops addressed at the concentration of engineers of the Control Center to address contingencies arising from the pandemic <p>ISA CTEEP's internal facilitators program Participation of 100 facilitators in strengthening knowledge transfer processes.</p> <p>Besides the training programs executed, complementary virtual material was designed, and the virtual service of the internal library was strengthened to offer documents, books, and bibliographic information related to the main thematic axes of the business core.</p> <p>To continue strengthening the knowledge management in the company, more than 250 critical knowledge for the Energy Transmission business unit were identified during the year.</p>
Development center	<p>To develop and strengthen prioritized organizational capabilities, the following programs and events were held:</p> <p>Digital Transformation</p> <ul style="list-style-type: none"> ▪ Digital transformation fair, directed to all group's employees, addressing subjects such as cybersecurity, analytics, and fingerprints; in addition, a panel of experts discussing the work of the future participated. ▪ Advanced Analytics in the Cloud diploma course. 32 Group's participants Satisfaction: 4,5/5 ▪ #SoyDigital: Six sessions to strengthen knowledge in technology tools and to facilitate productivity. 1.300 people attended <p>Innovation</p> <ul style="list-style-type: none"> ▪ Venture capital: Training addressed to ISA people, to deepen in the design, implementation, and management of investment strategies of entrepreneurial capital. ▪ Formulation of challenges: Addressed at innovation managers of different affiliates, to transfer the methodology for defining challenges to create the capability to identify, analyze, and structure challenges with their teams. <p>Adaptability</p> <ul style="list-style-type: none"> ▪ Basic training on agile methodologies, including Scrum, to incorporate agile practices to the management of projects and processes. ▪ Close to 32 periodic webinars were held with recognized speakers of the field to enhance adaptability skills in light of the challenges posed by the pandemic. <p>Virtual learning strategy</p> <ul style="list-style-type: none"> ▪ 1.971 LinkedIn Learning licenses were purchased for companies of the group. 540 courses

	<p>1.941 attendants 2.180 training hours</p> <ul style="list-style-type: none"> ▪ Knowmad and REP Learning program: Series of online courses with live instructors, focused on the development of organizational capabilities. ▪ Getabstract tool: Portal with access to 20.000 summaries in written and audio formats regarding leadership, finances, innovation, health, and sciences. 26.814 visits registered in the portal <p>Language program 55 persons participated in the language training program (English and Portuguese). 4.213 training hours Level of satisfaction: 4,2/5</p> <p>ISA's Talent Seedbed Development of future high-potential leaders for the company and their successors: 100% of the training route was executed. Participation of 20 development professionals Level of satisfaction: 84%</p>
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Training programs with greater impact on the core business

Development program	Benefits for the business	Quantitative impacts	% employees (FTE)
Leadership	<p>Strengthening and positioning of Leadership Brand to face present and future challenges of the company:</p> <ul style="list-style-type: none"> ▪ Leadership exercise in VUCA (volatility, uncertainty, complexity, and ambiguity) environments ▪ Strengthening of adaptability capability through deep reflections and conversations on leadership in pandemic situation 	<ul style="list-style-type: none"> ▪ Four virtual meetings ▪ 260 leaders participating ▪ Increase in the leadership rate by 2 percentage points, from 85% in 2019 to 87% in 2020 	<ul style="list-style-type: none"> ▪ Leaders meeting: 260 participants ▪ Leaders program: 112 participants
Development of organizational capabilities	<p>Development and strengthening of three prioritized organizational capabilities to address the organization's current challenges arising from the global COVID-19 situation:</p> <ul style="list-style-type: none"> ▪ Digital transformation, innovation, and adaptability ▪ Digital tools optimization for remote work ▪ Generation and implementation of ideas to solve challenges associated with the pandemic 	<ul style="list-style-type: none"> ▪ Improvement of corporate environment for ISA and its companies in relation to 2019 General results: 83% Favorability: 86% ▪ 50% training budget optimization, as all training actions developed in 2020 were within the framework of the virtual learning strategy, avoiding 	<ul style="list-style-type: none"> ▪ 3.328 participants (83% employees) ▪ 29 persons are currently taking a tailored MBA program, designed by Westfield, Prestigio, and ISA Group

	<ul style="list-style-type: none"> Rigor, excellence and strengthening the value of occupational health and safety during pandemic times 	logistics and travel expenses	
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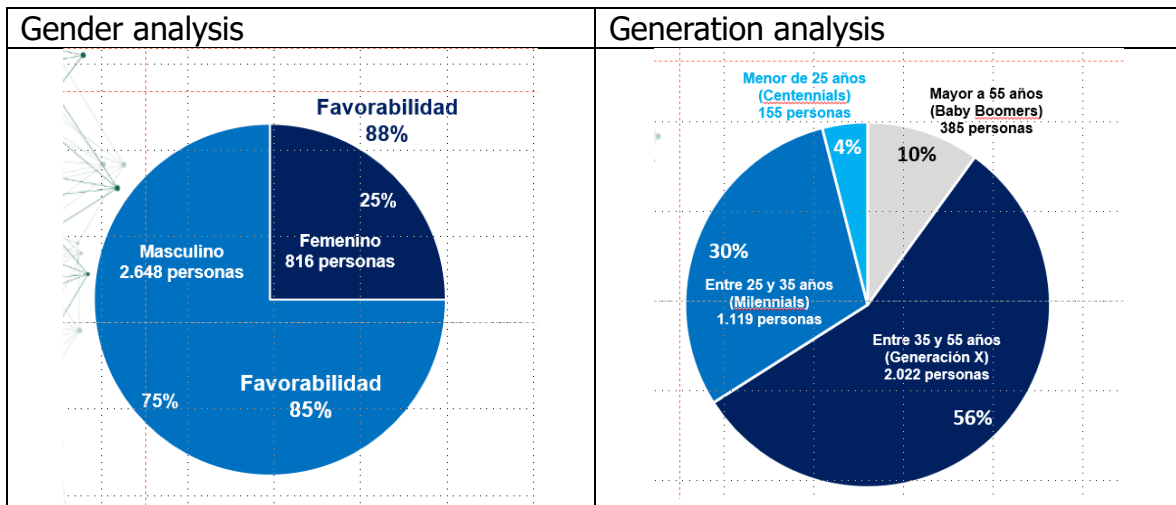
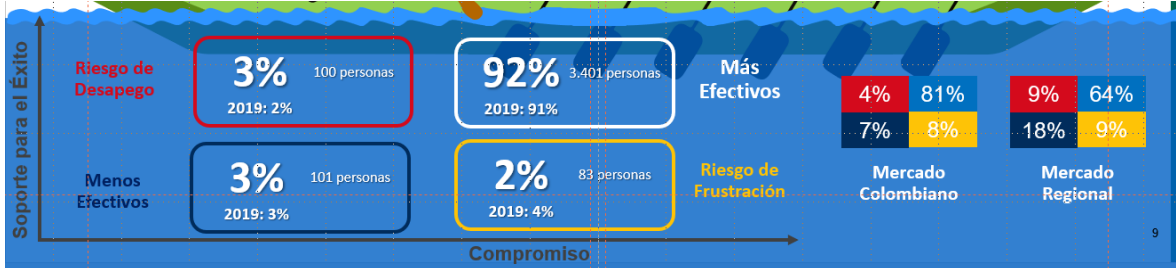
Quality of life

ISA and its companies implement actions to promote quality work practices, valuing the talent's care and respect.

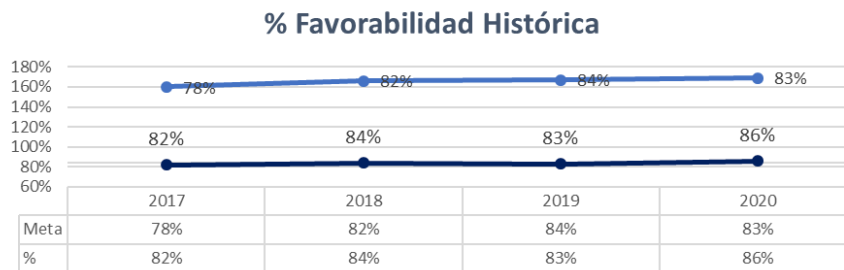
Organizational Climate:

The organizational climate in ISA's companies reached 86% favorability in 2020, increasing 3% compared with the previous year's measurement. This is a very positive value when compared with the Colombian (74%) and regional (72%) market averages. 3.685 employees (95%) participated in the survey. The following stands out upon this measurement:

ISA Group's effectiveness matrix



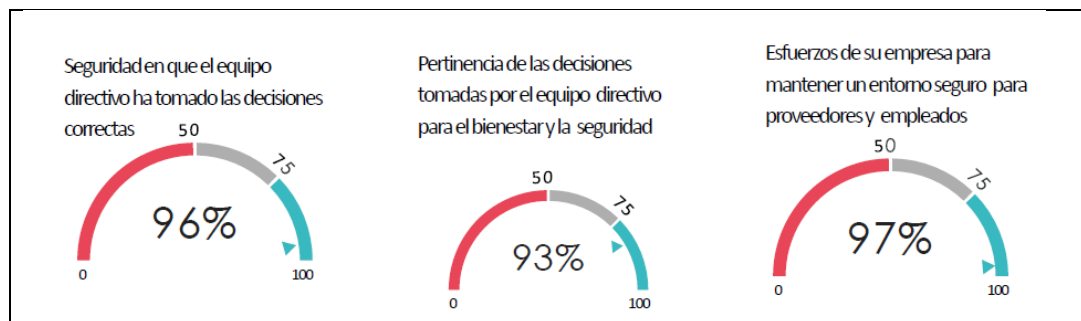
favorability result and goal



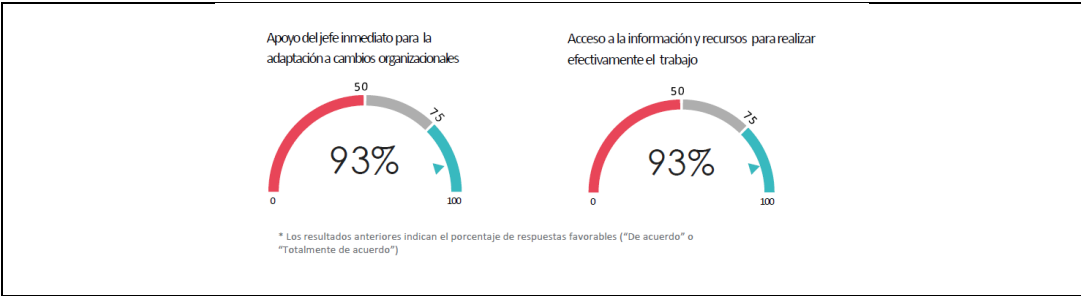
Perceptions about the pandemic:

Some measurements were made, understanding the pandemic impact and the changes that occurred in work dynamics of teams. These measurements aimed to establish the situation in which people were facing the strategies implemented in remote work, their mood, the decisions of the direct team and leadership during contingency times, communications' effectiveness, access to resources and containment and connection environment of teams in virtuality.

- Over 86% employees maintained a positive mood during remote work.
- There was a high level of trust in the executive team and in the decisions made to face the contingency.



- It was perceived that leaders have supported employees to adapt to changes caused by the contingency.



Compensation, performance, and succession:

<p>Compensation</p>	<ul style="list-style-type: none"> ▪ Re-design and approval of adjustments to the short-term variable system ▪ Identification of benefit inventory ▪ Implementation of Korn Ferry’s Job Evaluation Manager (JEM) platform ▪ Implementation of updated long-term variable compensation system ▪ Construction of regional indicators for compensation and gender equality regarding compensation ▪ Operationalizing of mobility guidelines at the regional level ▪ Re-designs and implementation of total payment report for ISA
<p>Performance Management</p>	<ul style="list-style-type: none"> ▪ Result 2017: 72% (baseline) ▪ Result 2018: 79% ▪ Result 2019: 85% ▪ The result corresponding to 2020 is obtained in the first semester of 2021 <p>It is the main input for leaders to make decisions regarding management of the human talent under their responsibility. The goal is that 90% of the Group’s employees have a superior performance.</p>
<p>Succession planning and potential assessment</p>	<p>Annual and continuous process to identify, develop, and prepare the most competent and high-potential employees, to take over critical positions in the company in the coming years.</p> <p>The following achievements were the result of the planning process of talent succession:</p> <ul style="list-style-type: none"> ▪ 255 critical positions were identified, of which 169 are executive and 86 are non-executive. ▪ 331 successors have been identified for the 255 critical positions (138 with measured potential, 64 in the measuring process, and the rest will be measured during 2021). ▪ 48% of all critical job openings have been filled with internal talent, which creates mobility and development opportunities for 20 employees in the group.

Occupational health and safety

GRI [403-9]

For ISA and its companies, it is important to protect and preserve the health and safety of employees regardless of the type of contractual relationship, by guaranteeing safe working environments, self-care, and the application of good prevention practices. The unnegotiable commitment with safety is expressed in the Occupational Health and Safety Policy, which purpose is to achieve safe work environments and healthy lifestyles.

2020 meant adapting to continue with the essential activities planned in the pandemic environment. The first commitment was with the employee's health, so that crisis committees were promptly established in ISA and its companies, to offer agile and efficient response to preserve the health of work teams and to ensure the continuity of operations. Management was focused on consolidating a safety culture, which involved designing a plan for the whole company group, with biosecurity protocols and measures to minimize the risk of COVID-19 contagion, in compliance with governmental guidelines and supervised by a team of epidemiologists.

The main actions taken in relation to the pandemic were:

Work from home

ISA Group's companies decided to establish work from home to avoid contagion, adopting the guidelines of national governments, for protecting the health of employees and society in general. The companies have ensured that employees whose work can be done from home have everything they need to perform their activities. The year closed with 69% employees working from home.

Benefits

Psychological support with online therapy sessions was offered to guarantee the health and wellbeing of employees. The COVID microsite was enabled in the corresponding companies' intranets, with information related to the virus and preventive measures.

Investment for the implementation of pandemic control measures was USD 2.627.663 in different processes such as: Control Center personnel concentration, personal protection equipment, COVID-19 tests, psychological support, specialist physicians, exclusive transportation for personnel, deep disinfection, and biosecurity and infrastructure elements.

Depending on the regulations of each country, the necessary actions were taken to resume on-site activities between April and August, to ensure the safety of people, communities, and infrastructure:

- Definition of health and safety protocols for personnel
- Classification of projects and contracts, as per their relevance and status at the time of the contingency
- Establishing of an action framework to define with contractors the way to safely resume on-site works
- Adjustment of the strategy to restart projects as per the regulations defined by each government
- Gradual restart of on-site activities
- Impact management with contractors and grantors
- Isolation of infected people and epidemiological fences
- Establishment of high-level workgroups for regulations management
- Implementation of virtual mechanisms for supervising assemblies and field rounds for environmental licensing

Feature text

- More than 80 sessions of the Occupational Health and Safety Parity Committee (Copasst) at ISA and its companies
- 24 crisis committees and close to 50.000 hours of work
- 30 OHS professionals and leaders continuously operating since March 16, 2020

Businesses moved forward addressing the new normality and continued their practices related to the maintenance of the occupational health and safety management system. The following work lines stand out:

- Epidemiological surveillance system for preventing musculoskeletal injuries
- Psychosocial risk program
- Health promotion and disease prevention programs
- Industrial hygiene measurements
- Incident-accident management (quasi-accidents and unsafe conditions)
- Risk management for handling change
- Workwear and personal protective equipment management.
- High risk tasks (heights, high temperatures, and confined spaces) and work permits
- Critical tasks: lifting loads, chemicals, heavy machinery, excavations
- Reinforcement of occupational health and safety policy dissemination

- Definition and monitoring of objectives, goals, management programs and indicators
- Reinforcement of understanding of roles and responsibilities regarding occupational health and safety
- Activities of communication, participation, and consult of stakeholders regarding occupational health and safety matters
- Execution of awareness, training, and education activities related to occupational health and safety
- Management of the strategic road safety plan
- Management of occupational health and safety (OHS) for contractors and third parties
- Emergency plan management
- Electrical risk management

Accident management

During 2020, the risk exposure increased because of the extended work time during the pandemic, 1,5 million man-hours worked (HHT), compared with 2019. Also, 325 accidents occurred, between own employees and contractors, a decrease of 28,88% in accidents.

- The accident rate distribution for 2020 was as follows:
 - Total accidents of employees:
 - 2019: 40 accidents
 - 2020: 25 accidents
 - 37,5% decrease
 - Total accidents of contractor employees:
 - 2019: 417 accidents
 - 2020: 300 accidents
 - 28,06% decrease
- Main causes of occupational accidents
 - Falls on the same level
 - Struck-by work tools
 - Being hit, contusion, or crushing
 - Sprain, muscular tear, muscle, or tendon laceration
 - Animal stings or bites
 - Wound
 - Superficial trauma
- Measures taken:
 - Awareness campaigns
 - On-site corrective measures

- Employee induction
- Feedback to personnel
- Works or task training
- On-site monitoring

Fatal accidents

In 2020, one fatal accident occurred in the Group. It involved an ISA CTEEP's contractor while cleaning the easement strip of the transmission line in a felling process. The trunk broke and hit the contractor's thorax.

- Intervention measures:
 - Optimize the communication and documentation process with contractor's personnel.
 - Adjust the selection process for contractors from preselection to annual evaluation.
 - Review criteria for planning tree felling and vegetation elimination maintenance.
 - Increase the frequency of inspections and audit of contractor companies to verify compliance with requirements agreed upon.

Financial results

Accumulated consolidated results report

Challenges brought by the COVID-19 contingency marked a turning point. This new reality, as difficult as it is, has inspired and motivated us to maintain, and even improve, the quality of the way we do things. This is expressed in the results for 2020, a period when, besides reaching an important growth in EBITDA, net income, and ROE, important milestones in the company's history occurred.

In 2020, ISA's share surpassed again its historic peak, reaching COP 25.700 on December 30. The purpose of officially entering into the road concession business unit in Colombia was fulfilled with the acquisition of RUTA COSTERA, and ISA was reaffirmed as the main energy transmission company in Peru, through the acquisition of ETENORTE and ETESELVA.

Also, during the year, other relevant transactions where materialized in the capital market that reinforced the sustainability approach of the business group: the issuance of international green bonds of Consorcio Transmantaro in Peru was reactivated and ISA became the first company of the real sector in Colombia in issuing green bonds in the stock exchange market. Such issuances were successful and demanded 5,5x and 2,5x, respectively.

Operational revenues for 2020 amounted to COP 10.167.826 million, an increase of 24,9% compared with 2019. EBITDA reached COP 6.573.459 million, an increase of 24,4% compared with 2019. The total EBITDA margin reached 64,6% and 75,3% excluding construction.

ISA's net income reached COP 2.059.191 million, an increase of 25,7% compared with 2019. Net margin was 20,3% and ROE was 15,6%; one of the best results in the last four years. This result reflects ISA's purpose to grow profitably and sustainably, capturing efficiencies to continuously improve its performance and competitiveness.

As of December, assets totaled COP 54.029.723 million, an increase of 10,7% compared with 2019. New investments in construction projects totaled COP 4.945.582 million.

The consolidated financial debt amounted to COP 22.758.897 million, an increase of 26,1% compared with 2019. The debt/ebitda and net debt/ebitda indicators closed at 3,7 x and 3 x, respectively, preserving the proper levels to maintain the current credit rating.

These results were leveraged by events such as:

- ISA delivered projects that leverage development and offer added reliability to the energy transmission systems in Colombia, Chile, Brazil, and Peru.
- ISA Investimentos yielded profits for the first time to ISA, for BRL 104,9 million (COP 71.699 million).
- Within the framework of debt management, ISA continued implementing efficient financing structures that allow it to have optimal costs. In 2020, relevant debt operations were made, which are reported below.
- Regarding operating performance, the rigorous and efficient management of administration, operation, and maintenance (AOM) costs and expenses is evident. Within this context, in 2020, the implementation continued for initiatives aimed at, among other aspects, controlling AOM expenses, especially in the A, monitoring productivity indicators, and the designing of a new cost model according to the asset life cycle.
- The acquisition of 100% shares of Costera Cartagena-Barranquilla Concession was closed for COP 531.454 million. Upon completion of this transaction, the Group consolidated assets amounting to COP 3,0 trillion, and a financial debt for COP 2,2 trillion.
- 100% of the shares of ORAZUL ENERGY GROUP, owner of ETENORTE and ETESELVA were purchased for COP 595.095 million (USD 158,25 million). Concessions are in perpetuity and will generate annual revenues of approximately USD 13 million.
- In ISA CTEEP, the Periodic Tariff Review (RTP) and adjustments of the Basic Network of the existing System (RBSE) represented additional revenues and ebitda for COP 1 trillion and income for COP 250.633 million. These events will not be repeated. As of August 2020, and every month for the next three (3) years, ISA CTEEP will receive BRL 50 million of additional monthly cash (approximately COP 36,6 billion) from the Basic Network of the Existing System (RBSE)'s equity cost (Ke).
- In December, the Securities and Exchange Commission of Brazil (CVM) issued an announcement on the accounting of contract assets of energy transmission companies in Brazil. By applying these guidelines, ISA CTEEP and its companies contributed higher revenues and ebitda for COP 291.838 million and higher income of the companies jointly controlled by ISA CTEEP, for COP 301.984 million. These facts contributed net income for ISA for COP 199.579 million.
- ISA CTEEP negotiated plots of land for COP 111.376 million to increase its value generation through the efficient use of its assets. The effect in ISA's net income was COP 39.893 million.

- ISA's share had an excellent performance, accumulating 31,1% valuation in the year, whereas Colcap had 13,5% devaluation. ISA's share had the best performance on the Colombian Stock Exchange.
- The natural hedging strategy implemented by ISA, whereby debt for each company is contracted in the same currency as the currency for the income received to reduce the volatility of results, made it possible that revaluation in 2020 of the average exchange rate variation of the Colombian peso against Brazilian Real (14,0%), and that the devaluation against the dollar (12,5%) would not significantly impact consolidated net income. The exchange rate variation was 1,6% (COP 33.885 million) of the net income, which ratified the strategy effectiveness.

Consolidated Income Statement

The detail of the consolidated results of 2020 is presented below:

Estado de resultados consolidados

	2020	2019	Var %
Ingresos de construcción	2.194.300	1.409.877	55,6
Costos de construcción	1.628.854	955.624	70,4
Ebitda construcción	565.446	454.254	24,5
Ingresos de operación	7.973.526	6.729.131	18,5
AOM de operación	1.965.513	1.897.779	3,6
Ebitda de operación	6.008.013	4.831.352	24,4
Ingresos operacionales	10.167.826	8.139.008	24,9
(-) Gastos AOM	3.594.367	2.853.403	26,0
Ebitda	6.573.459	5.285.605	24,4
Utilidad operacional	6.211.329	4.743.841	30,9
Utilidad neta	2.059.191	1.638.732	25,7
Márgenes:			
Ebitda de operación	75,3%	71,8%	4,9
Ebitda total	64,6%	64,9%	(0,4)
Operacional	61,1%	58,3%	4,8
Neto	20,3%	20,1%	0,6

Operational revenues for 2020 amounted to COP 10.167.826 million, an increase of 24,9% compared with 2019. This is explained by the following relevant events:

The Energy Transmission business unit explains 89% of this variation, COP 1.825.518, as follows:

- ISA CTEEP in Brazil, recognized three important events:
 - Periodic Tariff Review (RTP) of ANEEL made every five years, which corresponds to the first review after the extension of the concession agreement 059, planned for 2018. Therefore, the resolution had a retroactive effect as of 2018 and considers the redefinition of all elements comprising the remuneration: O&M (Operation and maintenance) and the updating of the regulatory base of the remuneration assets of new investments.
 - The updating of the Ke, the increase of the regulatory WACC that increased from 6,64% to 7,71%, and the updating of the regulatory base of RBSE's assets.

The RTP and the RBSE adjustments increased revenues by COP 1 trillion.

- The recognition of the construction margin and the change in the concessions' discount rate, regulatory WACC at the implicit rate of each concession contract in ISA and its affiliates, pursuant to the enforcement of the announcement made by the CVM, that represented revenues for COP 291.838 million.
- Two events occurred in Peru that increased the revenues:
 - Higher levels of construction activity that represented revenues for COP 490.206 million, with their corresponding cost.
 - Consolidation of GRUPO ORAZUL's revenues, for COP 14.308 million.
- Also, the entry into operation of projects in Brazil, which represented higher revenues for COP 72.598 million; in Chile, COP 55.089 million; in Colombia, COP 31.495 million; and in Peru, COP 749 million.
- Lastly, the effect of macroeconomic variables in Colombia and Brazil had a positive impact on revenues for COP 153.561 million.

In the road concession business unit, the consolidation of RUTA COSTERA, as of October, brought new revenues for COP 95.672 million.

Lastly, the increased sale of capacities by our telecommunications and ICT companies, to address the new needs emerging from this crisis in relation to connectivity, contributed with additional revenues for COP 20.862 million.

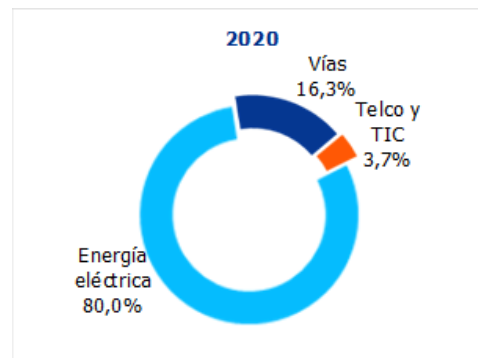
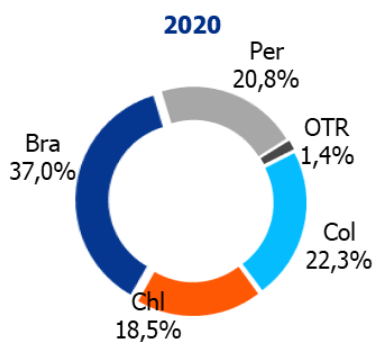
Ebitda reached COP 6.573.459 million, an increase of 24,4% compared with the same period of the previous year. The total EBITDA margin reached 64,6% and 75,3% excluding construction. EBITDA was positively impacted by the efficient management of AOM costs and expenses and the behavior of the revenues described above.

The composition of revenues and EBITDA by country and business unit is as follows:

Revenues:

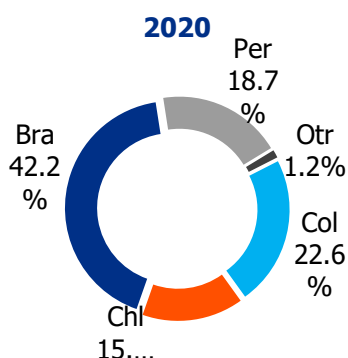
By country

By business unit

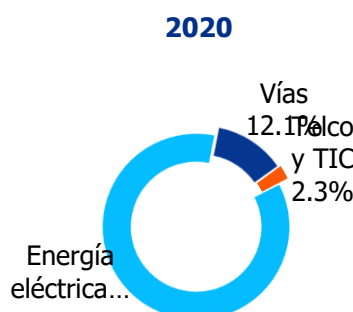


EBITDA:

By country



By business unit



Operating income reached COP 6.211.329 million, an increase of 30,9% compared with the previous year, essentially explained by:

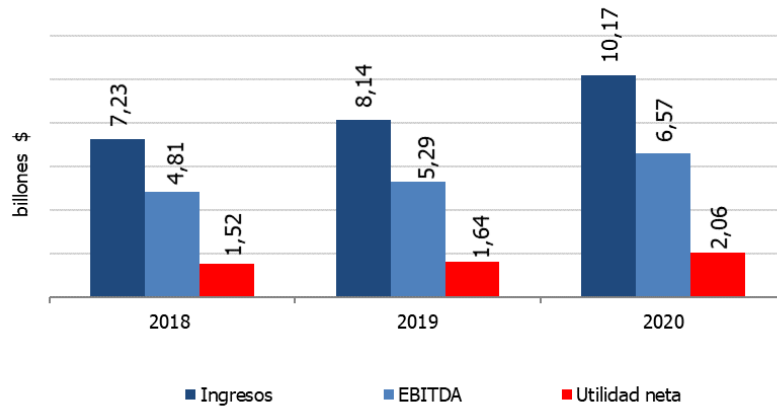
- The enforcement of the announcement made by the CVM in the companies where ISA CTEEP has joint control, which contributed income for COP 301.984 million.
- Higher results at TAESA (COP 112.028 million), given the inflation update of General Market Price Index (IGPM) revenues and the increased construction activity.
- The negotiation of plots of land by ISA CTEEP for COP 111.376 million.
- The adjustment of RUTA COSTERA's assets from the allocation of the purchase price, for COP 39.112 million.

The net financial expenses increased 13,2% (COP 160.207 million), as a result of higher interest expenses to leverage the Group's growth.

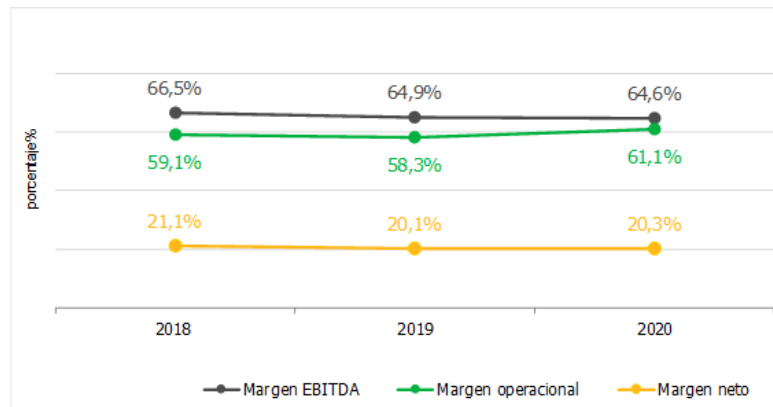
Income tax expense totaled COP 1.074.232 million, an increase of 39,0% compared with the same period of the previous year, explained by higher results in Brazil and Colombia.

As a conclusion, ISA's financial results are consistent with the value generation to shareholders, within the framework of operation's efficiency and proper debt management.

Below is the pattern of the main consolidated figures for the last three (3) years:



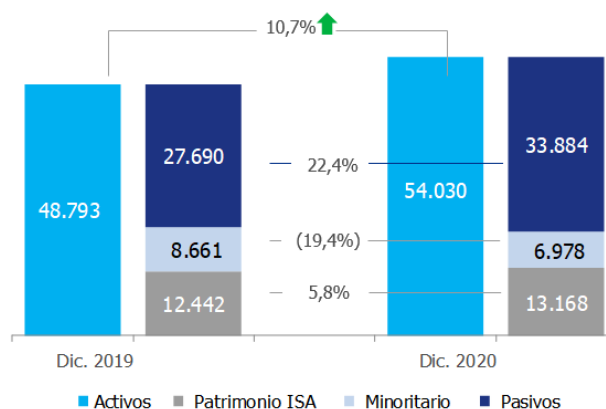
Financial indicators of the consolidated report:



Operating ebitda margin was 71,7% in 2018, 71,8% in 2019, and 75,3% in 2020, excluding construction.

Consolidated balance sheet

Figures in COP billion



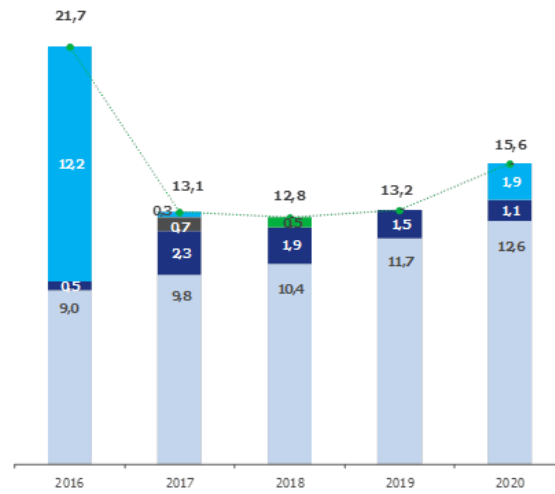
ISA's assets ended the year in COP 54.029.723 million, an increase of COP 5.236.480 million compared with 2019. This variation is mainly explained by the incorporation of RUTA COSTERA and ORAZUL group's assets, the new projects in Colombia, Peru, Chile, and Brazil, and higher cash from debt disbursements. This variation also includes the RTP impact, RBSE's adjustments, and the enforcement of the CVM's announcement about contractual assets, in Brazil.

The liability reached COP 33.883.531 million, an increase of 22,4% compared with the previous year, explained by the RUTA COSTERA's debts consolidation and the financing needs for construction and investments of the Group.

ISA's equity was COP 13.167.775 million, an increase of 5,8% compared with 2019. This is explained by the net effect of higher results, the lower exchange rate effect in the financial statements of the companies abroad given the revaluation of COP against BRL, and the distribution of dividends to shareholders.

ROE reached 15,6%, compared with 13,2% for 2019. Excluding the extraordinary events occurred between 2016 and 2020 as detailed in the graphic, there is a growing trend of the shareholder's returns on equity, which increased from 9,0% in 2016 to 12,6% in 2020, as a result of the company's efficient management and its focus on profitability, as observed in the light blue bar.

ROE:



ROE %

ROE % excluyendo los eventos extraordinarios

Eventos extraordinarios:

Ajuste del valor de la RBSE: En el año 2016 se presentó el primer ajuste de valor, pasando de BRL1,4 a BRL3,9 miles de millones, \$1.333.710 millones. En el año 2017 se ajustó el valor de la RBSE por segunda vez, quedando la cuenta por cobrar en BRL4,1 miles de millones, \$85.269 millones.

Actualización 2020: Mayor base de activos de Remuneración definida por ANEEL, actualización del Ke por IPCA e incremento de la remuneración vía WACC a 7,71%.

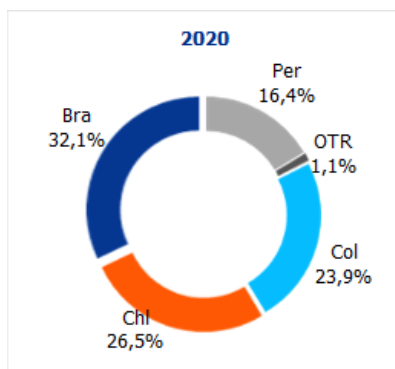
Amnistía tributaria - PERT- en Brasil \$248.675 millones

Actualización financiera de la RBSE.

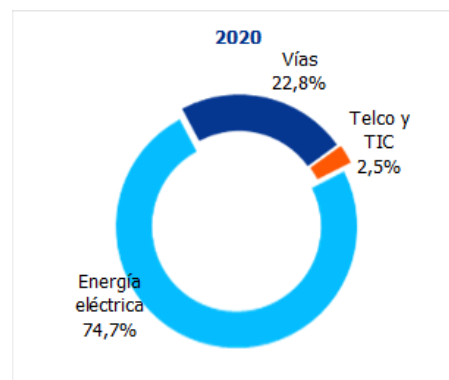
6 meses adicionales de ajuste por inflación en Brasil.

The detail of the assets and liabilities by country and by business unit is presented below:

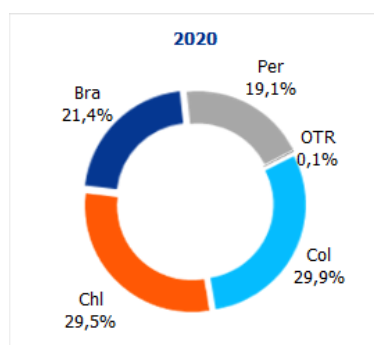
Consolidated assets by country



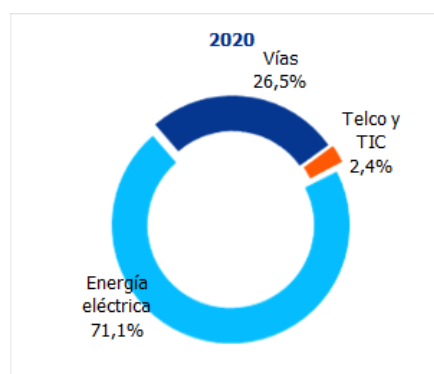
Consolidated assets by business unit



Consolidated liabilities by country



Consolidated liabilities by business unit

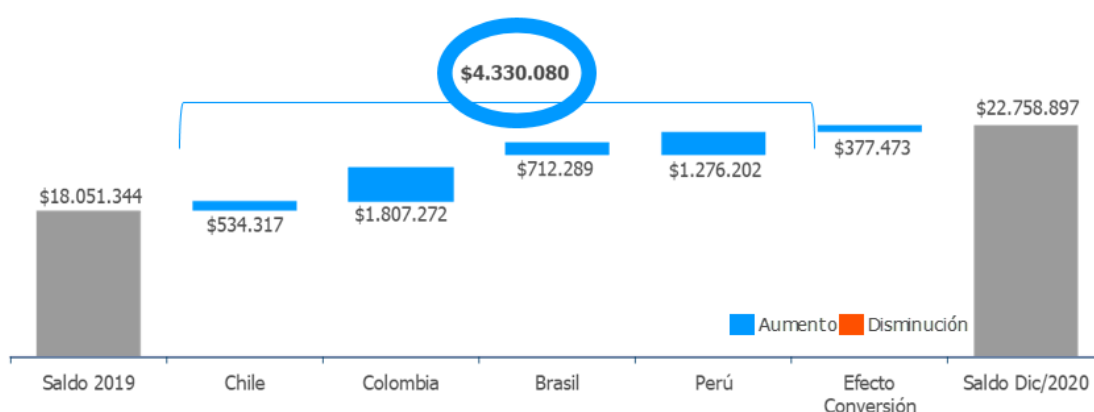


Financial liabilities and consolidated bonds

Financial liabilities of ISA and its companies, in effect at the end of 2020, have been acquired through financing in the capital market and with banks. These resources were used to finance the investment plans and cash flow of each company, aimed to achieve the ISA2030 strategy, selecting the right time to incur debt and the best debt structure for the project that is being financed, always considering the impact on the Group.

At the end of 2020, the debt of ISA and its companies was COP 22,8 trillion, an increase of 26,1% compared with 2019, which closed in COP 18,1 trillion.

The following are the main consolidated movements of debt, increases and decreases corresponding to net of disbursements received and capital amortizations, performed during this term.



In Chile, ISA INTERVIAL CHILE's operation was the most outstanding of this year, with the acquisition of 100% shares of RUTA COSTERA. As part of the financing strategy, ISA INTERVIAL CHILE received a disbursement for UF 4 million.

Moreover, Ruta del Maipo concessionaire made payments for USD 46,4 million of Bonds 144A, and local Series D bonds capitalized interests for UF 288.901. Ruta

del Bosque made payments for UF 726.074. Ruta del Loa, which is under construction stage, consisting of the improvement and expansion to double lane of the current Ruta 25, made disbursements for UF 181.500 and CLP 4.208 million. Ruta de la Araucanía made disbursements for CLP 1.437 million and payments for UF 1,1 million. Ruta de los Ríos made payments for UF 405.111.

ISA INTERCHILE made payments for USD 21,4 million corresponding to the Senior Loan and payments for CLP 613,5 million, completely repaying the VAT loan. The company signed an amendment to the Senior Loan Contract, required for the execution of expansions allowed in the Construction Financing Contract, up to USD 94 million, for new works PLEX 6, PLEX 7, PLEX 8 (Tranche 4). In the Telecommunications and ICT business unit, INTERNEXA CHILE received disbursements for CLP 1.363 million and made payments for CLP 2.197 million.

As mentioned before, ISA issued its first green bond in Colombia for a value of COP 300 billion, to contribute to the connection of non-conventional renewable energies to the National Interconnected System (SIN), through the financing of two projects: Costa Caribe 500 kV Interconnection and Cuestecitas-Copey-Fundación 220 kV Interconnection. This is considered a relevant milestone in the green bonds market in Colombia, as it is the first green bond issuance made by a real sector company in the stock exchange market. In addition, ISA entered into two bond loans, with Davivienda and Bancolombia, and obtained disbursements for a total of COP 300 billion, for the investment plan. During 2020, ISA made payments to the different bond loans for a total of COP 169.486 million, and before the end of the year, it made two prepayments to the obligations with Banco Davivienda and Banco Bilbao Vizcaya Argentaria for a total of COP 280 billion.

In addition, RUTA COSTERA's debt represented for the Group's debt portfolio the incorporation of two issuances of Series A and B bonds, for USD 151 million, and UVR 1.359 million, and loans with local banks for COP 556.500 million, and with Ashmore-CAF, for UVR 561 million.

Regarding the Telecommunications and ICT business unit in Colombia, INTERNEXA made a total disbursement of COP 61,5 billion for the execution of its investment plan and cash needs and made total payments for COP 8.856 million.

In Brazil, ISA CTEEP received disbursements for BRL 655,4 million for making investments in societies and to strengthen the Company's liquidity. Payments were made for BRL 49 million and USD 150 million; the latter completed the total repayment of loan 4131 with BTMU and Citibank.

Before the end of the year, ISA CTEEP issued a bond with two series, each for BRL 800 million, for a total amount of BRL 1,600 billion. The first series with an 8-year term (maturity in 2028), and the second series with a 23,5-year term (maturity in May 2044). The first series is not indexed to inflation, whereas the

second series has an inflation adjustment corresponding to the cumulative variation of the Extended Consumer Price Index (IPCA).

The funds collected in the first series will be used for investments, and the collected amount in the second series will be used for reimbursement to future payments of investment in the company projects.

ISA CTEEP's companies like INTERLIGAÇÃO ELÉTRICA DE MINAS GERAIS, IE PINHEIROS, IE SERRA DO JAPI, IE NORTE E NORDESTE, IESUL, made payments to their financial liabilities that reached a total amount of BRL 42,5 million.

In addition, the telecommunications company INTERNEXA Brasil Operadora de Telecomunicações received disbursements for BRL 75,2 million and made payments for BRL 38 million and USD 2,5 million.

In Peru, Consorcio Transmantaro reactivated the issuance of international green bonds, with maturity date April 16, 2034, for USD 200 million. The transaction reached a 5,5 times demand. The reopening price was successfully established, which marked the lowest return achieved by the company in a 144A/RegS transaction. The market's appetite for this operation demonstrates the high interest of investors in the energy transmission business unit in Peru and the company's acceptance by the international debt markets. Resources from the placement will be used to finance or refinance Mantaro-Nueva Yanango-Carapongo 500 kV Connection and Nueva Yanango-Nueva Huanuco 500 kV connection and associated substations; both projects aimed to energy efficiency. This company received from the bank market a disbursement for USD 100 million for the investment plan. In September, this loan was completely prepaid, with resources from the reactivation of bonds and the Company's own cash.

ISA REP received a disbursement for USD 55 million, which was completely prepaid, using own resources and resources from the disbursement of a loan for USD 15 million.

ISA Peru made payments for a total of USD 2,4 million and received a disbursement for USD 158 million for the acquisition of ORAZUL ENERGY GROUP S.A.C.

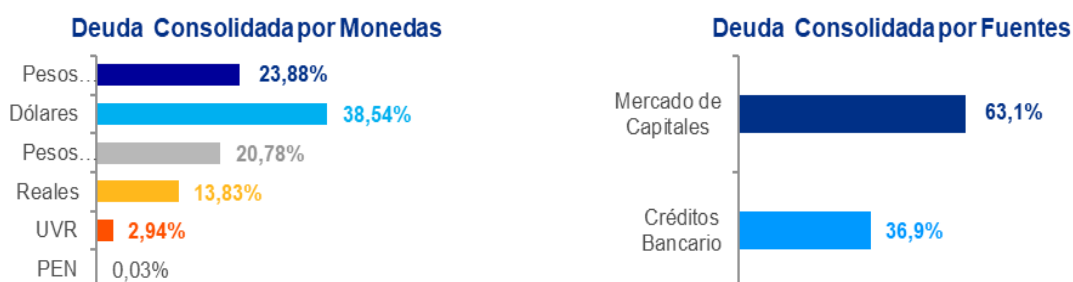
INTERNEXA Peru received a disbursement for PEN 7,5 million and made payments for PEN 374.117 and USD 533.333.

Notes 12 and 13 of the Financial Statements have the details and main debt transactions for ISA and its companies in 2020.

The debt as of december 2020 also includes the exchange rate effect, which represents 8,02% of total transactions and does not generate an impact on cash flow.

ISA and its companies maintain the strategy of obtaining a natural hedge against foreign exchange risk, seeking to contract debt in the same currency as their income. Similarly, considering that the projects they develop are remunerated in the long term, a large portion of their debt is obtained in the capital market (bonds) at competitive rates.

The detail of the debt, by currency and by source is as follows:



Credit risk ratings

In 2020, ISA Group's companies maintained their international corporate risk and local and international bond issuance ratings, granted by national and international specialized agencies. This ratifies the financial strength and soundness of ISA and its energy transmission companies, due to the regulated nature of its revenues as a natural monopoly in the countries where they operate.

ISA's risk rating reflects the low risk profile of the energy transmission business and contemplates the solid geographical and commercial diversification of its source of revenues, which together with the high predictability of operating cash flows, is translated into a strong financial profile. In Colombia, the Program on Issuance and Placement of ISA's Internal Public Debt has maintained the maximum credit risk rating "AAA" for bonds and F1 + (col) for commercial papers.

At the end of 2020, ISA's international rating, granted by the three (3) most recognized international credit rating companies, maintained the investment grade rating.

The chart with the credit ratings for ISA and its companies is presented below.

COMPAÑIAS	AGENCIAS CALIFICADORAS DE RIESGOS	S&P	MOODY'S	FITCH RATINGS	FELLER-RATE	APOYO Y ASOCIADOS	PACIFIC CREDIT RATING	MOODY'S LOCAL	HUMPHREYS
ISA	Corporativo	BBB- (Neg) jun-20	Baa2 (Estable) Jun. 2020	BBB+ (Neg) Abri. 2020					
	Emisión Bonos Locales			AAA (Estable) Abri.2020					
	Papeles Comerciales			F1+ Abri. 2020					
TRANSELCA	Emisión Bonos Locales			AAA (Estable) Mar. 2020					
CTEEP	Corporativo			AAA (Estable) Ago. 2020					
	Emisión de Bonos			AAA(Estable) Ago. 2020					
TRANSMANTARO	Emisión Bonos Internacional		Baa3 (Estable) Feb. 2020	BBB (Estable) Jul.2020					
REP	Emisión Bonos					AAA (Estable) Oct. 2020		AAA (Estable) Oct.2020	
	Papeles Comerciales								
RUTA DEL MAIPO	Emisión Bonos		Baa3 (Estable) Sep. 2020	BBB- (Estable) Ago.2020	A+ Jun. 2020				A+ Jun. 2020
RUTA DEL BOSQUE	Emisión Bonos		Baa3 (Estable) Oct. 2020	A+ Jun.2020	A Jun. 2020				

Investments¹

In 2020, ISA and its companies invested COP 4.945.582 million, according to their growth plans:

COP trillion



Colombia: Investments were made for COP 1.404.830 million, from which COP 530.359 million are associated with the acquisition of RUTA COSTERA and construction costs due to the work progress. In addition:

- **ISA:** COP 734.379 million, to be used in the construction of energy transmission projects
- **TRANSELCA:** COP 40.427 million, for the renovation of assets and construction projects
- **INTERNEXA:** COP 46.281 million in network capacity expansion and new businesses in the telecommunications' customers segment
- **XM:** COP 53.384 million in technological developments

Brazil: ISA CTEEP made investments for COP 520.345 million for the execution of reinforcements and improvements and to make capital contributions to the

¹ Capex is included in the country where investment is made.

companies where it has stakes: INTERLIGAÇÃO ELÉTRICA AGUAPEÍ, INTERLIGAÇÃO ELÉTRICA BIGUAÇU, INTERLIGAÇÃO ELÉTRICA PARAGUAÇU, INTERLIGAÇÃO ELÉTRICA ITAQUERÊ and INTERLIGAÇÃO ELÉTRICA AIMORÉS. Likewise, subsidiaries invested COP 358.595 million in construction and expansion of their networks and substations. On the other hand, INTERNEXA Brazil invested COP 20.646 million in the expansion of its fiber optics network.

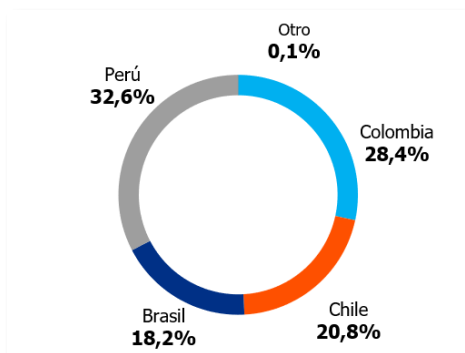
Peru: Consorcio Transmantaro invested COP 874.802 million for the execution of energy transmission projects awarded by the Peruvian Government, while ISA REP invested COP 123.272 million in the expansion of its electric grid. ISA Peru invested COP 602.948 million, mainly associated to the purchase of 100% shares of ORAZUL ENERGY GROUP S.A.C. Likewise, INTERNEXA Peru invested COP 10.026 million in the expansion of its fiber optics network.

Chile: ISA INTERCHILE made investments for COP 521.753 million in the construction of energy transmission projects.

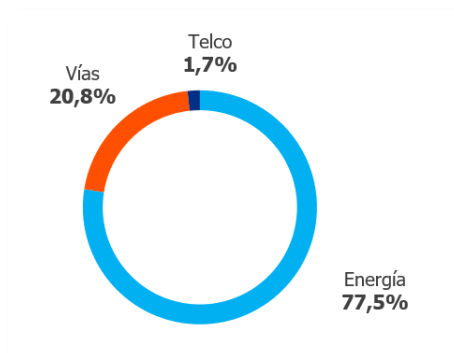
Road concession companies invested COP 499.822 million, executed by Ruta del Maipo for works of Third Lanes of Tranche 3 and Araucanía, Ríos, Bosque, and Maule routes for the development of safety regulations works. Additionally, INTERNEXA Chile invested COP 5.322 million in the expansion of its fiber optics network.

The detail of investments by country and by business unit is presented below:

Investments by country



Investments by business



Individual income report

Individual income statement

	2020	2019	Var.%
Ingresos operacionales	1.239.485	1.159.768	6,9
Ebitda	1.074.828	1.003.423	7,1
Utilidad operacional	2.513.714	2.134.911	17,7
Utilidad neta*	2.062.950	1.643.505	25,5
Márgenes:			
Ebitda	86,7%	86,5%	
Neto**	72,1%	67,2%	

*The net income of individual ISA differs from the consolidated income by COP 3.759 million, due to the amortization of goodwill in the consolidated report and the adjustment of financial asset in the purchase price allocation (PPA), generated in the acquisition of RUTA COSTERA.

** Operational revenues include the results from the equity method.

2020 was a year of significant challenges for organizations not only in financial terms, but also with respect to operations and protection of human resources and communities in the area of influence. This scenario has compelled companies to think about new ways of doing business, of relating to stakeholders, and of generating value to society.

Facing the challenges arising from the COVID-19 contingency, ISA's positive results inspire confidence and reassurance to shareholders and investors. At the end of 2020, the net income reached COP 2.062.950 million, one of the highest in the last ten years, an increase of 25,5% compared with 2019.

Ebitda reached COP 1.074.828 million, an increase of 7,1% compared with 2019.

Ebitda growth was mainly due to higher revenues received from new projects that started commercial remuneration:

- UPME 08-17 Sogamoso 500/230 kV Third Transformer.
- UPME 03-16 San Antonio 230 kV Substation and associated transmission lines

Besides the biddings not transferred to ISA INTERCOLOMBIA:

- UPME 01-18 Ocaña 230 kV Transformer Bay and Ocaña 500 kV Transformer Bay
- UPME 09-16 Nueva Cuestecitas 500 kV Substation and Copey-Nueva Cuestecitas associated transmission lines.

During 2020, AOM expenses were efficiently managed, allowing to capture savings in plane tickets and travel expenses, contracted services, advertising, printed material, and communications, which partially compensated the increase of costs and expenses associated to contributions, road studies and projects, and the executives' civil liability insurance policy premium.

ISA's results also include income for COP 1.621.538 million from companies where it has stakes. This income increased by 26% compared with 2019, mainly due to the entry into operation of energy transmission projects, the consolidation of ORAZUL ENERGY GROUP and RUTA COSTERA and the increase in the construction activity of concessions in Peru, Brazil, and Chile.

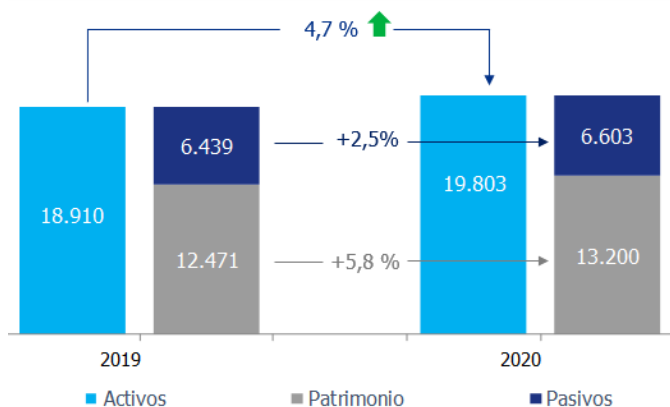
This increase also includes the RTP impact, RBSE's adjustments and the enforcement of the CVM's announcement about the accounting treatment of contractual assets of energy transmission companies in Brazil.

The net financial expense was COP 296.835 million, a decrease of 9% compared with 2019. This behavior is explained by the lower expense of debt interest, mainly due to the favorable behavior of macroeconomic variables to which debt is indexed to and the higher capitalization of financial costs in construction assets.

Regarding taxes, it is important to mention that the company contributed COP 153.929 million of income tax, a decrease of 6,8% compared with 2019, due to the recovery of income tax provision of the previous year, higher deductions due to profits from energy fixed assets and the decrease of the income tax rate.

Individual balance sheet

Figures in COP billion



At the end of 2020, ISA's assets totaled COP 19.803.064 million, an increase of 4,7% compared with December 2019. The variation is mainly due to higher investments in operating assets for COP 518.962 million, plus the Company's investment growth through the acquisition of ORAZUL ENERGY GROUP in Peru and RUTA COSTERA in Colombia and higher results for COP 210.932 million in companies where ISA has stakes.

Moreover, liabilities amounted to COP 6.602.891 million, an increase of 2,5% compared with the end of 2019, mainly due to higher debt disbursements, required for the implementation of long-term projects.

Equity reached COP 13.200.173 million, an increase of 5,8% compared with 2019. The variation was the net result of higher income, dividends declared, and a negative exchange rate effect in the financial statements of the companies abroad given the revaluation of COP against BRL.

ISA's financial liabilities and bonds

As of December 31, 2020, financial debt was COP 4,8 trillion; an increase of 3,6% compared with 2019 (COP 4,6 trillion).

ISA issued its first green bond in Colombia for a value of COP 300 billion, to contribute to the connection of non-conventional renewable energies to the National Interconnected System (SIN), through the financing of two projects: Costa Caribe 500 kV Interconnection and Cuestecitas-Copey-Fundación 220 kV Interconnection. This is considered a relevant milestone in the green bonds market in Colombia, as it is the first green bond issuance made by a real sector company in the stock exchange market. In addition, ISA entered into two loans, with Davivienda and Bancolombia, and obtained disbursements for a total of COP 300 billion, for the investment plan. During 2020, ISA made payments to the different bond loans for a total of COP 169.486 million, and before the end of the year, it made two prepayments to the obligations with Banco Davivienda and Banco Bilbao Vizcaya Argentaria for a total of COP 280 billion.

Note 13 from the Financial Statements have the details and main debt transactions for ISA and its companies in 2020.

At the end of 2020, 89,9% of the debt was entered into in Colombian pesos since the greatest portion of ISA's revenues is expressed in this same currency.

Most ISA revenues are indexed to PPI, an indicator that is not negotiated in the financial market, so that the debt is mainly incurred in CPI because this index is correlated to PPI, minimizing risk impacts of interest rates associated with macroeconomic variables.

ISA develops long-term projects, and therefore a significant proportion of the debt is incurred in the capital market (bonds) at competitive rates, reducing the refinancing risk.

The breakdown of the debt, by currency, by source and by rates is as follows:

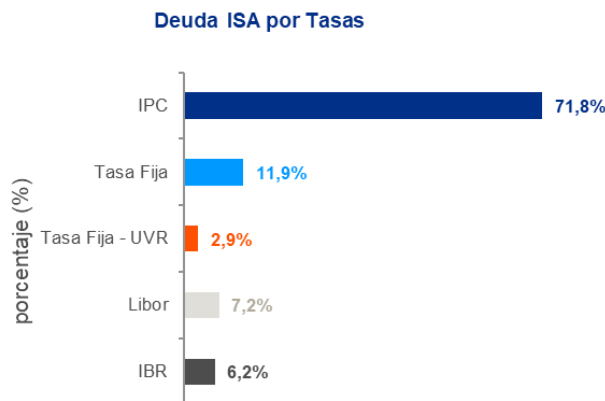
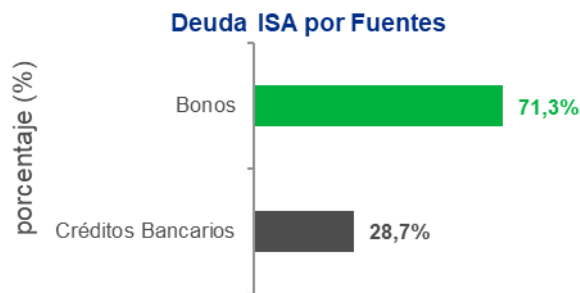
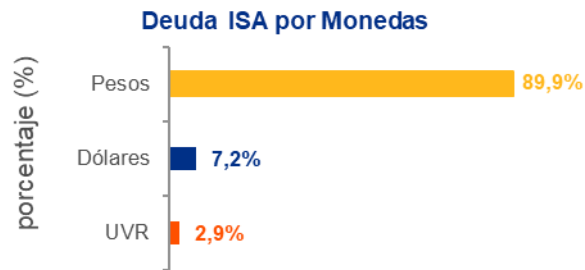


Table (the two following paragraphs):

Law 1676 of 2013

In compliance with Law 1676 of 2013 that amended articles 2, 7, and 8 of Law 1231 of 2008, ISA permitted free circulation of invoices issued by sellers or suppliers.

Disputes and claims

As of December 31, 2020, ISA is a procedural party, acting as defendant, plaintiff or intervening third party in administrative, civil, and labor judicial proceedings. None of the proceedings in which it has been sued or has been summoned as intervening party may undermine the stability of the company. Also, on its own behalf, it has filed legal actions required for the defense of its interests.

Additional information in regard to litigation and claims to the company can be found in the Notes to the Financial Statements of ISA.

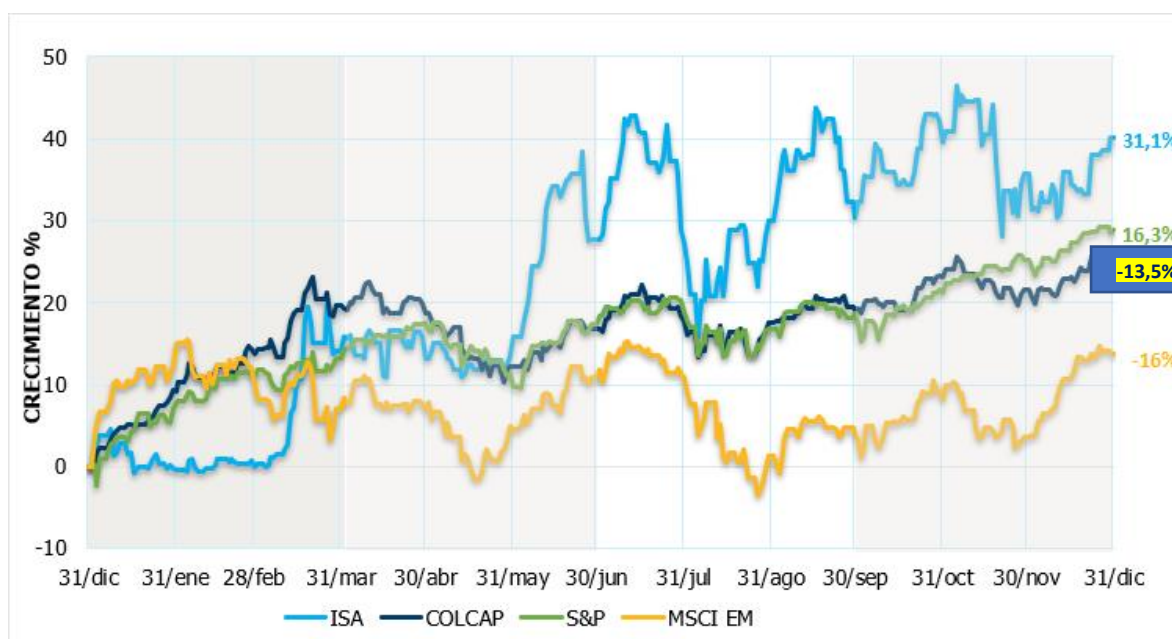
Share performance

Stock market

Uncertainty and expectations of economic recession arising from the pandemic, caused that investors increased their preferences for assets and economies with lower levels of risk exposure. Commercial tensions between United States and China occurred mid-year, which increased investor's risk aversion. Later, between September and November, a new virus outbreak occurred in Europe, casting a shadow again over future perspectives. For the end of the year, with the good news of vaccines results and the election of Joe Biden as United States' new president, the optimism made a comeback and with it, the return of foreign capital to emerging markets, demonstrated in the recovery of the stock exchanges around the world.

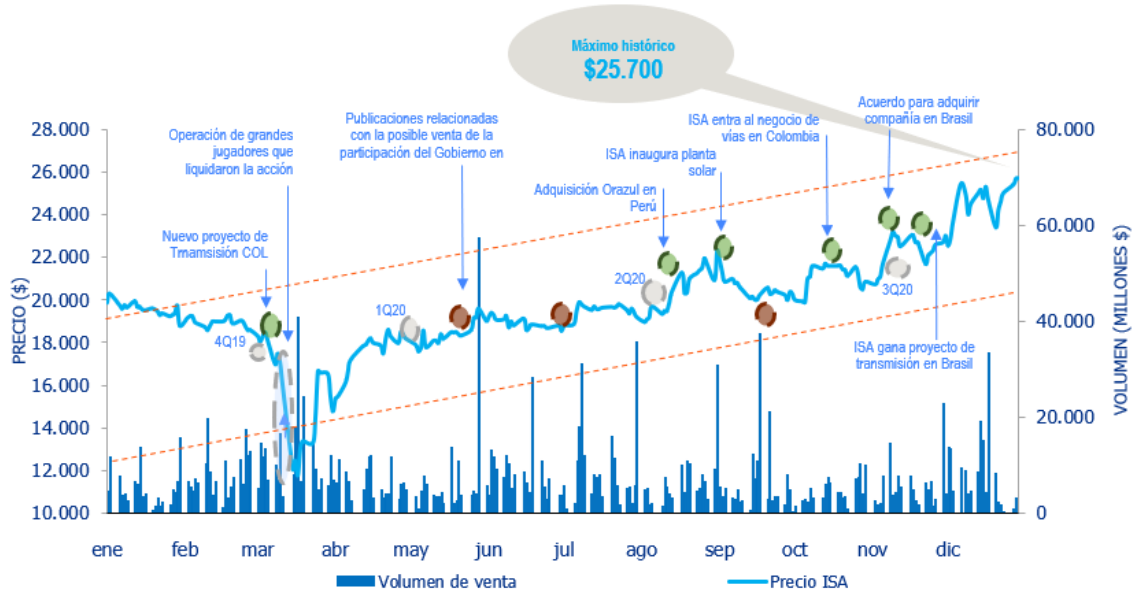
As a result, the S&P index, considered the most representative index of the US market, showed an increase of 16,3% during the year. In spite that the Morgan Stanley Capital International Emerging Markets (MSCI EM) Latin America index, designed to measure the performance of the stock market of Brazil, Chile, Colombia, Mexico, and Peru, had a recovery at the end of the year, it ended on the negative side, with 16,0% devaluation. Colombia's COLCAP index followed the behavior of emerging markets and closed the year with 13,5% devaluation.

In contrast, as shown in the graph, ISA's had a very positive performance, accumulating in the year a growth of 31,1%, thus becoming the share with the highest valuation in the Colombian Stock Exchange. The return of ISA's shares in Colombian pesos was even higher than the S&P.



ISA share

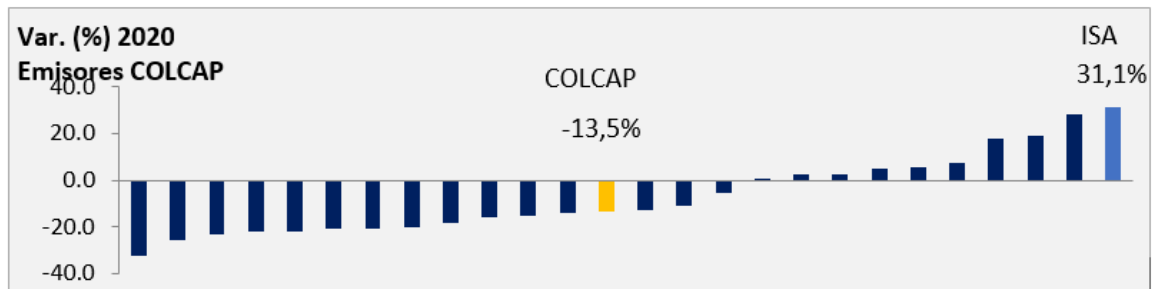
In 2020, ISA's share exceeded in six opportunities its historic peak, reaching COP 25.700 at the end of the period.



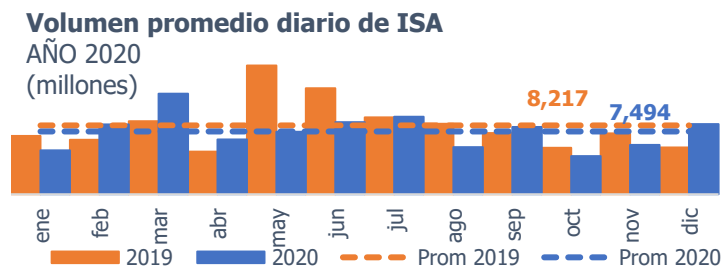
The share's price was the result of external and internal situations. The main external event influencing its behavior was the pandemic, that boosted foreign capital flight at the beginning of the year and, as a consequence, the settlement of ISA's share by important stakeholders, affecting the price significantly, which dropped down to COP 11.800. A second external event that occurred several times throughout the year was the expectation of a possible sale of the Government's stakes in ISA (51,4%).

Since mid-March, uncertainty regarding ISA dropped and trust was recovered, which was also supported by positive and increasing financial results, business resilience from being regulated and the good management in expense control and construction projects. The above allowed for the share price to start having an uptrend in search for its fundamental price and return to the levels before the pandemic.

These events, added to awarded bids and the announcement of new acquisitions during the year, promoted trust in company's future and sustainability; so that in the last quarter of the year, the share registered several historic peaks.

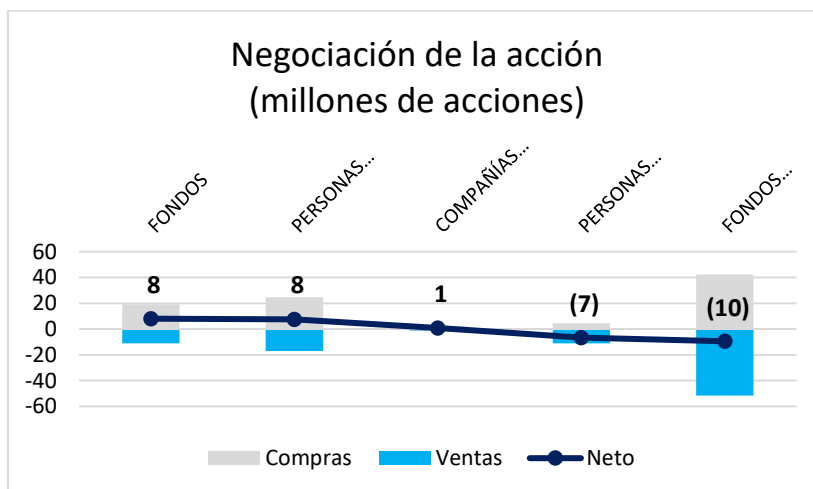


ISA's share became the one with the highest valuation in the Colombian Stock Exchange market, as shown in the graph, with high liquidity indexes.



The average daily volume traded by ISA in 2020 was COP 7.494 million, a decrease of 9% compared with the previous year's average. This occurred as a result of uncertainty caused by the pandemic when increasing the market risk, but also because of speculation due to the potential sale of the Government's and EPM's stakes in ISA in 2019.

Consequently, in 2020, the big net purchasers were pension and severance funds, mutual funds, securities funds, and employee funds, while foreign funds and natural persons were the net sellers, which today have higher participation through collective stock funds.



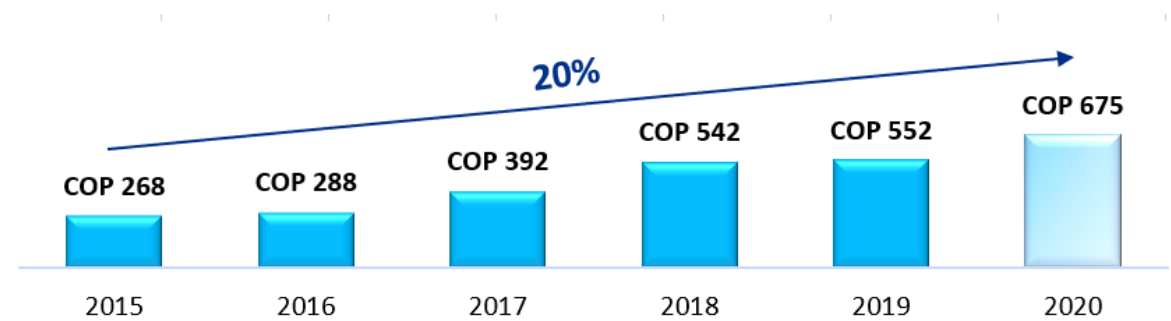
Funds: pensions and severance, mutual, securities, and employees.

Legal persons: institutions, organizations or companies that seek a social purpose, either for a profit or non-profit.

Dividends

The General Shareholders' Meeting held on March 27, 2020, approved the distribution of dividends to its shareholders for COP 747.683 million, equivalent to 45% of the net income for 2019, the highest paid by the company in its history. In the last five (5) years, the dividend payment has had an average compound annual growth of 20%, much higher than Colombia's inflation and the behavior of other investments.

The payment was made in two equal installments of COP 337,5 per share on July 23 and December 15, 2020.



As shown in the chart, ISA's 2015-2020 compound annual growth for dividends paid was 20%, which is a yield attractive to shareholders.

Stockmarket Indicators

BVC: ISA CB – ADR: IESFY

No. of outstanding shares	1.107.677.894
Free - float (%)	39,77%
No. of Shareholders	24.862
Nominal value (COP)	32,8
Close price	25.700
UPA (Income per share): Income per share (COP)	1.859
Ordinary dividend	675
Market capitalization (COP millions)	28.467.322
Daily average traded (COP millions)	7.494
Marketability	HIGH
Indexes	
Colcap interest	12,20%
Coleqty interest	10,04%

COLIR interest	10,02%
Financial Ratios	
PER: Price/Income (%)	13,82
Tobin's Q Ratio: Price/Carrying value (times)	2,16
EV/ebitda (times)	8,25
Dividend Yield (%)	2,63

(*) Dividend Yield: yield of the annual dividend on the closing price of the share.

Consolidated financial statements

Notes to consolidated financial statements

Statutory auditor's report to the consolidated financial statements

Certification of financial statements and other relevant reports

Separate financial statements

Notes to the separate financial statements

Statutory auditor's report on the separated financial statements

Special report on transactions with affiliates and subsidiaries

Board of Director's Report - Article 466 of the Commerce Code

Certification of financial statements and other relevant reports

Certification in intellectual property and copyright laws

Annexes

- GRI Table
- Supplementary information
- Independent Review Report
- Directory of ISA and its companies
- Corporate governance