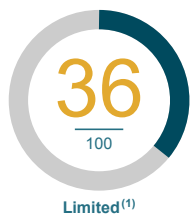


## Company and Sector Performance

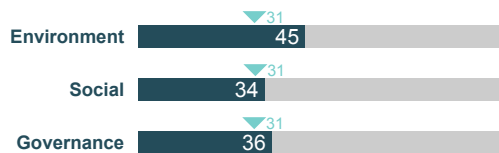
Company performance    Sector average performance    Sector performance

### ESG OVERALL SCORE

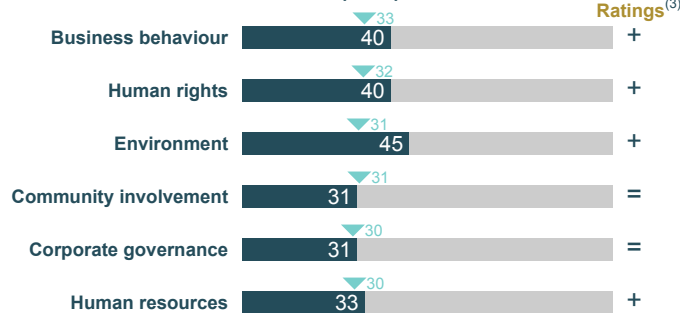


Information rate	69%
sector average	62%
Cooperation level <sup>(2)</sup>	Not responsive
High severity controversies	No
Rank in Sector	14/60
Rank in Region	134/890
Rank in Universe	1091/4453

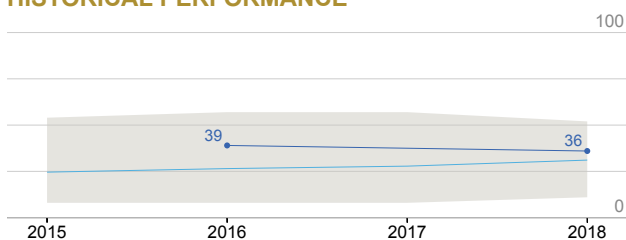
### ESG PERFORMANCE (/100)



### 6 DOMAINS PERFORMANCE (/100)



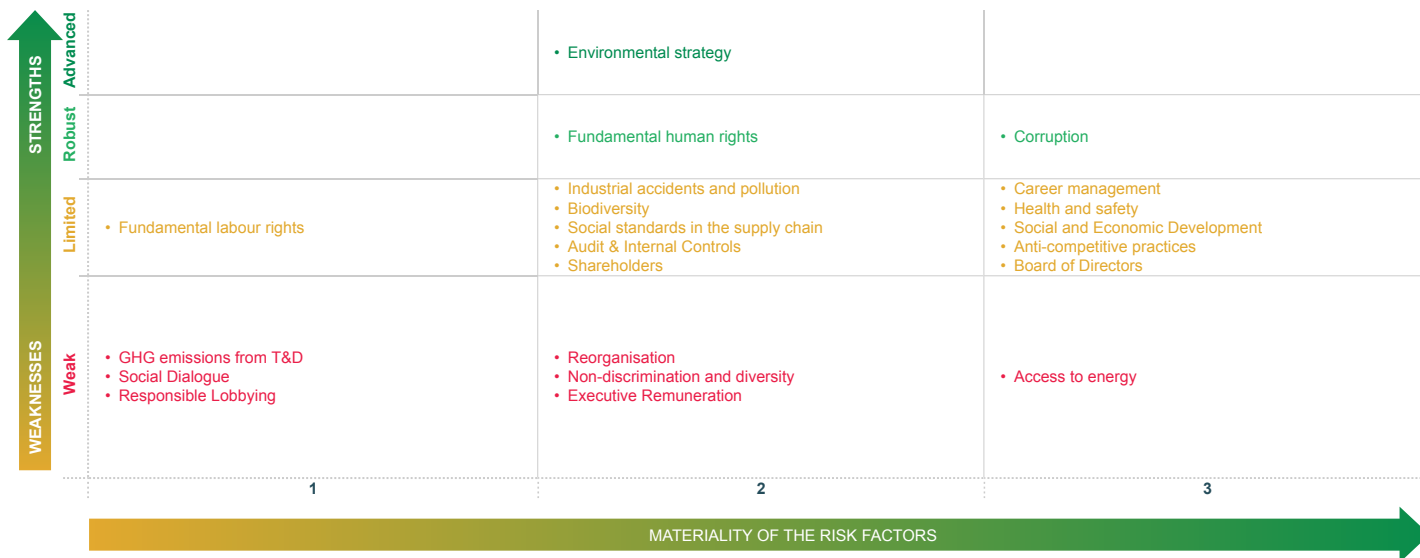
### HISTORICAL PERFORMANCE



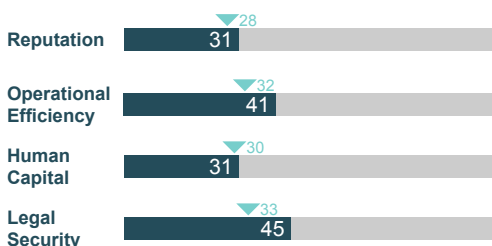
Company inclusion in Vigeo Eiris indices<sup>(4)</sup>: No

## Management of risks and opportunities

### MATERIALITY & PERFORMANCE MATRIX



### RISK MITIGATION INDEX (/100)



### ANALYST FOCUS

TOPIC	COMMENT	TREND
Social and economic development	The Company's Social Corporate Policy addresses the majority of topics under consideration regarding community involvement. In addition, several initiatives including social and infrastructure development programmes are put in place in some countries where ISA operates. The Company has activities in Panama, considered an offshore financial centre, but its presence is justified through energy transmission activities in the country.	↗
Biodiversity	ISA has not implemented relevant measures to limit the impacts of its operations on biodiversity, and there is no transparency on indicators on biodiversity prior to 2016. The Company reports some habitats with native species under restoration process. However, there is no evidence those measures are implemented in a majority of its sites.	↘
Corruption	The Company has a formalised commitment to prevent corruption and has allocated different awareness-raising programmes for employees on corruption prevention. Also, it has disclosed quantitative data related to open, closed and effective cases reported internally, associated to fraud, corruption and bribery.	→

## Carbon Footprint and Energy Transition\*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

### CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

### ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

## Goods and services contributing to sustainable development\*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

## Involvement in controversial activities\*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

### Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at [customer.service@vigeo-eiris.com](mailto:customer.service@vigeo-eiris.com)

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)  
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive  
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "++", "+++" (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

		Weight	Overall score 36/100				Trend	Score	Leadership	Implementation	Results
			<b>Environment</b>				→	45	46	37	31
E	ENV1.1	2	Environmental strategy				↗	69	93	44	N/A
E	ENV1.2	2	Industrial accidents and pollution				→	42	30	30	65
E	ENV1.4	2	Biodiversity				↘	36	30	42	35
E	ENV2.2	1	GHG emissions from T&D				→	20	15	30	15
			<b>Human Resources</b>				↘	33	32	40	26
S	HRS2.4	3	Career management				↘	38	30	65	18
S	HRS3.2	3	Health and safety				→	46	65	56	16
S	HRS2.3	2	Reorganisation				↘	12	0	0	35
S	HRS1.1	1	Social Dialogue				↗	22	0	0	65
			<b>Human Rights</b>				↘	40	45	31	45
S	HRT1.1	2	Fundamental human rights				→	53	44	51	65
S	HRT2.4	2	Non-discrimination and diversity				↘	27	51	15	16
S	HRT2.1	1	Fundamental labour rights				↘	41	37	21	65
			<b>Community Involvement</b>				↗	31	21	33	41
S	CIN1.1	3	Social and Economic Development				↗	47	41	65	35
S	CIN2.1	3	Access to energy				↗	15	0	0	46
			<b>Business Behaviour (C&amp;S)</b>				→	40	56	17	45
G	C&S3.1	3	Corruption				→	50	65	32	53
G	C&S3.2	3	Anti-competitive practices				→	43	65	20	43
S	C&S2.4	2	Social standards in the supply chain				↘	33	56	0	43
G	C&S3.3	1	Responsible Lobbying					12	0	0	35
			<b>Corporate Governance</b>				↘	31	40	13	40
G	CGV1.1	3	Board of Directors				↘	38	32	14	67
G	CGV2.1	2	Audit & Internal Controls				↘	35	46	30	30
G	CGV3.1	2	Shareholders				↘	34	67	9	26
G	CGV4.1	2	Executive Remuneration				↗	14	20	0	22

■ Weak (0-29/100)    
 ■ Limited (30-49/100)    
 ■ Robust (50-59/100)    
 ■ Advanced (60-100/100)



Involvement in allegations



Involvement in allegations with evidence of corrective measures

Benchmark  
Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
BRENBACNOR2	EDP-Energias do Brasil	++	++	++	++	++	+	52
CL0002266774	Enel Chile	++	+	++	+	++	+	49
BRTBLEACNOR2	Engie Brasil Energia	++	+	++	+	++	=	49
BRCMIGACNOR6	Cia Energetica de Minas Gerais	++	++	+	++	+	=	47
CLP371861061	Enel Americas	+	++	++	+	++	+	47
CLP3710M1090	Enel Generacion Chile	++	++	+	+	+	=	45
MA0000011439	Lydec	+	++	+	+	+	=	44
BRELPLDBS0S2	AES Brasil	++	=	+	++	=	-	42
PEP700511004	Enel Generacion Peru	+	++	+	+	+	-	42
BRGNANACNOR8	Neoenergia	=	+	+	=	++	+	42
PEP701011004	Enel Distribucion Peru	+	+	+	+	+	=	39
TH0834010R10	Glow Energy	=	+	+	++	+	=	39
PHY2292T1026	Energy Development Corporation	++	=	=	+	=	=	38
<b>COE15PA00026</b>	<b>Interconexion Electrica SA ESP</b>	<b>+</b>	<b>+</b>	<b>+</b>	<b>=</b>	<b>+</b>	<b>=</b>	<b>36</b>
RU000A0JPKH7	RusHydro	+	+	=	=	=	+	36
CL0001880955	AES Gener	+	+	+	=	+	=	35
BRTIETCDAM15	AES Tiete	+	+	=	=	=	=	34
CLP3615W1037	Colbun	=	+	=	=	=	+	34
KR7015760002	Kepco	=	+	+	=	=	=	34
BRTRPLACNOR4	CTEEP	=	=	+	=	=	=	33
VIGEIRIS0387	Enel Brasil	=	=	+	+	+	-	33
PLENERG00022	Energia	+	+	=	=	=	=	33
KR7036460004	Korea Gas	=	+	+	+	=	-	33
INE245A01021	Tata Power	=	=	+	=	+	+	33
RU000A0JPNM1	INTER RAO EES	=	=	=	+	=	++	32
BRCPLEACNOR8	Companhia Paranaense de Energia-COPEL	=	=	=	=	=	+	31
INE129A01019	Gail India	=	+	+	=	=	=	31
CL0001583070	Engie Energia Chile	=	+	+	=	=	-	30
BRELETACNOR6	Eletrobras	=	=	+	=	+	=	30
ID1000111602	Perusahaan Gas Negara	=	=	=	=	=	=	30
MYL5347OO009	Tenaga Nasional	=	=	-	+	=	++	30
PHY0001Z1040	Aboitiz Equity Ventures	=	=	-	=	=	+	29

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Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
HK0836012952	China Resources Power Holdings	=	=	=	=	=	+	29
PLPGER000010	Polska Grupa Energetyczna	=	=	=	-	+	+	29
MA0000012205	Taqva Morocco	=	=	=	=	=	=	29
PLTAURN00011	Tauron Polska Energia	=	=	=	+	=	+	29
KYG8972T1067	Towngas China	=	=	-	=	+	=	29
MYL4677OO000	YTL Corp	=	=	+	=	=	=	29
PHY0005M1090	Aboitiz Power	=	=	=	=	=	+	28
CNE100000HD4	China Longyuan Power Group	+	=	-	=	-	+	28
CNE100000WS1	Huaneng Renewables	+	=	-	=	=	=	28
BRTAECDAM10	Transmissora Alianca de Energia Eletrica	=	=	+	=	=	-	28
MYL6742OO000	YTL Power International	=	=	+	=	=	=	28
HK2380027329	China Power International Development	=	=	-	=	=	+	27
INE733E01010	NTPC	=	=	=	=	=	=	27
BRALUPCDAM15	Alupar Investimento	=	-	=	=	=	-	26
CNE100001T80	CGN Power	=	=	-	=	-	=	25
BMG2109G1033	CHINA GAS HOLDINGS	-	=	=	=	=	=	25
PEP702521001	Luz Del Sur	=	-	=	=	=	-	25
CND000000BC2	State Grid Corporation of China	=	=	=	=	=	--	24
CNE1000006Z4	Huaneng Power International	-	=	-	=	-	=	23
XS1117296894	China Three Gorges	=	-	--	=	=	-	22
KYG3066L1014	ENN Energy Holdings	-	=	-	=	=	=	22
HK0392044647	Beijing Enterprises Holdings	-	=	-	=	=	=	21
BMG2113B1081	China Resources Gas Group	-	=	-	=	=	=	21
XS0953958641	Slovensky Plynarensky Priemysel	-	=	-	=	=	-	19
QA0006929812	Qatar Electricity & Water	-	-	-	=	-	=	16
BREQTLACNOR0	Equatorial Energia	-	-	-	-	-	-	14
XS0989152573	Bulgarian Energy Holding	-	-	-	-	-	-	11
BRSTGDDBS000	StateGrid Brazil Holding	-	--	-	-	-	--	11

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## General information

Interconexión Eléctrica (ISA) is engaged in the transmission of electric power. The Company operates a network of high-voltage transmission circuits in Colombia, Peru, Bolivia and Brazil, and manages the facilities of

the National Interconnected System (SIN). Interconexión Eléctrica is also involved in infrastructure projects, which include the development of high-voltage and fiber-optic transmission networks.

## Selected financial data

Key data	Revenues	EBIT	Employees
2016	COP 12,138bn	COP 8,503bn	3,796
2015	COP 5,270bn	COP 2,405bn	3,617
2014	COP 4,217bn	COP 1,906bn	3,946
2013	COP 3,601bn	COP 1,551bn	3,883
2012	COP 4,303bn	COP 2,003bn	3,860

Main shareholders	2018
Government of Colombia	61.6%
AFP Porvenir SA	8.2%
Admin Fondos de Pensiones y Cesantía Protección SA (Invst Mgmt)	6.4%

Geographical Breakdown	Turnover 2016	Employees
Brazil	56.9%	N/A
Colombia	16%	N/A
Peru	15.6%	N/A
Chile	10.4%	N/A
Others	1.1%	N/A

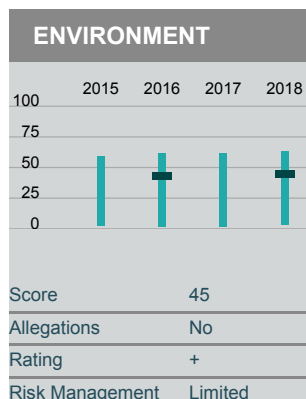
Main economic segment	Turnover 2016
Energy Transmission Services	85.9%
Road Concessions	10.2%
Telecommunications	2.8%
Management of Real-time Systems	1.1%

## Selected ESG Indicators

	2017	2016
Non-executive Board member(s) responsible for CSR issues	No Info	No Info
Executive remuneration linked to CSR performance	No Info	No Info
Percentage of independent Board members	11.11	11.11
Percentage of women on Board	22	22
Percentage of women in Executive team	36	36
Percentage of women in workforce	N/A	23
Transparency on lobbying budget	No	No
Percentage of employees covered by collective agreements on working conditions	N/A	62
3 year trend for safety at work	N/A	↗
Involvement in armament	No	No
Management of social risks in supply chain	Limited	Limited
Carbon factor (3-year trend)	N/A	N/A

## CSR performance per domain

■ Sector performance  
■ Company performance  
 Rating : min- / max ++



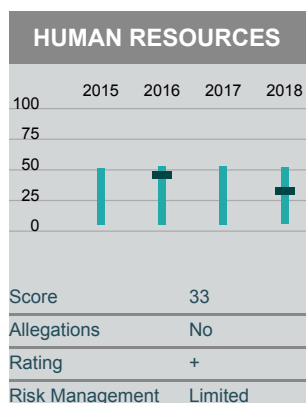
### Key issues

Electric Transmission companies have their responsibilities in tackling climate change and protecting the environment. Companies are expected to increase their efforts to improve the efficiency of their networks as well as mitigate fugitive air emissions. In addition, the operation of such linear infrastructures (high-voltage lines) adds responsibility for the company to protect biodiversity through the entire lifecycle of its activities.

### Company performance

- The Company's performance in the Environment domain has remained stable and limited in absolute terms.

- As part of its formalised commitment to environmental issues, ISA has established a target to reduce its SF6 gas leaks. Also, 40% of its sites are ISO 14001 certified. The Company's total SF6 emissions and its GHG emissions linked to the electric T&D activities decreased between 2014 and 2016. In terms of biodiversity protection, ISA formulates Environmental Impact Studies and executes environmental improvement plans. Local measures taken to protect biodiversity include land restoration and bird protection programmes.



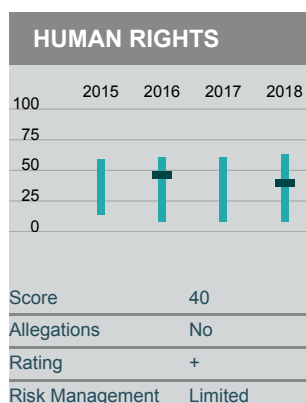
### Key issues

Safeguarding the safety and health of employees and contractors remains a key risk factor in the sector. Similarly, anticipating the ageing workforce and retirement of highly skilled workers through the development of career management and promotion of employability represents a major sector challenge. Anticipating and managing reorganisations represent a key challenge, notably following phase-out and optimisation operations after the Fukushima incident. Implementing and maintaining sound systems to guarantee social dialogue is important to the Electric & Gas Utilities sector, that traditionally benefits from strong well-established industrial relations.

### Company performance

- The Company's performance in the Human Resources domain has significantly decreased but remains limited in absolute terms.

- ISA has OHSAS 18001 certifications and a Committee on Safety and Health at Work, aimed at promoting and monitoring compliance with the occupational health rules and regulations. However, the Company's accident frequency rate increased over three years period to 2016. Also, ISA does not provide historical information related to employee turnover rate since 2014 and its workforce has decreased since then. On the other hand, there is a commitment to promoting career management and in 2016, 95% of the Company's workers had a performance assessment. Finally, there is no disclosure on issues linked to the promotion of labour relations.



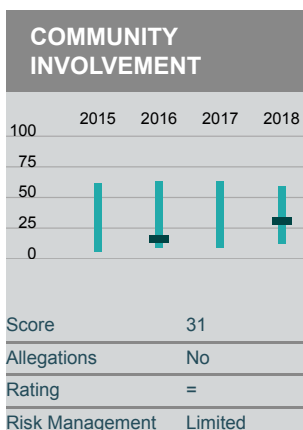
### Key issues

Companies with operations in weak governance zones and which are involved in large-hydro projects, mining activities, or gas exploration, tend to be more exposed than others to violations of stakeholders' fundamental human rights. Electric & Gas Utilities are expected to also have policies and management systems in place, e.g. information, training, risk-mapping, to deal with labour rights issues in their countries of operation and guarantee freedom of association and the right to collective bargaining. Finally, the industry remaining largely male dominated, discrimination need to be banned and diversity promoted if companies want to increase their competitiveness as well as attract and retain talents.

### Company performance

- The Company's performance in the Human Rights domain decreased but remains limited in absolute terms.

- ISA displays a formalised commitment to respect and promote human rights and it has a Socio-political Risks and Social Risks Analysis Group to manage potential situations of Human Rights violations. Regarding freedom of association, the Company discloses a commitment and back up its statement with some basic measures that include monitoring of its labour risks. Nevertheless, there is no disclosure of measures to promote collective bargaining. Finally, ISA discloses a formalised commitment to non discrimination. However, indicators on the share of women in management positions has decreased from 2015 to 2016.



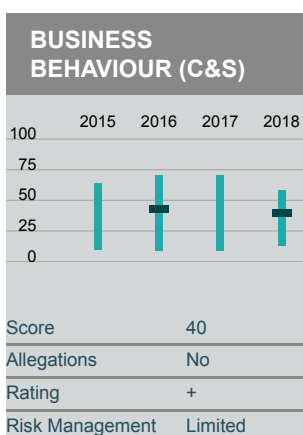
### Key issues

Electricity transmission companies' main responsibility in terms of Community Involvement is the involvement in access to energy programmes in developing countries through the participation in collaborative projects with relevant stakeholders, the allocation of resources to provide capacity building, and the support to renewable energies. On top of that, in their regions of operations, electricity transmission companies are expected to deal with the disruptive impacts of their operations and promote the local social and economic development through the evaluation and monitoring of the social impacts of operations on communities, the support to social programmes and the reinforcement of the local content of operations.

### Company performance

- The Company's performance in the Community Involvement domain has significantly improved and now is considered limited.

- ISA's Social Corporate Policy discloses a formalised commitment to promote local, social and economic development. This is supported by programmes related to education and social infrastructure that the Company has allocated in countries where it has operations, such as Colombia and Chile. Even though ISA has operations in Panama, which is considered an Offshore Financial Center as defined by the IMF, its presence is justified through energy transmission activities in the country. Finally, ISA does not report on programmes to promote access to energy.



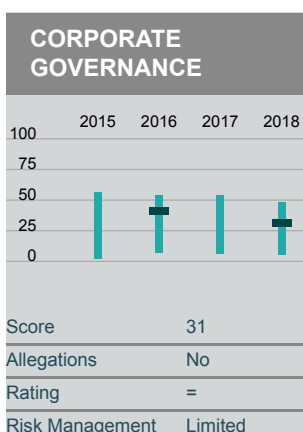
### Key issues

Electric & Gas Utilities and Transmission companies operate in regulated markets where risks and opportunities are shaped by regulatory frameworks and reforms. Thus, these companies are frequently involved in the political processes, highlighting the importance of issues such as lobbying and prevention of corruption and of conflicts of interest. With the increasing competition, companies may also be tempted to violate competition rules. Finally, as sector companies rely extensively on suppliers for coal, natural gas and uranium, social and human rights factors in the supply chain are of major importance.

### Company performance

- The Company's performance in the Business Behaviour domain remains limited in absolute terms.

- The Company's commitments to prevent corruption and anti-competitive practices is supported by a confidential communication line. In addition, corruption risk analysis are performed periodically to ensure the Company's processes. In terms of supplier issues, ISA discloses a formalised commitment to include social factors in its supply chain management. However, there is no disclosure of the measures allocated to include these factors. Finally, there is no information related to transparency of lobbying practices.



### Key issues

Sound corporate governance is required to oversee a company's strategic direction, including the CSR strategy. Vigeo Eiris' framework has been adapted to capture the level of integration of CSR topics at Board-level, supplementing traditional signals on efficient governance practices. Directors are notably evaluated on their level of diversity and experience with operational, financial, and CSR topics. The audit and internal controls system is examined regarding the efficiency and reach of its risk management. Shareholders are expected to have fair voting rights and access to all relevant information on emerging ESG risks. Executive remuneration is assessed for transparency and alignment with balanced stakeholder interests.

### Company performance

- The Company's performance in the Corporate Governance domain has decreased but remains limited in absolute terms.

- This change is mainly due to the fact that only minority of the Board and none of the related Committee members are considered independent. There is also no evidence that CSR issues are reviewed at Board meetings. However, the roles of Chairman and CEO are separated and Board's performance is assessed annually. ISA's internal control system cover CSR risks such as corruption but there is no disclosure about climate change or health and safety risks. In addition, major restrictions have been identified in terms of shareholders' ability to convene an EGM. Finally, it is not clear what rules guide the Company in allocating incentives to its executives.





## CSR performance per criterion

### Detailed Analysis

<b>Environment</b>	<b>11</b>
ENV1.1 Environmental strategy	11
ENV1.2 Pollution prevention and control (soil, accident, industrial safety, nuclear)	13
ENV1.3 Development of renewable energy	14
ENV1.4 Protection of biodiversity	15
ENV2.2 Management of energy consumption and GHG from Transmission & Distribution activities	17
ENV2.4 Management of energy consumption and air emissions from fossil-based Generation activities	19
ENV3.1 Energy demand-side management	20
<b>Human resources</b>	<b>21</b>
HRS1.1 Promotion of labour relations	21
HRS2.3 Responsible management of reorganisations	23
HRS2.4 Career management and promotion of employability	24
HRS3.2 Improvement of health and safety conditions	26
<b>Human rights</b>	<b>29</b>
HRT1.1 Respect for human rights standards and prevention of violations	29
HRT2.1 Respect for freedom of association and the right to collective bargaining	31
HRT2.4 Non-discrimination	33
<b>Community involvement</b>	<b>35</b>
CIN1.1 Promotion of the local social and economic development	35
CIN2.1 Promotion of access to energy and prevention of fuel poverty	37
<b>Business behaviour (C&amp;S)</b>	<b>39</b>
C&S1.3 Responsible Customer Relations	39
C&S2.4 Integration of social factors in the supply chain	40
C&S3.1 Prevention of corruption	42
C&S3.2 Prevention of anti-competitive practices	44
C&S3.3 Transparency and integrity of influence strategies and practices	46
<b>Corporate governance</b>	<b>48</b>

CGV1.1	Board of Directors	48
CGV2.1	Audit & Internal Controls	51
CGV3.1	Shareholders	53
CGV4.1	Executive Remuneration	54

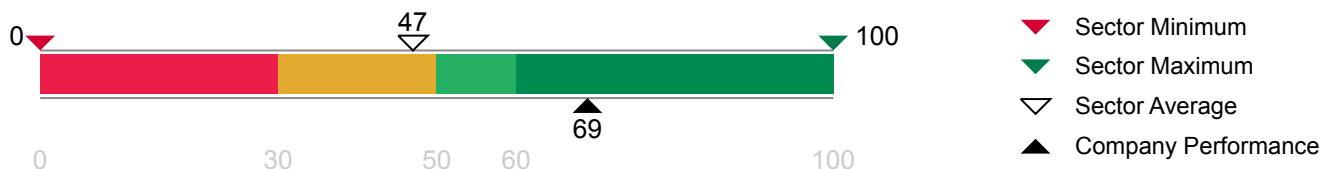
 Involvement in allegations    Involvement in allegations with evidence of corrective measures

Environment

Score: 45

ENV1.1 Environmental strategy

(score: 69, weight: 2)



Visibility of commitment to environmental issues

The Company has issued a formalised commitment to environmental protection in its: Ethics Code and in its Environmental Corporate Policy disclosed in the Company's website. Its commitment is also mentioned in its Integrated Report. The Company is a signatory of the Global Compact and communicates on this principle.

Relevance of environmental strategy

The Company commits to all its responsibilities in terms of environmental protection:  
 - Pollution prevention and control (soil, accident)  
 - Protection of biodiversity

Relevance of climate change strategy

The Company commits to all its responsibilities in terms of climate change:  
 - Management of energy consumption and GHG emissions from Transmission & Distribution activities

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, there is a dedicated structure responsible for this issue, and other stakeholders are involved.

- The General Manager and the Ethics Committee are responsible for compliance with the Ethics Code. Also, the Integrated Report is signed by the CEO. On the other hand, it is unclear who is responsible for the implementation of the Corporate Environmental Policy.
- Overseeing the implementation of the Climate Strategy is the responsibility of the Corporate Strategy Vicepresidency with its Corporate Direction of Sustainability, and it reports to the general management.
- The Company established a working group with participation of all its companies for SF6 management.
- In 2016, the Company signed the SF6 Electric Power Systems partnership agreement with the US Environmental Protection Agency to have synergies with leading companies in the Integrated Management of SF6.

Means allocated to environmental management

The company has allocated significant resources to environmental management.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

-Environmental performance measured against targets: ISA reports its progress against targets to reduce its SF6 gas leaks. In 2016, the Company established a

corporate target by 2017 that leakage of SF6 gases do not exceed 0.95% of SF6 installed.  
-The Company is ISO 14001 certified in some of its sites.

## Coverage of certified environmental management systems

Between 25% and 49% of the company's sites/offices have a certified environmental management system.

40% in Overall Certified EMS Coverage.

<b>Leadership</b>	<b>93</b>
Visibility	65
Relevance	100
Ownership	100

<b>Implementation</b>	<b>44</b>
Means & resources	65
Coverage	30

**ENV1.2 Pollution prevention and control (soil, accident, industrial safety, nuclear)**

(score: 42, weight: 2)



**Relevance of commitments on pollution prevention and control**

The company's commitments take into account accidental pollution prevention during its operations.

**Means allocated to pollution prevention and control**

No information is available on resources allocated to pollution prevention and control, however the company has ISO14001 certified sites.

- risk assessment/ identification studies
- training (including contractors)
- pollution control audits
- implementation of risk prevention procedures (emergency plans, simulation exercises)

**Coverage**

The company has allocated resources to pollution prevention and control at a minority of sites.

*40% of Company's sites are reported to be ISO 14001 certified.*

**Existence of accidental pollution**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>65</b>
Relevance	30	Means & resources	30	Trends	65
		Coverage	30		

## ENV1.3 Development of renewable energy (deactivated)

Interconexion Electrica is not involved in electricity or heat generation, therefore this sustainability driver is deactivated.

ENV1.4 Protection of biodiversity

(score: 36, weight: 2)



Relevance of the commitment

The company's commitment towards biodiversity protection is general.

- Loss and fragmentation of ecosystem and habitats on operation sites due to exploration and extraction work (digging, drilling..)
- Effects on population's dynamic (breeding, feeding and reproduction behaviour), due to noise, habitats degradation or fragmentation
- Effects on sensitive or migratory species (due to noise, habitat degradation)
- Soil erosion (due to draining, use of pesticide, cut of trees)
- Loss of vegetal species due to use of chemicals
- Effects on aquatic's flora dynamic
- Effect on sediments transfer
- Effect of habitat fragmentation and ecosystems

Managerial tools allocated to integrate biodiversity in the management of operations

The company has implemented relevant measures to identify the impacts of its operations on biodiversity, including:

- Environmental impact assessments
- Training relevant managers or employees on biodiversity
- Relevant biodiversity management guidelines
- Monitoring of biodiversity indicators

- *Environmental impact assessments: ISA stated that its environmental management considers the formulation of the Environmental Impact Studies and the execution of environmental improvement plans as well as the application of environmental management systems.*

- *Training relevant managers or employees on biodiversity: one of ISA's companies has planned training to contractors and displacement of towers to avoid serious effects to the peregrine falcon, among other birds.*

- *Monitoring of biodiversity indicators: InterColombia, a subsidiary, monitors and follows up for flora and fauna rescue of Sogomoso Project.*

- *Conexion Jaguar is a sustainability programme that ISA formulates and develops with communities and experts which contributes to biodiversity conservation through forestry projects in priority areas for protection, recovery and connection of habitats and corridors of the jaguar in areas where the Company is present in Latin America.*

Local measures taken to protect biodiversity on operation sites

The company has implemented some measures to limit the impacts of its operations on biodiversity such as:

- bird protection programmes (feeding stations, nest boxes, bird diverters on flight paths, etc)
- vegetation management programmes (decreased use of pesticides/herbicides)
- biotope management plans
- fish protection programmes (fish ladders, fishstock monitoring, fish restocking campaigns, improvement of fish habitats, etc)

- diversion dams and/or flood management and/or minimal flow rates
- land remediation/restoration
- pollutant monitoring during mining activities
- digging mining sites underground
- water heating/withdrawal management/monitoring

- Bird protection programmes (feeding stations, nest boxes, bird diverts on flight paths, etc): One of ISA's companies has planned the installation of bird anti-collision devices, controlled disturbance, training to contractors and displacement of towers to avoid serious effects to the peregrine falcon, among other birds.

- Land remediation/restoration: the Company reports some habitats with native species under restoration process.

**Coverage of local measures allocated to protect biodiversity on operation sites**

There is no evidence that the Company has implemented these measures in a majority of relevant sites.

**Results with regard to biodiversity protection**

Information obtained from the company and public sources regarding biodiversity indicators on its sites of operations is insufficient

The Company reports 1282.6 ha of protected or restored habitats (including rehabilitation and reforestation) in 2016. However there is no information for the previous years to determine a trend.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

<b>Leadership</b>	<b>30</b>
Relevance	30

<b>Implementation</b>	<b>42</b>
Means & resources	48
Coverage	30

<b>Results</b>	<b>35</b>
Performance	65
Trends	0



ENV2.2

Management of energy consumption and GHG from Transmission & Distribution activities

(score: 20, weight: 1)



Relevance of the company's commitment in terms of improving its network energy efficiency

The company does not disclose any commitment with regard to its network energy efficiency.

Relevance of the company's commitment on GHG emissions related to Transmission & Distribution activities

The company's commitment to reduce its Greenhouse Gas (GHG) emissions related to Transmission & Distribution activities is general.

*In 2016, ISA established the target of controlling and reducing SF6 leakages to the atmosphere by 2017 (do not exceed 0.95% of SF6 installed). However, new targets have not been publicly disclosed by the Company. The Company made commitments in Colombia, Brazil, Chile and Peru, to reduce the GHG emissions.*

Means allocated to improve energy efficiency and reduce GHG emissions from Transmission and Distribution activities

The company has implemented some means to improve its network energy efficiency and reduce related GHG emissions.

- Monitoring of energy consumption and/or GHG emissions (direct and indirect)
- Assets replacement programme
- Energy efficiency programme
- Fugitive GHG emissions reduction programme
- Other

*- Monitoring of energy consumption and GHG emissions (direct and indirect): the Company monitors its direct and indirect GHG emissions as well as its total energy consumption.*

*- Fugitive GHG emissions reduction programme: the Company made efforts to maintain equipment to prevent and correct SF6 emissions leaks from the transmission network of the Company leading to a substantial decrease in direct greenhouse gas emissions in 2016.*

Coverage

*There is no evidence that the Company's measures cover the majority of its network.*

Greenhouse Gas emissions linked to electric T&D activities

*The Company's total SF6 emissions, normalised to the length of its electric network, decreased but not continuously between 2014 and 2016 by 23%, from 0.026 (t CO2 / km) to 0.02 (t CO2 / km).*

*The Company's greenhouse gas emissions linked to its electric T&D activities, normalised to length of electric network, decreased but not continuously over the same time period by 11%, from 0.08 (t CO2 / km) to 0.072 (t CO2 / km).*

Energy losses along the company's electricity network

The company does not disclose quantitative data on energy losses along its electricity T&D network.

# Interconexion Electrica SA ESP

ISIN CODE: COE15PA00026 Electric & Gas Utilities Emerging Market

<b>Leadership</b>	<b>15</b>	<b>Implementation</b>	<b>30</b>	<b>Results</b>	<b>15</b>
Relevance	15	Means & resources	30	Performance	15
		Coverage	30		

## ENV2.4

### Management of energy consumption and air emissions from fossil-based Generation activities

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(deactivated)

Interconexion Electrica has no thermal generation facilities. Therefore, this Sustainability Driver is deactivated.

## ENV3.1 Energy demand-side management

(deactivated)

The Company has no end-use customers. Therefore, this Sustainability Driver is deactivated. <br>

Human resources

Score: 33

HRS1.1 Promotion of labour relations

(score: 22, weight: 1)



Visibility of commitment on the promotion of labour relations

The company does not disclose any commitment to promote labour relations.

Relevance of commitment on the promotion of labour relations

The company does not disclose any commitment to promote labour relations.

Ownership of commitment

The company does not disclose any commitment to promotion of labour relations.

Coverage of employee representative bodies

Information obtained from the company and public sources regarding the percentage of sites where employee representation structures are in place is insufficient.

Subjects covered by collective bargaining

Information obtained from the company and public sources regarding the subjects covered in collective bargaining is insufficient.

- health & safety
- CSR issues
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities

Employee representative bodies in countries with restrictive legislation

Information obtained from the company and public sources regarding how the company promotes employee representation in countries with restrictive legislations is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Coverage of collective agreements on working conditions

Collective agreements on working conditions cover between 51 and 75% of its employees.

62% of the Company's employees are covered by collective agreements in 2016.

<b>Leadership</b>	<b>0</b>
Visibility	0
Relevance	0
Ownership	0

<b>Implementation</b>	<b>0</b>
Means & resources	0
Scope	0
Coverage	0

<b>Results</b>	<b>65</b>
Performance	65

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**HRS2.3 Responsible management of reorganisations**

(score: 12, weight: 2)



**Relevance of commitment to manage reorganisations responsibly** The company does not disclose any commitment to manage reorganisations responsibly.

**Relevance of commitment to involve employee representatives in the process** The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

**Means allocated to prevent and manage reorganisations** Information obtained from the company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.

- significant financial compensation
- early retirement
- reduction of labour time
- internal mobility programme
- outplacement services
- individualised follow-up of employees
- re-training

**Coverage** Information obtained from the company and public sources regarding the percentage of sites where such measures are taken is insufficient.

**Stakeholders' feedback** A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

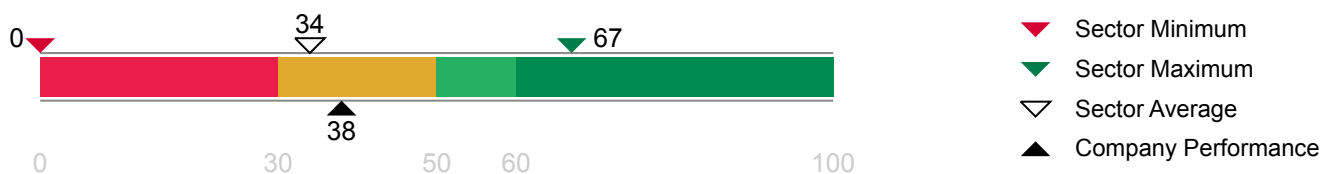
**Result of the company's commitment to manage reorganisations responsibly** The company does not provide any information on the impacts of reorganisations on employment.

*The information on reorganisations recently conducted by the Company is insufficient, moreover its workforce has decreased since 2014.*

<b>Leadership</b>	0	<b>Implementation</b>	0	<b>Results</b>	35
Relevance	0	Means & resources	0	Performance	35
Ownership	0	Coverage	0		

**HRS2.4 Career management and promotion of employability**

(score: 38, weight: 3)



**Visibility of commitment**

The company makes some general statements promoting career management and training in its:

*Integrated Report.*

**Relevance of commitment**

The company's commitment to promoting career management and training only addresses part of its responsibilities:

- Anticipate short and long-term employment needs and skill requirements
- Adapt employees' skill sets to their career paths
- Enable the progressive improvement in employees' qualification levels
- Put in place a concerted career management framework, which is transparent and individualized

**Ownership of commitment**

The Head of HR is part of the company's Board or Executive Committee. However line managers do not appear to be evaluated on their performance in terms of HR management.

*The Chief Talent Officer is part of the Executive Committee.*

**Career management systems**

The company has set up an internal job opportunity marketplace and/or has formalised the skill requirements for the various job positions. Moreover employees have regular performance assessment interviews.

*The Company has a Talent Management Model which considers different aspects including Performance and Development Goals, Mapping of Talents and Succession Plans, Evaluation of Competences and Calibration.*

**Coverage of career management systems**

These career management systems cover all of the company's employees.

*In 2016, 95% of the Company's workers had a performance assessment.*

**Types of training provided to non-managers**

The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills.

*The Company provides training in asset management, technical skills, leadership, innovation, and occupational health and safety.*



## Means allocated to training for all employees

The annual training budget per number of employees increased non-continuously by 125% from 2014 to 2016. ISA states that in 2016, it provided an average of 45 hours of training per employee per year. There is no information for 2015 and 2014 to determine a trend.

## Mobility / turnover

Information disclosed on indicators such as employee turnover or mobility rates is insufficient.

The Company does not provide historical information related to employee turnover rate since 2014.

## Training delivered during the year under review

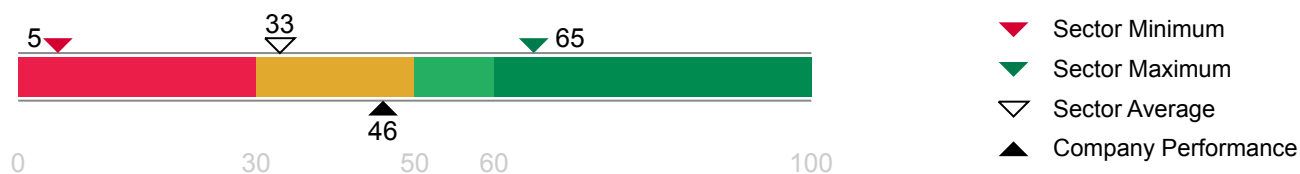
A minority of the company's employees received training during the year under review.

There is no evidence that the majority of the Company's employees received training during the period under review.

<b>Leadership</b>	<b>30</b>	<b>Implementation</b>	<b>65</b>	<b>Results</b>	<b>18</b>
Visibility	30	Means & resources	48	Performance	18
Relevance	30	Scope	65		
Ownership	30	Coverage	100		

## HRS3.2 Improvement of health and safety conditions

(score: 46, weight: 3)



### Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues, which covers both its own employees and sub-contracted workforce, in its:

*Ethics Code, its Declaration of Commitment on Human Rights, and it is also mentioned in its Integrated Management Report.*

### Relevance of commitment on the improvement of health and safety conditions

The company's commitment addresses its main responsibilities:

- ensure awareness about health and safety issues
- reduce the number of work accidents and their severity
- reduce the number of driving accidents
- reduce stress/promote well-being
- prevent occupational disease

### Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, responsibility for commitments is allocated to a dedicated structure or local managers are held accountable.

*ISA reports that all of its employees are represented at the Committee on Safety and Health at Work, a Committee aimed at promoting and monitoring compliance with the occupational health rules and regulations set by the Company. There is also the Emergency Brigade where ISA developed different actions in all premises and facilities to strengthen the management of systems for prevention and emergency response.*

### Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system:

- training/awareness raising programmes
- internal monitoring
- risk assessments
- internal H&S audits
- H&S competitions
- remuneration based on H&S performance
- OHSAS 18001 certifications

*- Training / awareness raising programmes: the Company provides training in technical skills and occupational health and safety to contractors and subcontractors.*  
*- Internal monitoring: the Company discloses injury frequency rates. It also discloses the number of accidents per year and the number of fatal accidents of employees.*  
*- The Company has OHSAS 18001 certifications.*

**Coverage of health and safety system**

The health and safety measures cover the majority of the company's employees, as well as the company's contractors and sub-contractors.

*In 2016, the Company trained contractors in Occupational Health and Safety in its different subsidiaries. It reports training for 100% of contractors of Intercolombia, REP and ISA Bolivia; 85% of CTEEP, 50% of Interchile and 38% of Transelca.*

**Means allocated to reduce stress at work**

The company has allocated basic means to address stress at work, including:

- monitoring of absenteeism/rate of occupational disease
- job redesign (work organisation)
- assessment of stress through analysis of internal H&S data
- monitoring of stress through opinion surveys
- awareness raising for employees
- identification of stress sources
- stress support instruments (hotline, counselling service, employee assistance programme, etc)
- training on stress for employees
- training on stress for managers
- measures to improve ergonomics/ ergonomic design of workplaces

*- Monitoring of absenteeism/rate of occupational disease: the Company monitors the rate of absenteeism.*

*- Monitoring of stress through opinion surveys: there is a Health table in place and any situations that might arise are addressed through the Labor Risk Management (Administradora de Riesgos Laborales, ARL), in order to monitor the physical and psychological wellbeing of employees.*

**Coverage of means allocated to reduce stress at work**

*There is no evidence that the measures allocated to address stress at work cover the majority of the Company's employees.*

**Accident frequency rate**

*The Company's accident frequency rate (per 200,000 hours worked) increased by 82% between 2014 and 2016. However, information for 2015 is not disclosed in order to assess the trend.*

**Accident severity rate**

Information disclosed on the company's accident severity rate is insufficient.

*The Company discloses zero fatal accidents in 2016. However there is no information for the previous years to determine a trend.*

**Occupational diseases**

Information disclosed on absenteeism and/or the rate of occupational disease is insufficient.

*The Company only discloses information on absenteeism until 2014.*

**Accident frequency rate at contractors'**

The company does not disclose quantitative data on subcontracted labour accident frequency rates.

**Accident severity rate at contractors'**

The company does not disclose quantitative data on subcontracted labour accident severity rates.

**Absenteeism and/or Occupational diseases at contractors'**

The company does not disclose quantitative data on its subcontracted labour absenteeism and/or occupational disease rates.

**Stakeholders' feedback**

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

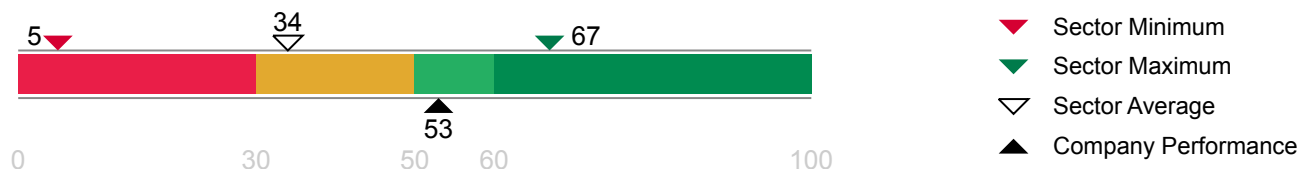
<b>Leadership</b>	<b>65</b>	<b>Implementation</b>	<b>56</b>	<b>Results</b>	<b>16</b>
Visibility	65	Means & resources	48	Performance	16
Relevance	65	Coverage	65		
Ownership	65				

Human rights

Score: 40

HRT1.1 Respect for human rights standards and prevention of violations

(score: 53, weight: 2)



Visibility of commitment on the respect for human rights standards and the prevention of violations

The Company has issued a formalised commitment to respect and promote human rights in society in its Ethics Code and it has set a goal of zero verified events of violations or infringements of Human Rights by 2020. The Company also makes references to respect and promote human rights in its Integrated Management Report and in its Due Diligence at ISA report. In addition, the Company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment on the respect for human rights standards and the prevention of violations

The company's commitment to respect and promote human rights in society is general.

- respect the right to privacy
- respect the right to personal security
- respect property rights
- prevent cruel, inhuman, or degrading treatment
- respect freedom of expression
- prevent complicity in human rights violations

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated to the commitment on the respect for human rights standards and the prevention of violations

The company has set up a permanent system to ensure the respect and promotion of human rights in society that includes:

- awareness-raising programmes for employees
- external investigation of allegations
- resources dedicated to relocating population
- training programmes for employees
- grievance mechanisms
- human rights impact assessments
- internal audits
- consult local independent and representative stakeholders
- facilitate free, prior and informed consent (FPIC)
- human rights capacity building for local communities
- external audits/verification

-Training programmes for employees: ISA and its companies provide training to workers, suppliers and community. The Company carried out promotion of Human Rights and Good Labour Practices with providers of ISA and InterColombia, through training programmes to nearly 500 people.  
-Grievance mechanisms: through its Ethics Management Multi-channel System, the Company can interact with its stakeholders to process reports and inquiries. In

addition, it has an email, where stakeholders can contact the Company.  
 -Human rights impact assessments: ISA has a Socio-political Risks and Social Risks Analysis Group to manage potential situations of Human Rights violations. ISA communicates its progress through the Progress Communication (COP) System, and provides accountability of its Human Rights efforts in the Sustainability Report prepared every year. It also reports progress made to the United Nations Global Compact.

## Coverage

The company has set up such systems in parts of its operations, including in some high-risk areas in terms of human rights abuses.

*There is no evidence that the Company has set up such systems in all of its operations facing the highest risks in terms of human rights abuses.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

<b>Leadership</b>	<b>44</b>
Visibility	100
Relevance	30
Ownership	30

<b>Implementation</b>	<b>51</b>
Means & resources	65
Coverage	30

<b>Results</b>	<b>65</b>
Performance	65

## HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 41, weight: 1)



### Visibility of commitment

The Company has issued a formalised commitment to freedom of association and the right to collective bargaining and/or the company engages with international trade unions in this regard: Ethics Code. The Company is a signatory of the Global Compact and communicates on this principle.

### Relevance of commitment

The company's commitment generally addresses freedom of association and the right to collective bargaining.

- protection of freedom of association and the right to organise
- respect of the right to collective bargaining
- respect and protection of workers' representatives
- explicit support for ILO Conventions C87, C98, C135, or similar international texts on union rights
- prevent employee representative discrimination
- guarantee the effective exercise of the trade unions rights in the workplace

### Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Compliance with the Code of Ethics is supervised by the General Manager, who can delegate to the Ethics Committee.

### Monitoring

The company has implemented limited measures to monitor the respect of freedom of association within its operations:

- occasional risk mapping
- occasional internal audits
- on-going monitoring of labour rights risks
- regular internal audits
- external audits/verification
- external investigation of allegations
- cooperation with unions: joint audits, joint grievance procedures etc.

The Company monitors threats to rights related to freedom of association through the complaints reported to the Ethics Line.

### Promotion of collective bargaining

Information obtained from the company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

## Coverage

The company has set up such systems/programmes in parts of its operations, including in some high-risk areas in terms of labour rights.

*There is no evidence that the Company has set up such programmes in all of its operations facing the highest risks in terms of labour rights.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

<b>Leadership</b>	<b>37</b>
Visibility	65
Relevance	30
Ownership	30

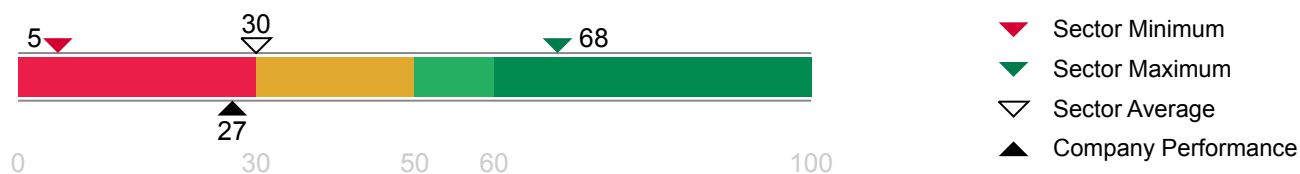
<b>Implementation</b>	<b>21</b>
Means & resources	17
Coverage	30

<b>Results</b>	<b>65</b>
Performance	65



## HRT2.4 Non-discrimination

(score: 27, weight: 2)



### Visibility of commitment on non-discrimination

The Company has issued a formalised commitment to non-discrimination in its Ethics Code. The Company is a signatory of the Global Compact and communicates on this principle.

### Relevance of commitment on non-discrimination

The company's commitment to non-discrimination explicitly defines most of the categories covered:

- gender
- sensitive medical conditions
- trade union membership or activities
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

### Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Compliance with the Code of Ethics is supervised by the General Manager, who can delegate to the Ethics Committee.

### Means allocated to non-discrimination

The company has set up basic measures to prevent discrimination and promote diversity:

- awareness raising
- maternity pay (greater than the statutory requirement)
- paternity pay (greater than the statutory requirement)
- job sharing initiatives
- monitoring of salary disparities
- training
- monitoring
- confidential reporting system / grievance procedures
- disciplinary procedures / corrective measures
- affirmative action programmes

- flexitime initiatives
- child care facilities/child care subsidies
- career break opportunities

- *monitoring: ISA monitors gender balance and reports the information in its Integrated Management Report.*  
 - *confidential reporting system / grievance procedures: ISA verifies and monitors non-discrimination activities through the use of its confidential Ethics Line, and keeps a record of the complaints addressed, which shall be reported on a quarterly basis to the Ethics Committee.*

## Coverage

Although the company has set up monitoring and/or whistleblowing systems, the company has not gone beyond that to implement programmes to promote diversity in its operations.

## Results in terms of gender distribution

*The Company disclosed the share of women in management positions for 2016 and 2015, but it has decreased over that time.*

## Results in terms of employment of disabled persons

The company does not disclose quantitative data on performance indicators such as the share of disabled persons in the total workforce.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

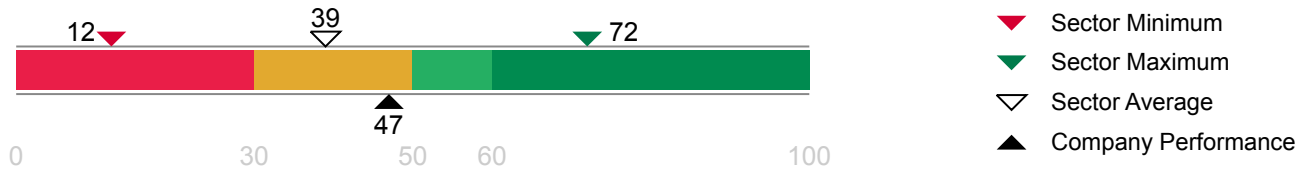
Leadership	51	Implementation	15	Results	16
Visibility	65	Means & resources	30	Performance	65
Relevance	65	Coverage	0	Trends	0
Ownership	30				

Community involvement

Score: 31

CIN1.1 Promotion of the local social and economic development

(score: 47, weight: 3)



Visibility of the policy

The company has issued a formalized and accessible commitment to promote local social and economic development in its:

*Ethics Code and it is also mentioned in its Integrated Management Report. The Company as well discloses a Social Corporate Policy that addresses commitment to promote local, social and economic development.*

Relevance of commitment

The company's commitment to promote local social and economic development addresses only part of its responsibilities:

- Optimise the impact of operations on the local economy
- Promote the creation and development of local businesses
- Promote the transfer of technology and skills to developing countries
- Promote the employment and training of local personnel
- Reduce the social impacts related to site closures, openings, and restructuring
- Implement a responsible tax strategy

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

*The General Manager and the Ethics Committee are responsible for compliance with the Ethics Code. Also the Integrated Report is signed by the CEO.*

Means allocated

The company has allocated significant means to address social and economic development, including:

- Social development programmes
- Capacity building programmes
- Infrastructure development programmes
- Social impact assessments
- Grievance mechanisms

- *Social development programmes: ISA reports programmes related to quality of education in Colombia, Brazil, Chile and Bolivia. ISA (in alliance with the Antonio Restrepo Barco Foundation), develops a programme on Educational Transformation for Life, which helps ensure the education in primary and secondary schools, adjacent to the electrical infrastructure.*

- *Infrastructure development programmes: the Company reports programmes in Colombia, Peru and Chile related to Social infrastructure.*

- *Grievance mechanisms: ISA processes claims for social impacts addressed with formal mechanisms*

These means are allocated in the majority of company sites.

## Geographical coverage

*These means are implemented in all of the countries where the Company has operations. However, it is unclear if these means are implemented in each of the Company's sites.*

## Performance trend

Information obtained from the company and public sources regarding the quantitative outcomes of local social and economic development projects is insufficient to determine a trend.

*The Company invested USD 7 million in Social Management Programmes during FY 2016. Nonetheless, historical data has not been disclosed to assess the trend.*

## Transparency of tax reporting

The company reports only on gross taxes paid. There is no breakdown on a regional or country basis.

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

## Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules

The Company operates in IMF 'offshore financial centres' and/ or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules, and it justifies its presence in most of them.

*The Company has activities in Panama, but its presence is justified through energy transmission activities in the country.*

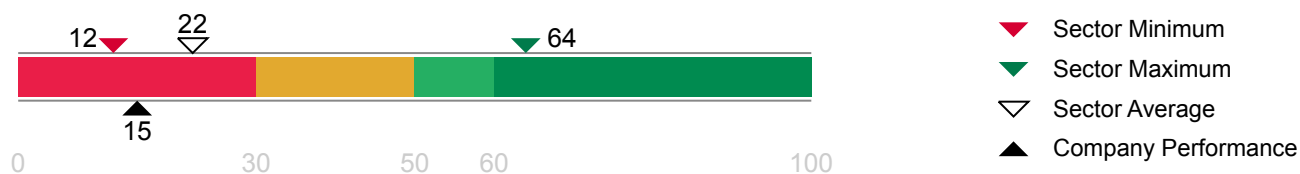
## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

<b>Leadership</b>	<b>41</b>	<b>Implementation</b>	<b>65</b>	<b>Results</b>	<b>35</b>
Visibility	65	Means & resources	65	Performance	47
Relevance	30	Coverage	65	Trends	0
Ownership	30				

## CIN2.1 Promotion of access to energy and prevention of fuel poverty

(score: 15, weight: 3)



### Visibility of the commitment on the promotion of access to energy

The company does not disclose any commitment to address the access to energy in developing countries

### Relevance of the company's commitment on the promotion of access to energy

The company does not disclose any commitment to address the access to electricity in developing countries

- Establish collaborative projects (with governments, UN agencies, NGOs, businesses)
- Foster transfer of technology/capacity building (educational support, promotion of devices, building of dedicated infrastructure)
- Support renewable energy projects (renewable energy, LPG...)

### Ownership of commitment

The company does not disclose any commitment to access to energy and/or fuel poverty

### Measures implemented to promote the access to energy

Information obtained from the company and public sources regarding measures allocated to the access to energy in developing countries is insufficient.

- Rural electrification projects/Extending electricity grids – direct operational involvement
- Provide access to electricity/gas through off-grid solutions (micro/mini grid) - direct operational involvement
- Provide capacity building/technology transfer
- Provide financial support to promote access to energy (renewable energy, LPG networks and cooking gas devices funding through micro-credits)
- Innovative partnerships with stakeholders

### Coverage of the measures implemented to address access to energy

Information obtained from the company and public sources regarding the percentage of the company covered by such efforts is insufficient.

### Performance trend - Access to energy

The company does not disclose indicators on access to energy.

### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

# Interconexion Electrica SA ESP

ISIN CODE: COE15PA00026 Electric & Gas Utilities Emerging Market

Leadership	0	Implementation	0	Results	46
Visibility	0	Means & resources	0	Performance	65
Relevance	0	Coverage	0	Trends	0
Ownership	0				

## Business behaviour (C&S)

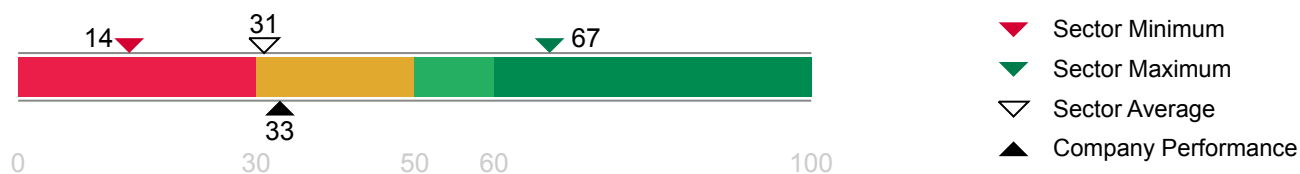
Score: 40

### C&S1.3 Responsible Customer Relations

(deactivated)

## C&S2.4 Integration of social factors in the supply chain

(score: 33, weight: 2)



### Visibility of commitment

The Company has issued a formalised commitment to including social factors in supply chain management in its Ethics code.

### Relevance of commitment

The company's social requirements for suppliers address the main relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Decent wages
- Working hours
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

-Work conditions of suppliers as well as respect for human rights.

### Ownership of commitment

The commitment applies throughout the company, supported by senior management.

### Means allocated

Information obtained from the company and public sources regarding measures to include social factors in supply chain management is insufficient.

- integration of social issues into contractual clauses
- supplier questionnaires
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- non-compliance procedures for suppliers (re-auditing, re-training, eventual ending of contracts)
- risk assessments for suppliers

### Audits of suppliers/contractors

Information obtained from the company and public sources regarding social audits of suppliers/subcontractors is insufficient.

### Coverage of the means allocated

Information obtained from the company and public sources regarding the percentage of the company's suppliers covered by such measures is insufficient.



## Coverage of the social audits

Information obtained from the company and public sources regarding the percentage of the company's suppliers covered by social audits is insufficient.

## Transparency on social compliance in the supply chain

The company does not disclose quantitative data on the share of social non-compliance in the supply chain.

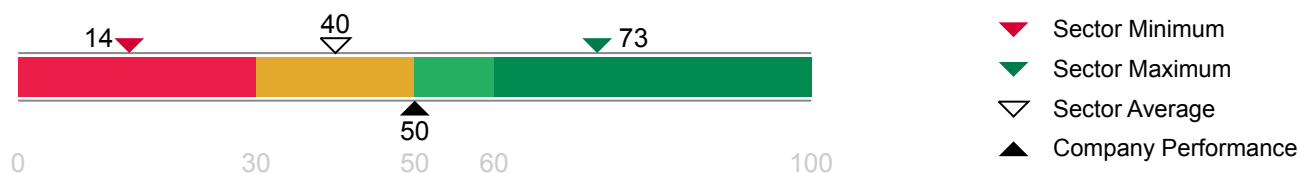
## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

<b>Leadership</b>	<b>56</b>	<b>Implementation</b>	<b>0</b>	<b>Results</b>	<b>43</b>
Visibility	65	Means & resources	0	Performance	43
Relevance	65	Coverage	0		
Ownership	30				

## C&S3.1 Prevention of corruption

(score: 50, weight: 3)



### Visibility of commitment on the prevention of corruption

The Company has issued a formalised commitment to preventing corruption in its Ethics Code and in its Anti-fraud code where it includes prevention, detection, investigation and response mechanisms. Moreover, the Company makes references to corruption prevention in its Integrated Management Report. In addition, the Company is a signatory of the Global Compact and communicates on this principle.

### Relevance of commitment on the prevention of corruption

The company's commitment to preventing corruption addresses its main responsibilities:

- giving / receiving bribes
- restriction of facilitation payments
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- illegal financing of political parties
- prohibition of facilitation payments

### Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

*Compliance with the Code of Ethics is supervised by the General Manager, who can delegate to the Ethics Committee appointed by him or on similar follow-up body, accountable for ethical management.*

*The Ethics Committee is composed of selected workers and an external person to the administration, as a practice that ensures the independence, objectivity and transparency in the decisions made.*

### Involvement of employees in the prevention of corruption

The company has instituted awareness-raising programmes for relevant employees on corruption prevention.

*The Company has instituted awareness-raising campaigns such a video on the prevention of money laundering and terrorist financing in order to move towards ethical and transparent business practices.*

*The Company also has promoted an ethical culture through different activities shared with its employees such as:*

- Reinforcement of the Code of Ethics and its instruments at social networks (Facebook and Twitter)*
- Extended information related to the Code of Ethics and its instruments at the Company's website;*
- Participation in the second forum on ethics of the energy sector led by ISA's affiliate - XM-, the National Operation Council and the Trading Advisory Committee.*

## Means allocated to the prevention of corruption

The company has set up internal controls to prevent corruption that include:

- approval procedures for gifts, etc. by an independent department
- external audits (by an independent, external specialised organisation)
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- risk assessment of company vulnerability

- A dedicated confidential hotline or email address: through the Ethical Line  
 - Risk assessment of company vulnerability: corruption risk analysis as a category of fraud is performed periodically to ensure ISA's processes through various tools that facilitate their control, thus achieving 100% coverage of the macro-processes.

## Coverage of the means allocated to the prevention of corruption

The measures implemented cover all significant parts of the company.

*The Ethics Line covers all boards of directors, directorates, directive staff members and associates of ISA and its companies. It applies as well to their service providers, temporary workers, interns, and apprentices.*

## Transparency on corruption suspicions raised through the employee reporting system

The company discloses quantitative data on the corruption incidents reported internally.

*The Company discloses the number of open, closed and effective cases reported internally, related to fraud and corruption (8 in total) as well as bribery (1 in total) of ISA and its companies.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

<b>Leadership</b>	<b>65</b>	<b>Implementation</b>	<b>32</b>	<b>Results</b>	<b>53</b>
Visibility	65	Means & resources	32	Performance	53
Relevance	65	Coverage	30		
Ownership	65				

C&S3.2 Prevention of anti-competitive practices

(score: 43, weight: 3)



Visibility of commitment on the prevention of anti-competitive practices

The company has issued a formalised commitment to prevent anti-competitive practices in its:

*Ethics Code.*

Relevance of commitment on the prevention of anti-competitive practices

The company's commitment to preventing anti-competitive practices addresses its main responsibilities:

- Abuse of dominant position
- Price-fixing
- Transparency on the market
- Industrial espionage

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved.

*Compliance with the Code of Ethics is supervised by the General Manager, who can delegate on an Ethics Committee appointed by him or on similar follow-up body made up of a plural odd number of persons, accountable for ethical management.*

*The Ethics Committee is composed of selected workers and an external person to the administration, as a practice that ensures the independence, objectivity and transparency in the decisions made.*

Involvement of employees in the prevention of anti-competitive practices

Information obtained from the company and public sources regarding reporting involvement of employees in preventing anti-competitive practices is insufficient.

Means allocated to the prevention of anti-competitive practices

The company has set up reporting systems to prevent anti-competitive practices that include:

- approval procedures for contract prices etc. by an independent department
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- risk assessment of vulnerability areas within the company
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- external audits (by an independent, external specialised organisation)

*- A dedicated confidential communication mechanism: the Ethical Line.*

### Coverage of the means allocated to the prevention of anti-competitive practices

The measures implemented cover all significant parts of the company.

*The Ethics Line covers all boards of directors, directorates, directive staff members and associates of ISA and its companies. It applies as well to their service providers, temporary workers, interns, and apprentices.*

### Reporting

The company does not disclose any quantitative data on the number or nature of antitrust incidents reported internally.

### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

<b>Leadership</b>	<b>65</b>	<b>Implementation</b>	<b>20</b>	<b>Results</b>	<b>43</b>
Visibility	65	Means & resources	15	Performance	43
Relevance	65	Coverage	30		
Ownership	65				

**C&S3.3 Transparency and integrity of influence strategies and practices**

(score: 12, weight: 1)



**Visibility of the commitment on transparency and integrity of influence strategies and practices**

Information on the company's commitment to ensuring transparency and integrity of lobbying practices is insufficient.

**Relevance of the commitment on transparency and integrity of influence strategies and practices**

The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

- to prevent any contrast with public international conventions (UN, ILO, OECD)
- not obtain or try to obtain information, or any decision, dishonestly
- not to misrepresent themselves to mislead third parties and/or staff of public authorities
- openly declare the company's business interests
- ensure that information provided is up-to-date, complete and not misleading
- not induce staff of PA to contravene rules of behaviour applicable to them
- if the company employs former staff of PA, to respect their obligation of confidentiality
- to be transparent on the amounts of donations to political parties/organisations

**Ownership of commitment**

The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

**Involvement of employees**

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

**Measures allocated towards transparency and integrity of influence strategies and practices**

Information regarding measure allocated to ensure transparency and integrity of lobbying practices is insufficient.

- publication of detailed information on lobbying activities
- approval procedures for gifts, travel or other privilege by an independent department
- a dedicated confidential hotline or email address
- internal monitoring for lobbying budget
- internal audits for lobbying activities
- independent party for monitoring lobbying budget/external audit
- disclosure of the positions in the period of preparation of a debate and during the debate

**Coverage of the measures allocated towards transparency and integrity of influence strategies and practices**

Information regarding the percentage of the company covered by such controls and

measures is insufficient.

## Reporting

The company does not disclose direct and indirect expenses dedicated to lobbying practices.

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

<b>Leadership</b>	<b>0</b>
Visibility	0
Relevance	0
Ownership	0

<b>Implementation</b>	<b>0</b>
Means & resources	0
Coverage	0

<b>Results</b>	<b>35</b>
Performance	35

Corporate governance

Score: 31

CGV1.1 Board of Directors

(score: 38, weight: 3)



**[LISTED COMPANIES] Existence and independence of Nomination Committee**

No executive is a member of the committee, but half or fewer are independent.

*None of the five-member of the Board and Corporate Governance Committee is considered independent.*

**Independence of the Board Chairman**

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

**Responsibility allocated over CSR issues**

Information on the responsibilities allocated over CSR issues is insufficient.

**Share of independent shareholder-elected Board members**

*The Board is between 0 and 20% independent, which might raise concerns. One member of the 9-member Board are considered independent.*

**Diversity of the skills and backgrounds of the Board**

The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues

*Some Board members have experience in the energy sector.*

**Training and expertise provided to board members**

Training is provided upon joining the Board.

*Board members receive training on ISA's business and sectors upon joining the Board.*

**Regular election of Board members**

*Board members are elected every year.*

**Evaluation of Board's functioning and performance**

Performance is evaluated regularly, with disclosure on the results.

*The Company conducts annual evaluations to the Board of Directors. The results*



related to the members' individual performance highlight: knowledge, rigor, commitment and active participation. Results related to the group performance are disclosed: diversity of opinions and knowledge, capacity to reach agreements, respect for other members and management, and adequate spaces for the participation of independent members. There were also identified areas of improvement such as the need to address strategic and innovation topics constantly and to improve the members' timeliness.

## Review of CSR issues at Board meeting

The formal CSR reporting has been signed by CEO/Chairman/Board, but there is no evidence that relevant CSR issues are reviewed at Board meetings.

- Health & safety
- Climate change
- Pollution prevention
- Anti-competitive practices
- Corruption
- Community relations

## Regularity of and attendance at Board meetings

Regular meetings are held, and attendance rates are above 90%

There were 15 Board meetings during FY2016 with an attendance rate of 96%.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
Santiago Montenegro	Chairman of the Board of Directors and Chairman of the Business Committee		X		X		X		X			X	Nominated by a shareholder with more than 3% of total voting rights	
Camilo Zea Gómez			X			X						X	Nominated by a shareholder with more than 3% of total voting rights	
Carlos Londoño			X		X	X	X					X	Nominated by a shareholder with more than 3% of total voting rights	
María Ximena Cadena			X		X		X					X	Nominated by a shareholder with more than 3% of total voting rights	
Jesús Aristizábal	Chairman of the Corporate Audit Committee		X			X			X			X	Nominated by a shareholder with more than 3% of total voting rights	
Carlos Mario Giraldo	Chairman of the Corporate Governance Committee		X		X		X					X	Nominated by a shareholder with more than 3% of total voting rights	
Carlos Caballero			X									X	Nominated by a shareholder with more than 3% of total voting rights	
Henry Medina			X											X

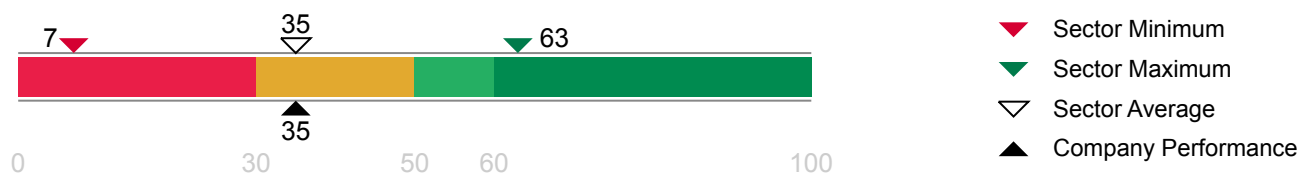
# Interconexión Eléctrica SA ESP

ISIN CODE: COE15PA00026 Electric & Gas Utilities Emerging Market

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
Ana Milena López			X		X		X					X	Nominated by a shareholder with more than 3% of total voting rights	

## CGV2.1 Audit & Internal Controls

(score: 35, weight: 2)



### [LISTED COMPANIES] Existence and independence of Audit Committee

No executive is a member of the committee, but half or fewer are independent.  
 No member of the Corporate Audit Committee is considered independent.

### Skills and backgrounds of Audit Committee members

All of the Audit Committee members have financial and/or audit experience and some of them have relevant operational experience.

### Operational and CSR risks covered by the company's internal controls system

The internal control system covers the standard issues related to financial, operational, and legal risks. In addition, the system covers some of the CSR risks inherent to the company's business operations.

- Health & safety
- Climate change
- Pollution prevention
- Anti-competitive practices
- Corruption
- Community relations

Some of the CSR risks covered are: environmental, social, human capital and labour relations, and fraud.  
 ISA has in place a risk management policy, which provides the concept and action framework for the objective, systemic and approved implementation of actions aimed at proper management of risks in order to preserve the integrity of the corporate resources.

### Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a limited role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

### Management of the CSR risks

Although the company has set up some measures, it has not gone beyond that to integrate CSR risks in its overall strategy.

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board

- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it

*The Company has a Corporate Policy of Comprehensive Risk Management which performs the identification, analysis, evaluation, monitoring and communication of 17 risks categories including CSR risks such as human rights violations, armed conflicts and natural events, biodiversity, waste management, and access to energy.*

## Independence of the firm's external auditors

Information obtained from the company and public sources regarding the independence of the firm's external auditors is insufficient.

## Inclusion of CSR issues in the company's reporting

The company publishes significant CSR reporting on key material issues.

*The Company publishes CSR reporting in its Integrated Report on key material issues, with an independent assessment from Deloitte based on the International Standard on Assurance Engagements 3000 (ISAE 3000). The scope of this review is not clear.*

## Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

## CGV3.1 Shareholders

(score: 34, weight: 2)



### Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

### Safeguards on transactions with major shareholder(s)

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

### Ability to add items to the agenda of the AGM and to convene an EGM

Major restrictions have been identified to convene an EGM.  
*5% share ownership is required to add items for AGM agenda. Nonetheless, the share ownership required to convene an EGM is not clear.*

### Access to voting at General Meetings

Shareholders' ability to vote is restricted.  
*Only shareholders present at the meeting or with representative in the meeting can vote. No ability to vote through online services is available.*

### Ability to vote on relevant issues in separate resolutions at AGM

Not all major items are put to a shareholder vote.  
*The following item is not put to a vote at the AGM: Executive remuneration.*

### Presentation of CSR strategy to shareholders and investors

Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.

- Climate change
- Pollution prevention
- Corruption
- Health & safety
- Community relations
- Anti-competitive practices

### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

## CGV4.1 Executive Remuneration

(score: 14, weight: 2)



### [LISTED COMPANIES] Existence and independence of Remuneration Committee

No executive is a member of the committee, but half or fewer are independent.  
None of the five-member Board and Corporate Governance Committee is considered independent.

### Disclosure of senior executives' individual remuneration

Executive remuneration is disclosed, but on a collective rather than on an individual basis.

### Link between Short Term Incentive Plans and the performance of the company

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

### Link between the main Long Term Incentive Plan and the performance of the company

The company does not have any incentives plan for its executives linked to multi-year performance conditions.  
The executives do not receive long-term benefits.

### Link between variable remuneration and CSR performance of the company

There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.

- Health & Safety
- Climate Change
- Pollution Prevention
- Customer Satisfaction
- Other

### Severance pay for senior executives

Information obtained from the company and public sources regarding severance pay for senior executives is insufficient.

### Evolution of CEO-to-employee compensation ratio

Information obtained from the company and public sources regarding the compensation of CEO and the average employee salary is insufficient.  
Information on CEO remuneration is not disclosed.

### Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

## Detailed Scores and Ratings

### CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2018/03	+	+	+	=	+	=
2016/03	+	++	+	-	+	+
2014/12	+	++	++	-	++	+

### SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	45	46	37	31
Human resources	33	32	40	26
Human rights	40	45	31	45
Community involvement	31	21	33	41
Business behaviour (C&S)	40	56	17	45
Corporate governance	31	40	13	40

### SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	69
	2	42
	3	N/A
	4	36

Environment 2	2	20
	4	N/A
Environment 3	1	N/A

Sub-domain	Criterion	Score
Human resources 1	1	22
Human resources 2	3	12
	4	38
Human resources 3	2	46

Sub-domain	Criterion	Score
Human rights 1	1	53
Human rights 2	1	41
	4	27

Sub-domain	Criterion	Score
Community involvement 1	1	47
	1	15

Sub-domain	Criterion	Score
Business behaviour (C&S) 1	3	N/A
Business behaviour (C&S) 2	4	33
Business behaviour (C&S) 3	1	50
	2	43
	3	12

Sub-domain	Criterion	Score
Corporate governance 1	1	38
Corporate governance 2	1	35
Corporate governance 3	1	34
Corporate governance 4	1	14

## Contacts

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## Overview of the latest updates

Date of the latest update	Information updated
2018/07	Carbon & Energy Transition
2018/03	Controversial Activities Screening
2018/03	<b>Full ESG profile</b>