

# 2013 Sustainability Report



[www.isa.com.co](http://www.isa.com.co)



**CONTENTS**

<b>Scope</b>	<b>4</b>
<b>From the Management</b>	<b>6</b>
<b>Strategy and Analysis</b>	<b>7</b>
<b>Organizational Profile</b>	<b>12</b>
<b>Material aspects and coverage</b>	<b>13</b>
<b>Stakeholders' participation</b>	<b>15</b>
<b>Profile of the Report</b>	<b>27</b>
<b>Governance</b>	<b>28</b>
<b>Ethics</b>	<b>31</b>
<b>Economic management</b>	<b>34</b>
▪ Compensation and remuneration of employees	37
▪ Economic management in the Supply Chain	40
▪ Management with shareholders	43
<b>Environmental management</b>	<b>48</b>
▪ Environmental impacts	49
▪ Protection of ecosystems	53
▪ Climate change	56
<b>Management with our employees</b>	<b>60</b>
▪ Attraction and retention of human talent	64
▪ Health and safety protection of employees	69
▪ Ensure welfare of employees and their families	73
▪ Participation mechanisms	74
<b>Management with communities</b>	<b>82</b>
<b>Presence with investment in area of influence of business</b>	<b>85</b>

<b>CONTENTS</b>	<b>Contribution to social welfare of communities where there is presence</b>	<b>88</b>
	▪ Development of public and private partnerships	96
	▪ Social management in the lifecycle of assets	97
	▪ Management of social risk and Human Rights	100
	<b>Management of suppliers</b>	<b>101</b>
	▪ Transparency in contracting of suppliers and contractors	103
	▪ Development of and advice to suppliers	104
	▪ Assessment of suppliers: how is management and performance	107
	▪ Advice from suppliers and contractors for health, safety and environmental management	108
	<b>Management with customers</b>	<b>112</b>
	▪ Internal and external customer's satisfaction	113
	▪ Provide service with high levels of reliability, availability and safety	113
	▪ Keep reliable, prompt and timely communication	116
	▪ Promote operational excellence	116
	<b>Management of Human Rights</b>	<b>119</b>
	▪ Management and promotion of Human Rights in communities	121
	▪ Monitoring of suppliers on ethics, human rights, security and environmental management	122
	▪ Promotion of ethical principles and Human Rights in suppliers	123
	<b>Annexes</b>	<b>124</b>
	<b>Independent review report</b>	<b>186</b>

## SCOPE

This Report gathers the performance of ISA in the Energy Transmission business and contains indicators showing the management of key issues regarding the sustainability of XM, INTERNEXA, TRANSELCA, REP, ISA Bolivia and CTEEP. Importantly, each company has its own management report that can be consulted at their respective websites.

The economic, environmental and social management is reported from the material matters that ISA and its stakeholders have identified as key topics in their relationship and creation of value. It is the first exercise of identification of material matters for the Company in a matrix of impacts, and the management performed by ISA for 2013 will be reported based on the same.





**LUIS FERNANDO ALARCÓN MANTILLA**  
ISA's CEO



## FROM THE MANAGEMENT

2013 was a year of reflection and proposals for major changes in the structure of the Organization. There was significant improvement in stakeholder involvement and progress was made in identifying and generating added value for each stakeholder at ISA.

Listen, evaluate and improve the management from the expectations expressed in the various opportunities for dialogue with shareholders and investors, customers, suppliers, employees, State representatives and community have made a change in the way of responding to commitments to each of these groups.

Today, the path to sustainability and business viability continues from socially responsible actions and from the growth of the Company and its stakeholders. This Report informs about the most significant issues and intends to disclose the accomplishments, goals and challenges of a new strategy called ISA 2020.

In this sense, ISA rethought its strategy to meet the new challenges arising from an increasingly complex and demanding business environment; this way, by mid-2012, the Board of Directors and the Management

accompanied by consulting firm McKinsey & Co., began an exercise in Strategic Update that would enable them to set new challenges and initiatives to anticipate an increasingly global and competitive world, and to define an organizational model that will make viable the achievement of the strategy.

Based on this new scenario, 2013 was closed and a new roadmap begins for 2014, seeking for corporate consistency between sustainability management and its impact on the company's strategy reflected in material affairs, in response to the increasing demand of society to contribute to the development of environments where we operate, having a clear risk management to face these challenges.

Finally, this report is verified by a third party; we hope that this action ensures the transparency of our management.



**Luis Fernando Alarcón Mantilla**  
ISA's CEO

## STRATEGY AND ANALYSIS



*“It is necessary conducting an effective alignment with the strategic decisions to direct the Organization into one of the*

*corporate goals that seeks to “Manage ISA’s positioning as multi-latin leader in technical excellence and business sustainability.”*

*The priorities include the interest of aligning with the Dow Jones sustainability indicator, which presents key points to manage business risks and stakeholders involving special value for ISA such as suppliers, shareholders and employees. The gaps identified in connection with this indicator and the expectations expressed by the stakeholders under the context of dialogues are the main working input to meet the commitment to corporate sustainability.*

**Martha Ruby Falla González**

To learn about the ISA 2020 strategy, go to “Annual Report”, read in page 32 Item “Corporate Strategy”. [Click here](#)

The priorities include the interest of aligning with the Dow Jones sustainability indicator, which presents key points to manage business risks and stakeholders involving special value for ISA such as suppliers, shareholders and employees. The gaps identified in connection with this indicator and the expectations expressed by the stakeholders under the context of dialogues are the main working input to meet the commitment to corporate sustainability.

Although a new business vision was disclosed, the management of the Company was not suspended and has continued handling the key issues and risks associated with sustainability in relation to the management of commitments held with stakeholders, issues that have remained constant during the last three years; thus, ISA posed a long-term gap closing until 2014.

These gaps have enabled the Organization to handle the constraints that the environment imposes to the growth strategy of the Company and it has marked a change in social management and relations with State institutions, greater demands on suppliers to increasingly mobilize them towards management schemes that incorporate ISO standards and regulations applicable to the Sector, with a strong commitment by the Company to act according to ethical management and respect and promotion of Human Rights.



The challenges identified and translated into opportunities that contribute to business viability are:

- High competition in all markets and businesses: low rates and players with a different competitive profile (funding, targets, technology and business ethics).
- Outsourcing of activities increases the risk for service failures, work accidents, possible complicity in violation of Human Rights.
- Strong competition in the market for qualified human talent.
- Respond to greater social expectations and regulatory requirements in environmental, labor and business matters.
- Internalize, implement and achieve recognition in sustainability management.
- Strengthen the socio-environmental planning and the processes for environmental licensing, social management and energy transmission easements.
- Work from the institutional and community strengthening to improve governance, reduce extreme poverty, and minimize public order and security issues in rural areas.

The goals contained in the gap plan that allow handling the challenges of the environment are mobilized from the same management axes:

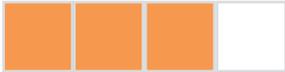
- Alignment of Corporate Social Responsibility management with ISO 26000 standard.
- Progress in the consolidation of a preventive environmental management within the framework of ISO 14001 and strengthening of the legal and regulatory management.
- Management of Human Rights: implementing the UN Guiding Principles on Business and Human Rights.

The management of such identified gaps posed the following to the Organization:

## ELECTRICITY INFRASTRUCTURE

2012-2013 Objectives	2013 Management	Progress	A c h i e v e m e n t s
<b>Management of ethics, anti-corruption and transparency</b>	<ul style="list-style-type: none"> <li>▪ Monitoring to Ethics Line.</li> <li>▪ Consolidation of Ethics Line reports.</li> <li>▪ Performance of Ethics Committee.</li> <li>▪ Dissemination of the Code of Ethics among stakeholders.</li> <li>▪ Dissemination of Form A1 whereby the Code of Ethics, the Anti-Fraud code and the Declaration on Business and Human Rights are binding for providers of goods and services.</li> <li>▪ Contractual clauses that enable penalizing suppliers that infringe these codes or declarations</li> <li>▪ “Ethics and decision-making” Forum in the electricity sector.</li> </ul>		<p>Ethics management system open to stakeholders</p> <p>Enlargement of Form A1 to providers of services.</p> <p>Contractual clauses that could give rise to penalties to providers of goods and services by breach of codes and declarations</p> <p>The Ethics Committee approved the indicator: Number of events of infringement risk managed.</p>
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>▪ The Declaration was extended to providers of services</li> <li>▪ Development of second virtual model on Human Rights.</li> <li>▪ Dissemination of Form A1 whereby the Declaration is binding to providers of goods and services.</li> <li>▪ Promotion of Due Diligence.</li> <li>▪ Issuance of Corporate Guidelines for the Strengthening of the Management of Social and Reputational Risks in the Lifecycle of Energy Transmission Business Assets at ISA and its companies..</li> </ul>		<p>Implementation of the contractual clause that penalizes breaches or infringement.</p> <p>Three training workshops on Due Diligence for a total of 30 trained providers</p> <p>Induction to 83 students in practice and 23 new workers.</p>

## ELECTRICITY INFRASTRUCTURE

2012-2013 Objectives	2013 Management	Progress	A c h i e v e m e n t s
<b>Environment</b>	<ul style="list-style-type: none"> <li>Mitigation, compensation of greenhouse gases and dissemination of results of its performance among the stakeholders.</li> </ul>		<p>Support to Ventures Award, ISA Award on Energy Efficiency and Climate Change.                      Compensation of Carbon Footprint by purchasing carbon offsets.</p>
<b>Management of suppliers</b>	<ul style="list-style-type: none"> <li>Dissemination of Declaration on Business and Human Rights.</li> <li>Definition of consequences of infringing the Declaration.</li> <li>Strengthening the follow-up to environmental, safety and occupational health management.</li> <li>Organization of programs for management of suppliers.</li> <li>Promotion of responsible labor practices in the value chain.</li> <li>Segmentation of providers to identify those that result critical.</li> <li>Definition of procurement plan and catalog of goods and services.</li> </ul>		<p>Form A1, which binds providers of goods and services in the promotion and respect for Human Rights, ethics and anti-fraud culture.</p> <p>Training on ethics, Human Rights and HSE.</p> <p>Design of virtual induction that strengthens the Comprehensive System on Management, ethics and Human Rights.</p> <p>Registration of suppliers that incorporated sustainability criteria, among others.</p> <p>Publication of procurement plan in the website, enabling suppliers to be aware of the Company's purchase planning and propose economies of scale.</p>
<ul style="list-style-type: none"> <li><b>Dialogues with stakeholders</b></li> </ul>	<p>Consolidation of dialogues with stakeholders and rendering of accounts.</p>		<p>Second encounter of dialogues extensive to its six groups of stakeholders.</p>

The risks and opportunities for sustainable management of the Company is made from the Corporate Environmental and Social Directorship, which reports to the CEO, and from the Corporate Committee that gathers the whole group of managers of the Company; elections and resignations to be carried out are discussed to lead the Organization towards improved performance in relation to sustainability and its multiple actions with stakeholders.

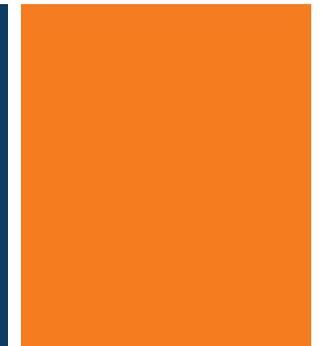
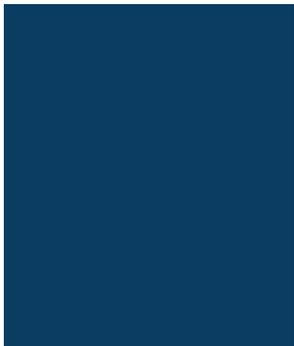
However, year 2013 denotes a transition of the Company through a corporate division that gives rise to INTERCOLOMBIA and ISA as parent company of the business group. In this sense, governance mechanisms will change by 2014 to meet the new organizational structure.



*“Today, there is a big challenge: the contribution from a sustainable management to achieve the ISA 2020 strategy. This involves to consciously move towards a*

*collective construction of the concept of sustainability and positioning the same on a simple and practical way at all levels to respond to the new Mission and Vision of the Organization”.*

Diana Posada Zapata



## ORGANIZATIONAL PROFILE

ISA, directly and through its affiliates and subsidiaries, conducts major infrastructure projects that promote the development in the continent, also contributing to the development of the inhabitants of Colombia, Brazil, Peru, Chile, Bolivia, Ecuador, Argentina, Panama and Central America.

To achieve this, it focuses its activities in the businesses consisting in Energy Transmission, Telecommunications Transport, Road Concessions and Intelligent Management of Real-Time Systems.

### Public-private partnerships

ISA has important partnerships and alliances of which it is a founding member enabling to join the country's and the region's initiatives from the responsible management of its actions.

- Ideas for Peace Foundation (Fundación Ideas para la Paz)  
[www.ideaspaz.org](http://www.ideaspaz.org)
- Global Compact Regional Centre for Latin America and the Caribbean (Centro Regional del Pacto Global para América Latina y el Caribe)  
[www.centroregionalmal.org/](http://www.centroregionalmal.org/)
- Business 4Peace
- REDPRODEPAZ and Development and Peace Programs

[www.redprodepaz.org/](http://www.redprodepaz.org/)

- Corporación Desarrollo para la Paz del Oriente Antioqueño
- Corporación Desarrollo para la Paz del Magdalena Centro
- Corporación Desarrollo y Paz del Canal Del Dique y Zona Costera
- Corporación Desarrollo y Paz de Córdoba y Urabá
- Corporación Desarrollo y Paz del Bajo Magdalena
- Proantioquia  
[www.proantioquia.org.co/](http://www.proantioquia.org.co/)
- Mining-Energy Committee  
[www.derechoshumanos.gov.co/Empresa/Paginas/empresa\\_ComiteMInero.aspx](http://www.derechoshumanos.gov.co/Empresa/Paginas/empresa_ComiteMInero.aspx)
- Reconciliation Colombia Project (Proyecto Reconciliación Colombia)  
[www.fundacionparalareconciliacion.org](http://www.fundacionparalareconciliacion.org)
- Regional Electrical Integration Commission (Comisión de Integración Eléctrica Regional –CIER-)  
[www.cier.org.uy](http://www.cier.org.uy)
- Asociación Nacional de Empresas de Servicios Públicos y Comunicaciones - (ANDESCO)  
[www.andesco.org.co](http://www.andesco.org.co)



## MATERIAL ASPECTS AND COVERAGE

Considering the definition of the Global Reporting Initiative -GRI- “material aspects are those that reflect significant economic, environmental and social aspects of the organization or those who have a significant weight in the evaluations and decisions of stakeholders”.

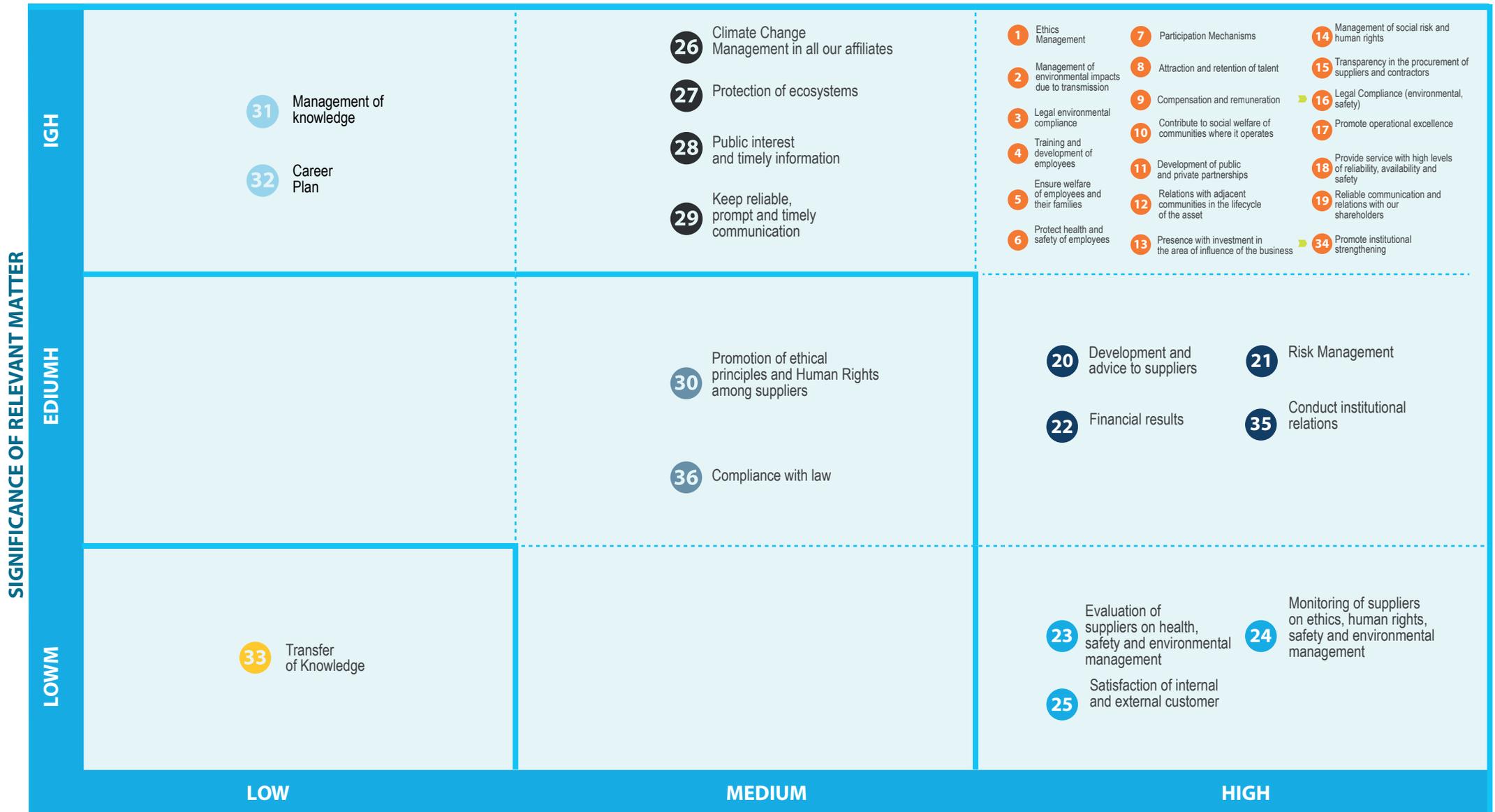
Such material aspects contained in this report are the result of an exercise derived from discussions with stakeholders, once they are aware of the management by the Company towards meeting stated commitments; each stakeholder identifies which issues add value to the same or which may improve the relationship. In this sense, the Company and the stakeholders identified the issues and practices that should be strengthened or added to the corporate sustainability management. These issues are the priority topics for the management; they are contained in a work plan for each area involved and individual responsible for the management with the stakeholder and are the basis for accountability.

Material matters correspond to internal affairs or actions implemented in the Organization that improve management or respond to the expectations of stakeholders, as the case of suppliers, shareholders and the community.

The reformulation allowed focusing on material matters raised by stakeholders; in this regard, there is prevalence of these issues and other actions that the Company considers relevant are presented.

The matrix of impact that considers material matters shows the following results:





➤ External affair of the Organization

MANAGEMENT OF RELEVANT MATTER



## STAKEHOLDERS' PARTICIPATION

ISA has six groups of stakeholders. They consist in a set of actors with common or similar interests that affect or are affected by the activities of the Company: Shareholders and Investors, Customers, employees, Suppliers, Society, State.

The exercise of the corporate purpose of the Company involves impacts for both, the surrounding and those being part thereof, and the Organization. Relations with the stakeholders are developed on a balanced basis, and consist in a set of values, practices and commitments to create value, build trust and contribute to sustainable development. Each group of stakeholders is segmented according to its nature and the motivation shared with the Company.

To learn information about the commitments and who are the Company's stakeholders, visit the website:

[See link here:](#)

ISA is committed with transparency, dialogue and involvement of its stakeholders; thus, encounters and dialogues are held with each group of stakeholders, which take into account a number of considerations for the selection of focal work groups. Criteria to choose stakeholders' participation are featured by:

- Key guest for the matter under discussion.
- Horizontality of the relation.
- Geographic location.
- Alignment of expectations and strengthening of relations.
- Vulnerability vs. responsible practices.

Voluntary and transparent participation.

ISA adopts Standard AA1000 for involvement with its stakeholders. Inquiries on relevant matters are made through dialogues. The dialogue tables are a venue for assessment of ISA's management with each stakeholder; it is a face-to-face encounter that enables the Company to directly learn the opinion of stakeholders.

The results of the dialogues are discussed with the Corporate Social Responsibility Committee of the Organization and are approved in the Corporate Committee, a body that defines the topics to work on throughout the year. These results are shared once a year with ISA's Board of Directors.



## Dialogue approach

- CSR is not philanthropy, but a means for corporate viability; for such reason, it involves its stakeholders and is intended to articulate its actions in a Comprehensive Management System (Sistema Integral de Gestión -SIG).
- Evidencing the place of CSR in all processes is a need for the Organization, it allows its workers to mobilize and learn their actions in connection with the accomplishment of corporate objectives in terms of sustainability.
- Guests are not spectators for rendering of accounts but rather they are key individuals representing stakeholders, whose participation may add value to the Company in a win-win relationship.

*We hold dialogues with our stakeholders to learn and share, in order to create uplifting and sustainable relations of trust.*

This ongoing communication with stakeholders is carried out under an agenda of relations established with each of them, according to the characteristics of the relationship; it is made effective annually in an institutional dialogue, under a scenario shared with all of them, where the

the Company is observed like a living and dynamic business in all its relations, under a methodology conducive to the rendering of accounts and the identification of relevant topics, for both management and pertinent communication.

Learn about the experience and testimonies of 2013 Dialogues:

[Click here](#)

## Frequency and improvement of the dialogue ability

According to the relations strategy established with each stakeholder, the Company has either developed or strengthened venues conducive to dialogue and creation of value; some of them are the result of strategies for improvement, identified in accordance with former dialogues.

Key topics observed in the experience of dialogues have posed a challenge to the Organization in the sense of maturing the relations and developing abilities for effective dialogues, based on trust and common interests; for such effect, matching, questions and ideas have been refined. Other challenge and difficulty consist in the handling of time to achieve the alignment of expectations, the addressing of information, the reflection and proposals to satisfy expectations of stakeholders on a timely basis.

*Conéctate con ISA, is the result of these dialogues and the improvement in the process of creating relations with stakeholders in the campaign, addressed to minority shareholders of the Company.*  
*To learn about the experience [click here](#).*

ISA's work performed as a vital element of its management with stakeholders may be consulted in the following chart, which shows the different interactions with each of them:



## DIALOGUE SCENARIOS OF ISA WITH ITS STAKEHOLDERS

Stakeholder	Venue	Scope	Frequency	Topics in 2013	Participants
<b>For all stakeholders</b>	<p>ISA's dialogues with stakeholders: Six tables in a single event, six replicas with employees.</p> <p>Stakeholders Society and State were integrated in a single table of dialogue, while the Shareholders group was divided into two tables: individuals and investors</p>	<ul style="list-style-type: none"> <li>▪ Alignment of expectations.</li> <li>▪ Rendering of accounts</li> <li>▪ Creation of shared value.</li> <li>▪ Construction of materiality to prepare this Report</li> <li>▪ Assessment of ISA's performance.</li> </ul>	Annual	<ul style="list-style-type: none"> <li>▪ WE JOINTLY CREATE VALUE: Social Responsibility as value-generating strategy.</li> <li>▪ Management report.</li> <li>▪ Identification of topics with opportunity of jointly creating value.</li> <li>▪ Relevant aspects to improve the relationship between the Company and stakeholder.</li> <li>▪ Most relevant aspects of management reported by ISA.</li> </ul>	<p>194 in total:</p> <ul style="list-style-type: none"> <li>▪ 116 employees.</li> <li>▪ 10 suppliers.</li> <li>▪ 8 clients.</li> <li>▪ 30 shareholders (24 individuals and 6 investors).</li> <li>▪ 20 members of society.</li> <li>▪ 8 expert facilitators</li> <li>▪ 2 business leaders.</li> </ul>
<b>Customers</b>	ISA's Encounter with Customers. Decentralized in four cities	<ul style="list-style-type: none"> <li>▪ Information</li> <li>▪ Training</li> <li>▪ Feedback</li> <li>▪ Assessment</li> </ul>	Annual	<ul style="list-style-type: none"> <li>▪ Progress in management.</li> <li>▪ Management of Assets.</li> </ul>	139 participants from 50 companies
<b>Suppliers</b>	Entrelazados: ISA's Encounter with Suppliers	<ul style="list-style-type: none"> <li>▪ Information</li> <li>▪ Training</li> <li>▪ Feedback</li> <li>▪ Assessment</li> </ul>	Annual	<ul style="list-style-type: none"> <li>▪ ISA's Strategic Update.</li> <li>▪ Strategy of Energy Transmission business</li> <li>▪ Supply Chain strengthening. -Anti-Fraud Code.</li> </ul>	220 suppliers
	Entrelazados: Social Security and Environmental Management HSE	<ul style="list-style-type: none"> <li>▪ Alignment of expectations</li> <li>▪ Training</li> <li>▪ Dialogue</li> <li>▪ Assessment</li> </ul>	Besides the Entrelazados Encounter, it has held in 2013 for the first time, after being identified as a relevant topic for management.	<ul style="list-style-type: none"> <li>▪ Commitment of suppliers with sustainability and business excellence.</li> <li>▪ Update on HSE topics for suppliers. Update on anti-fraud, Human Rights and Ethics.</li> </ul>	20 participants from 20 companies

## DIALOGUE SCENARIOS OF ISA WITH ITS STAKEHOLDERS

Stakeholder	Venue	Scope	Frequency	Topics in 2013	Participants
Employees	Coffee with Management	<ul style="list-style-type: none"> <li>▪ Permanent learning</li> <li>▪ Information.</li> <li>▪ Feedback with workers from different areas and hierarchic levels.</li> </ul>	Periodically Three meetings throughout 2013	<ul style="list-style-type: none"> <li>▪ Challenges, progress and concerns on Restructuring Project.</li> <li>▪ Specific topics related with the Company's performance, ongoing and future projects and its impact in the Organization.</li> </ul>	90 employees
	Management of change strategy: <ul style="list-style-type: none"> <li>▪ Six workshops with sponsors.</li> <li>▪ 32 hours of training with agents of change.</li> <li>▪ Eight 16-hour sessions, decentralized with four Energy Transmission Centers (Centros de Transmisión de Energía –CTE).</li> <li>▪ 6 and 12-hour sessions of assistance to different areas of the Organization to discuss about the change.</li> <li>▪ 25 workshops covering 322 people in the Head Office.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Alignment of expectations</li> <li>▪ Reflection</li> <li>▪ Training</li> <li>▪ Dialogue.</li> </ul>	First time	<ul style="list-style-type: none"> <li>▪ Update on ISA 2020 Strategy.</li> <li>▪ Management of risks resulting from the change to mitigate impacts derived from implementation.</li> <li>▪ We all are agents of change.</li> </ul>	625 employees
	Knowledge Multiplier (Multiplicadores del Saber) event	<ul style="list-style-type: none"> <li>-Recognition.</li> <li>-Integration</li> </ul>	Continuity of ISA's knowledge multiplying network.	<ul style="list-style-type: none"> <li>▪ Formal and non-formal employees that teach with passion.</li> </ul>	242 employees



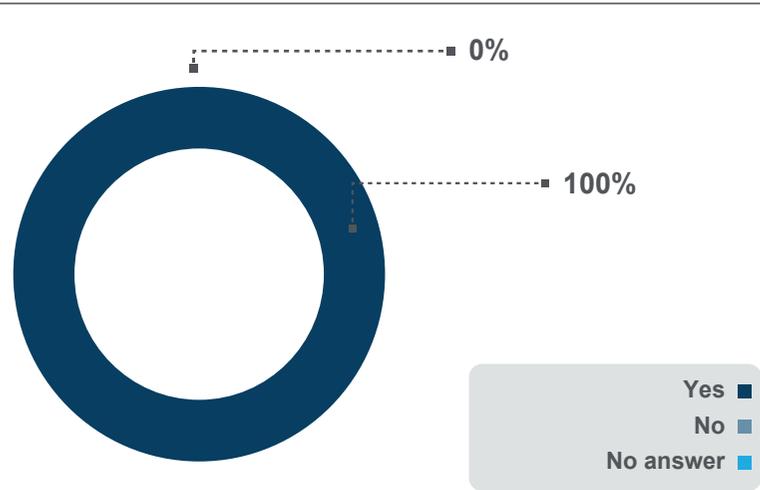
## DIALOGUE SCENARIOS OF ISA WITH ITS STAKEHOLDERS

Stakeholder	Venue	Scope	Frequency	Topics in 2013	Participants
Society	Dialogue with media	-Mobilization towards understanding of CSR as comprehensive management of companies	Annual	-CSR as generator of value -Significance of media as responsible opinion guides on CSR. -The challenge of having a uniform language that enables complying with the process of intermediation between companies and their stakeholders	16 in total: -12 journalists, eight media representatives. -Three expert facilitators: Magazine R&S, Portex, Cecodes. -One observer: ANDI
	Encounter with Inhabitants	<ul style="list-style-type: none"> <li>▪ Exchange of experiences between leaders from municipalities of influence of Peace and Development Programs -PDP-.</li> <li>▪ Dialogue on knowledge</li> <li>▪ Joint assessment of social processes of the territory.</li> </ul>	Annual. There were four relevant events due to the opportunity for dialogue of the boards of these entities (of which ISA is a member) with the assembly of inhabitants.	<ul style="list-style-type: none"> <li>▪ Impacts of companies' social investment</li> <li>▪ Challenges for communities in connection with sustainability of processes.</li> <li>▪ Public-private alignment for sustainable development.</li> <li>▪ Shared learning.</li> <li>▪ Agreements for continuity.</li> </ul>	-150 in Canal del Dique, -300 in Eastern Antioquia -400 in Magdalena Centro -100 Bogotá at Redprodepaz Encounter.
	Event for assessment at closing of agreements and follow-up on projects.	<ul style="list-style-type: none"> <li>▪ Identification of compliance with objectives proposed</li> <li>▪ Identification of improvement opportunities for social management carried out by the Company.</li> </ul>	Annual	<ul style="list-style-type: none"> <li>▪ Compliance with Company's commitments included in the agreements.</li> <li>▪ Promotion of and respect for Human Rights by ISA.</li> <li>▪ Company's responsibility with the environment.</li> <li>▪ ISA's participation in the improvement of life conditions of population</li> </ul>	

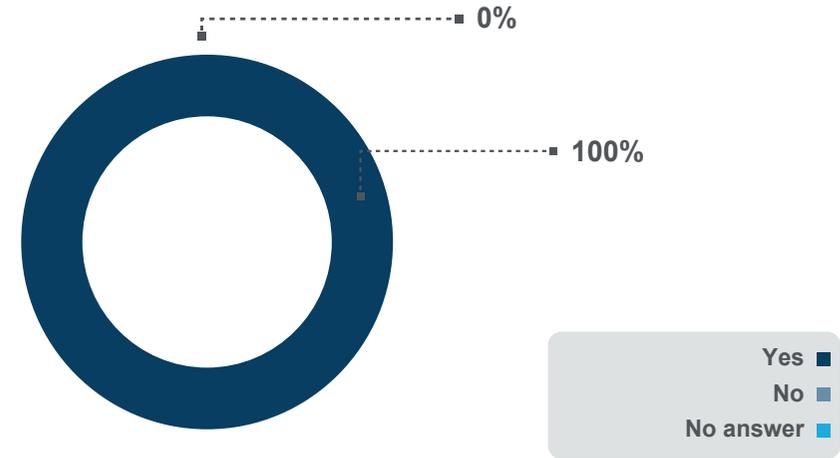
As part of ISA's exercise of involvement with stakeholders, after each closing of agreements with society, it conducts a measurement to identify aspects of improvement of processes based on the opinion of the social management beneficiaries. For 2013, a closing survey was held with the Peace and Development Program of VALLENPAZ, and the following results were obtained:



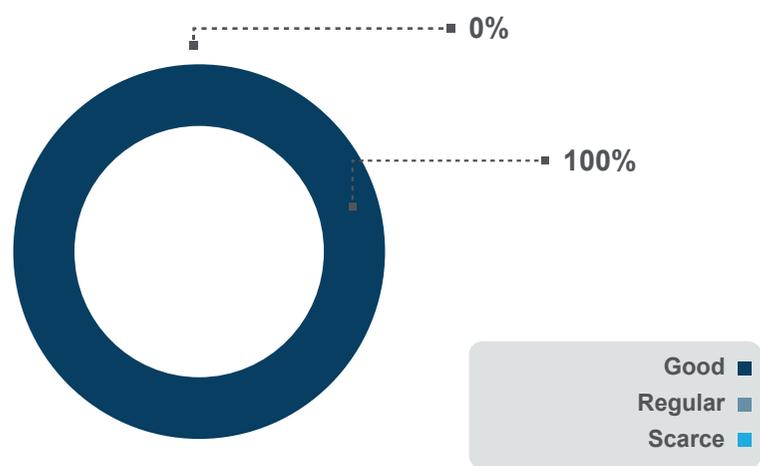
**1.1 DID YOU RECEIVE INFORMATION BY THE PDP ON ACTIONS TO BE CARRIED OUT BEFORE STARTING THE IMPLEMENTATION?**



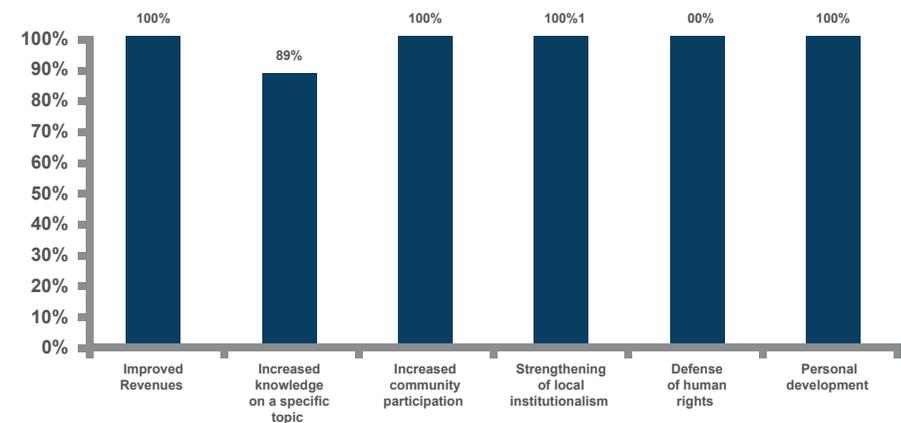
**1.3 WERE THE PROPOSED TARGETS ACHIEVED?**



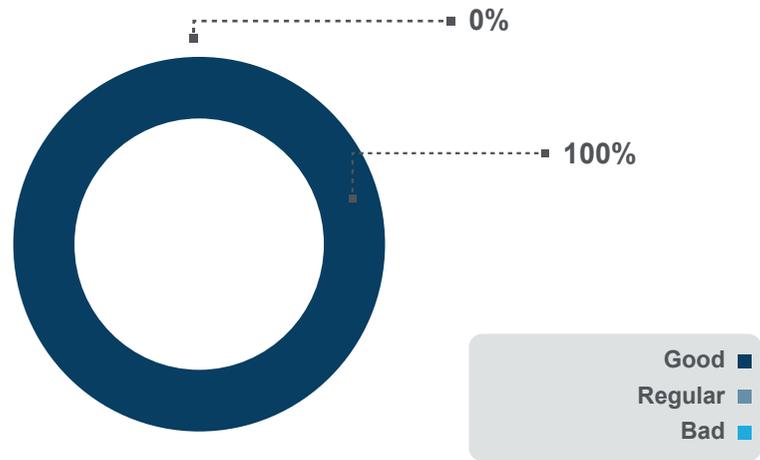
**1.4 HOW WAS YOUR PARTICIPATION THROUGHOUT THE PROJECT?**



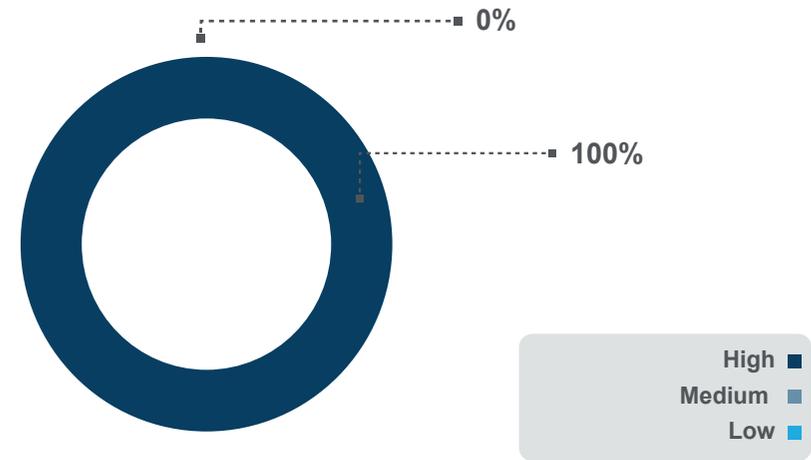
**1.6 HOW DID THE PROJECT IMPROVE YOUR LIFE CONDITIONS?**



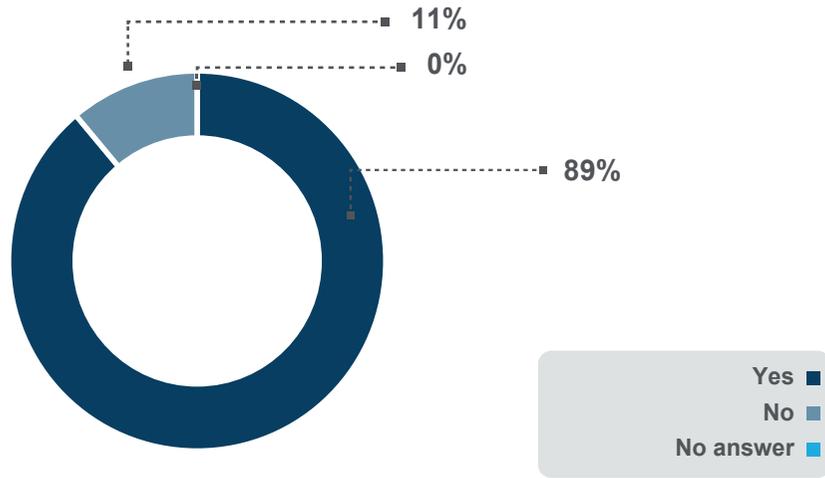
1.7 PROVIDE RATING OF ADVICE AND ASSISTANCE FROM THE PDP



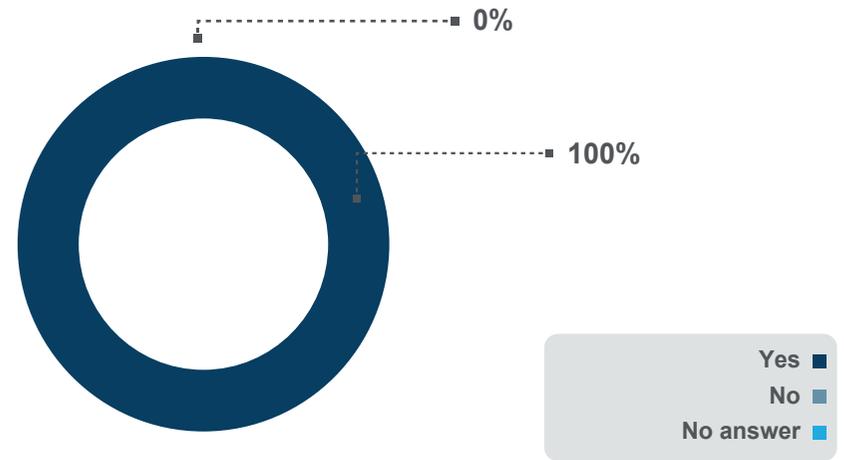
1.8 WHAT IS YOUR DEGREE OF SATISFACTION WITH REGARDS TO THE BENEFIT ACHIEVED?



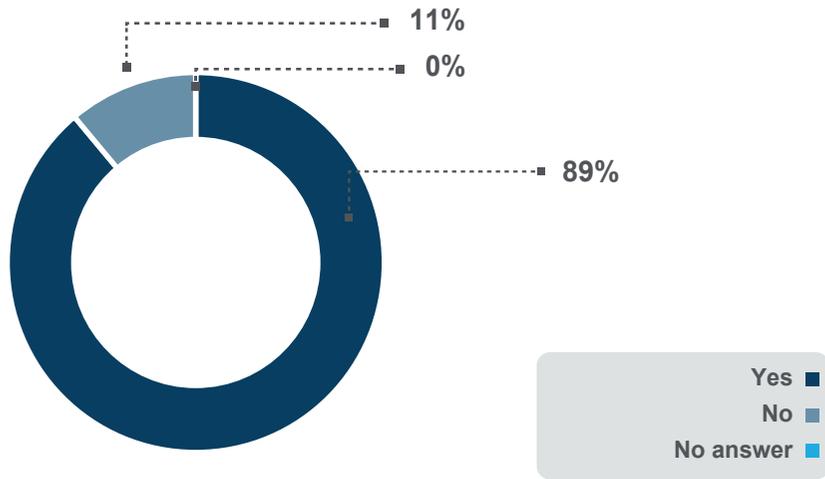
2.1 DO YOU KNOW ISA?



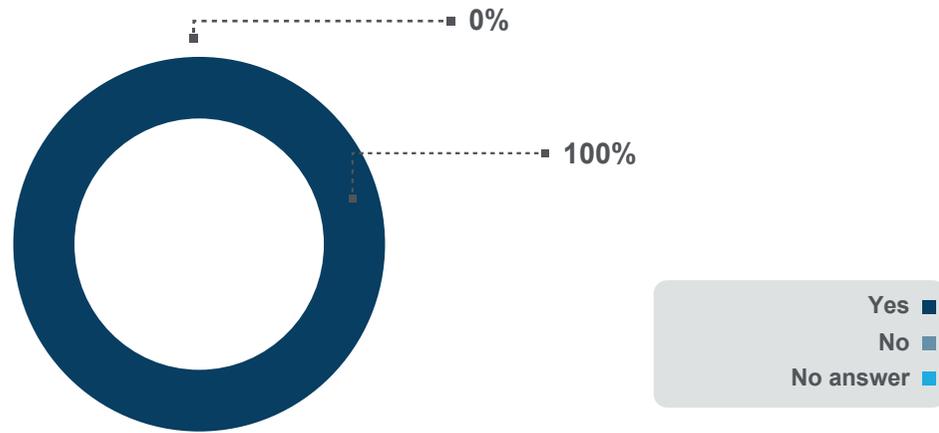
2.3 DURING THE DEVELOPMENT OF THE PROJECT WERE YOU AWARE THAT ISA SUPPORTED THE PROJECT?



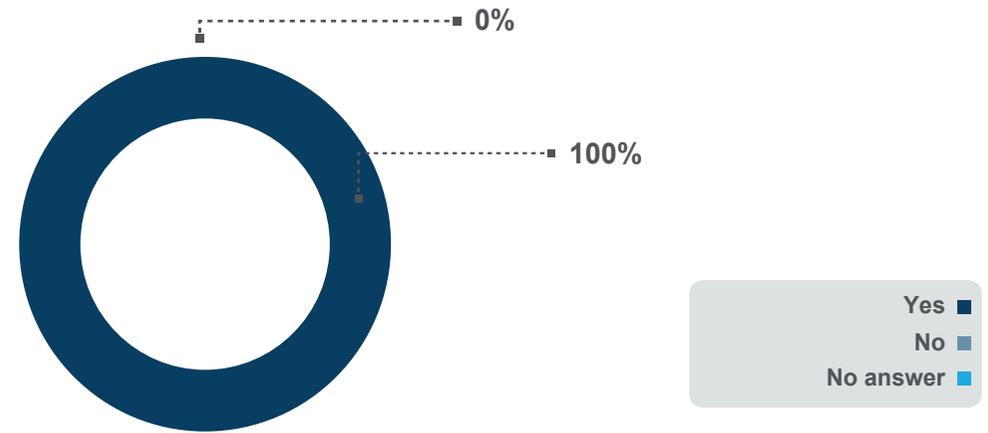
2.2 IS THERE ANY PRESENCE OF ISA IN YOUR TERRITORY?



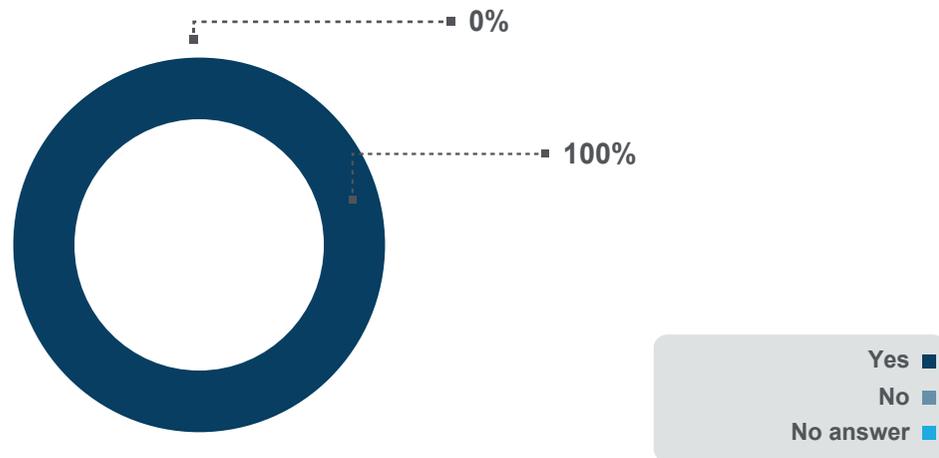
3.1 DID ISA COMPLY WITH THE COMMITMENTS WITH THE RESULTS OF THE PROJECT?



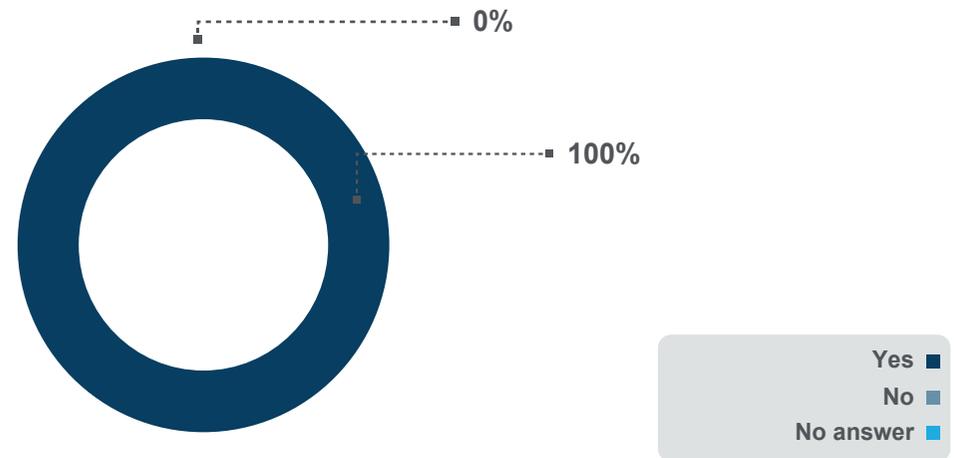
3.2 DID ISA RESPECT OR TEACH YOU ON HUMAN RIGHTS WITH ANY ACTIONS OF THE PROJECT?



3.3 DID ISA CONTRIBUTE TO YOUR SOCIAL WELFARE WITH ANY ACTIONS OF THE PROJECT?



3.4 WAS ISA RESPONSIBLE, CAREFUL WITH THE ENVIRONMENT WITH ANY OF THE ACTIONS OF THE PROJECT, AND DID YOU LEARN ABOUT ENVIRONMENTAL CARE?



## DIALOGUE SCENARIOS OF ISA WITH ITS STAKEHOLDERS

Stakeholder	Venue	Scope	Frequency	Topics in 2013	Participants
<b>Shareholders</b>	General Assembly of Shareholders	In order to keep relations of trust to strengthen and increase communication for due monitoring of the major relevant facts of the Company, based on the supply of timely and reliable information.	Annual	The minutes of the meeting may be consulted at:  <a href="#">See link here</a>	Total attending shareholders: 671 Total represented shareholders: 915
	Connect with ISA	The Company supported by "Conéctate con ISA" campaign aimed at shareholders and individuals, works on:  1. Contributing to strengthen a stock market culture among our shareholders. 2. Creating trust and transparency towards our shareholders. 3. Keeping the best information disclosure practices.	Permanent	<ul style="list-style-type: none"> <li>▪ Major market players (Learn about the equity market and who are the major market players).</li> <li>▪ Market surveillance entities (Learn about the entities of surveillance of the stock market and how they monitor the right of the Company's shareholders)</li> <li>▪ Latin-American Integrated Market (Mercado Integrado Latinoamericano – MILA – (Learn what it is and how to access this market)</li> <li>▪ Financial consumer protection regime (Learn what it is and which are its benefits)</li> <li>▪ ISA's four business (Learn about such businesses operated by ISA)</li> <li>▪ ISA's Social Responsibility (Learn about the importance of relations between ISA's companies and their stakeholders). Three bulletins for shareholders were published and physically delivered, including the special edition on strategic update and an Education Guide according to the best Corporate Governance practices.</li> </ul>	<p>1. Promotion of stock market-related training conversations by phone calls and emails (approximately 97,837 e-mails) delivered by the Colombian Stock Exchange, whereby 1,407 shareholders enrolled to 124 conversations made in the major cities of the country.</p> <p>2. The topics and publication of these videos were announced by emails delivered to our shareholders, individuals (approximately 92,814 e-mails).</p> <p>3. This information was electronically replicated by delivery of nearly 77,373 e-mails addressed to shareholders, individuals. The publications are also posted in our website, in both languages.</p>
<b>Investors</b>	Conversations and encounters	With the purpose of sharing relevant information about the Company and receiving feedback on the Company's performance.	Quarterly	<p>Conference calls were held with simultaneous translation and web presentations to local and international institutional investors.</p> <p>The Company also participated in local events and face meetings, making contact with Investment Funds, Stock Brokers, Market Analysts and institutional investors, among others.</p>	About six to eight investors attend each event



## PROFILE OF THE REPORT

The Sustainability Report is prepared in compliance with the essential option “in accordance” with GRI G4 Guide; the information covers the period from January to December 2013, thus fulfilling the annual commitment to inform stakeholders about the performance that materializes ISA’s commitments to each of its stakeholders.

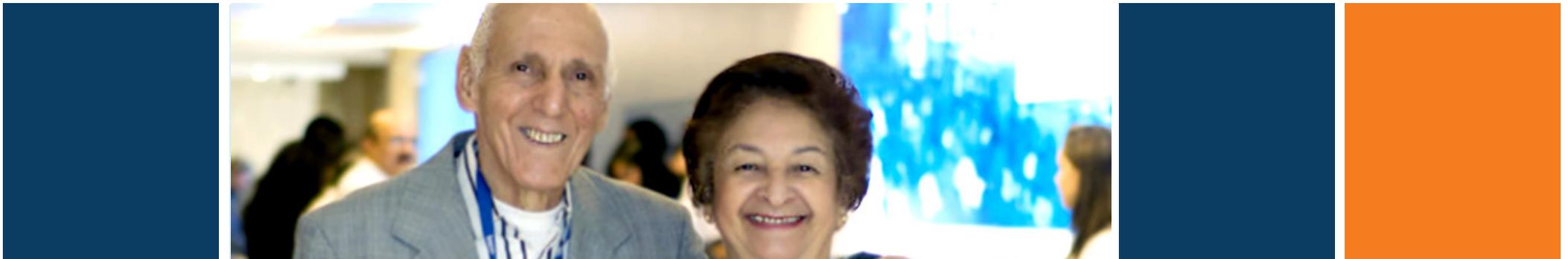
It is important to note that the actions reported correspond to the performance of ISA regarding its energy transmission business; and the annex on affiliates’ performance contains the minimum that these companies must inform on this Report, in accordance with Corporate Social Responsibility -CSR- corporate guidelines.

For questions or further information, please write to the following emails:

Martha Ruby Falla G. [mrfalla@isa.com.co](mailto:mrfalla@isa.com.co)

Jimena Toro V. [jmtoro@isa.com.co](mailto:jmtoro@isa.com.co)

This Report was verified externally by firm Deloitte.



## GOVERNANCE

The Board of Directors is the highest governing body; it is also the administrative and cooperation body for the legal representative, which activity is aimed at complying with the purposes for which the Company was incorporated. Besides the members of the Board and the CEO, the directors of Area, Assistant Managers and Directors, are also administrators.

Information related with this matter may be consulted at:

[See link here:](#)

### Structure

The Board has a chairman, secretary, seven principal members, five of which are independent and seven alternate members, four of which are independent. For further information, click here:

[See link here:](#)

ISA has three Committees of the Board, which are responsible for guiding, facilitating, monitoring and evaluating the performance of the Company from different perspectives. Information related with the committees and their performance may be consulted by clicking here

[See link here:](#)

### Remuneration

Remuneration of the Board of Directors is defined in the General Assembly of Shareholders, which sets fees for assistance to each meeting of the Board or Board Committee consisting in an amount equal to four and a half legal minimum monthly salaries in effect.

It is worth noting that the Assembly only considers the remuneration of the Board of Directors; the remuneration of the employees is defined by the Company and, in the case of ISA, the HAY methodology is used for the description and valuation of positions, which takes three factors into account: KNOW, THINK and ACT.

### Election and composition of the board

The Board is elected by electoral quotient by the Assembly of Shareholders, taking into account the proportional representation of the stock ownership and following criteria of eligibility, knowledge, experience and leadership, for one-year periods, subject to reelection or removal. For further information click here.

[See link here:](#)



## Conflicts of interest

When the Board members believed there could be a conflict of interest on a specific topic under discussion, they informed accordingly to the others and abstained from participating in the discussion and decision-making, by temporarily leaving the room where the Board held the meeting while the topic was under discussion and decision.

[Conflict of interest annual report](#)

## Risk management

ISA and its companies have a Policy for Comprehensive Risk Management, which provides for the framework of performance for the objective, systemic and homologated implementation of actions towards the optimum handling of risks to which the Company is exposed, in order to increase the competitive advantage, secure the business continuity vs. different risks and preserve the integrity of business resources.

The comprehensive risk management includes the stages of identification, assessment, handling, monitoring, consolidation and communication and disclosure of risks.

[Risk management annual report](#)

## Delegation of sustainability responsibilities

To define, manage and monitor sustainability-related matters, there is in place a Corporate Social-Environmental Directorship that directly reports to the CEO. This directorship made presentations and rendered assessment reports to the main direction bodies.

Also, ISA has a CSR Committee that holds meetings four times a year according to the institutional guide forming the same, in order to assess and monitor the performance.

The Directorship provides assistance to the affiliates in the implementation of guidelines and orientation to their performance starting with the annual review of improvement plans; it also defines the sustainability management indicators that each company must manage; compliance with these indicators is part of the variable compensation of the Company's corporate areas.

Bodies	Meetings
<b>Board of Directors</b>	<p>The viability of the Energy Transmission projects was discussed quarterly, starting with the review of the quarterly report on corporate risk management.</p> <p>The results of the sustainability management and the dialogues with stakeholders are presented once a year.</p>
<b>Corporate Committee</b>	<p>The viability of the Energy Transmission projects was discussed quarterly, starting with the review of the quarterly report on corporate risk management.</p> <p>There were three sessions regarding Dialogues with stakeholders, where the work plan for each area was agreed.</p> <p>The result of the benchmarking on best sustainability practices and the work plan to cover gaps was approved in a second session.</p> <p>Discussion and approval of Corporate Guidelines for the Strengthening of Management of Social and Reputational Risks in the Lifecycle of Energy Transmission Business Assets at ISA and its companies.</p>

Bodies	Meetings
CSR Committee	<p>There were seven committees to work on:</p> <ul style="list-style-type: none"> <li>▪ Coordination of communication on CSR.</li> <li>▪ Coordination of strategy of Dialogues with stakeholders (academic and relations component).</li> <li>▪ CSR approach as creator of value.</li> <li>▪ Progress towards sustainability approach.</li> </ul>
Affiliates CSR Committee	An annual evaluation and planning committee on CSR performance of ISA and its companies

It is important noting that the contents of the Report are discussed with the CSR Committee, composed by the director or leader from each interested area at ISA and the Corporate Social and Environmental Directorship, based on the relevant matters identified in the process of dialogues with stakeholders.



## ETHICS

ISA has a [Code of Ethics](#) and an [Anti-Fraud Code](#) for all its companies.

Since 2012, it has developed a culture for promoting ethics and anti-fraud extensive to the value chain. As part of Good Governance practices, the Code of Ethics is intended to realize the corporate philosophy and values of the Organization through guiding criteria for the performance of all employees and Board members. The Anti-Fraud Code is to formalize the position of zero tolerance to fraud.

### Reporting Instruments

As part of the instruments defined and implemented in ISA for giving effect to the Code of Ethics, a Committee and an Ethics Line are in place. The premier is a committee selected by the CEO, who acts as chairman thereof and he elects four members considering their personal qualities.

The committee has a member independent from the management, which increases transparency and objectivity in decision-making. The main duties of this Committee are to strengthen the culture of ethics of the Organization, support the resolution of ethical dilemmas and be an advisory body on ethical matters.

Meanwhile, the Ethics Line consists of several channels such as: hotline, mailbox and form on the website, a number of channels that allow

stakeholders to access anonymously if they so desire. These means are reported permanently through the informative channels.

### Analysis of risk of corruption

In addition to the Committee and the Ethics Line, the Company ensures its processes through various tools that facilitate their control, so that 100% of macro-processes are analyzed against the risk of corruption, which is referred to as a component of ISA's risk of fraud. This risk, as well as other risks of the map, is updated according to the risk management methodology defined at the Company, which determines maximum updating periods of two years.

### Analysis of risk in contracting suppliers

ISA holds a Supplier Information System, designed with the goal of having centralized, sufficient, timely, verified and updated information of suppliers, which provides security and efficiency in the procurement.

Currently the System holds information from over 350 suppliers, including their basic data, the listing of economic activities performed by them according to the corporate purpose of their company and information on their financial capacity and experience. Additionally, it has been possible to capture relevant information of suppliers associated with their

certifications and awards, employees with master's degrees or doctorates, patents, and information about environmental, occupational health, social responsibility matters, among others.

Based on the System information, verification and monitoring is performed on the existence of legal, reputational and financial situations that may pose a risk in the contractual relationship with suppliers, which are prequalified based on technical, financial and administrative criteria, allowing the selection of suppliers to be invited to bid on the procurement processes of the Company.

### Education and training

During 2013, various reinforcement and internalization activities were performed to the stakeholders regarding our Code of Ethics, Anti-Fraud Code and Laundering and Terrorist Financing Prevention System, considering that these instruments provide statements such as rejection of corruption and fraud and our position of placing ethical principles above any business decision.

<b>Shareholders and Investors</b>	Reinforcement of Code of Ethics and its instruments (Committee and Ethics Line) in the General Assembly of Shareholders Positioning of Ethics Line in the shareholders' bulletin (Bulletin No. 23 of August)
<b>Customers</b>	Annual encounter with customers, with approximate participation of 250 people from different cities of the country.
<b>Employees</b>	Ethics forum from the electricity sector, led by XM, CNO and CAC
<b>Suppliers</b>	Encounter with suppliers, attended by approximately 200 suppliers. Also, an additional reinforcement was made to 28 suppliers critical on occupational health and environmental matters. The importance of abstaining to give and receive gifts without authorizations provided in the code of ethics, was reinforced through a letter to suppliers and an internal communication. Positioning of Ethics Line in the Suppliers' bulletin
<b>Society and State</b>	Ethics as a duty of children, message included with the education kits provided by ISA to communities
<b>Other venues</b>	During the encounter on Good Transparency Practices for Colombia, these instruments were presented, emphasizing on the Anti-Fraud Code, a mechanism recognized as best practice. Adhesion to the National Day on Laundering and Terrorism Financing Prevention, making presence at internal venues such as intranet and social networks.

## 2013 Results

These results reflect the performance of different areas of the Company in relation to inquiries, complaints, claims and reports from stakeholders through the different channels of the Organization.

Confirmed corruption incidents	No incidents took place
Number of complaints of impacts on society reported, revised and resolved through formal reporting mechanisms.	This indicator refers to complaints from the community in connection with the Company's operation. The consolidated compliance indicator was 76.7%. Complaints for 2013 were 86 from a total of 1,942 requirements.
Number of complaints on Human Rights reported, revised and resolved through formal reporting mechanisms.	No impacts of this kind took place during 2013. In order to monitor this aspect, it was defined, with ISA's Ethics Committee that the quarterly indicator to measure these eventual impacts would be measured as follows: Number of managed infringement risk events, with the purpose of providing greater coverage to the risk, not only measuring the materialized facts but also such events that might lead to their infringement.
% of employees to whom the Code of Ethics and conduct has been disclosed	The Code of Ethics has been disclosed since 2011, in which year 567 people assisted. In addition, during 2012 and 2013, such disclosure has been made to new personnel that have joined the Company, as follows: 2012 (68) and 2013 (23).
% of suppliers and contractors to whom the Code of Ethics and conduct has been disclosed	Such disclosure has taken place through the Encounter with Suppliers. The 2012 event was attended by 250 people and the 2013 event was attended by 200 people.
% of subsidiary companies to whom the Code of Ethics and conduct has been disclosed.	100% of companies
Number of incidents of breach of the Code of Ethics taking place in 2013	Four effective reports and eight inquiries. The main failure is the delivery of non-real documentation for procurement processes.
Number of complaints on labor impacts reported, revised and resolved through formal reporting mechanisms	Four effective reports through the Ethics Line and the eight inquiries were made in connection with labor matters from the suppliers.

# Economic management



During 2013, ISA conducted a major restructuring process, which involved modifying its [Mission](#) and [Vision](#), thus challenging the Company towards an increasingly profitable growth that seeks to create value for its shareholders and other stakeholders and contribute to sustainable development of the communities where it operates.

In this sense, three strategic axes have been proposed:

1. Capturing growth opportunities with higher returns.
2. Improving profitability of the existing and “core” businesses.
3. Dynamic adjustment of portfolio of businesses and geographies.

Growth seeks to multiply 3x its profits by 2020, by capturing the most profitable growth opportunities in existing businesses in Latin America, by boosting operational efficiency and by optimizing its business portfolio

## Revenues

The main results of ISA’s economic management may be found at: “Annual Report”, ISA’s management (see page 38 of Item “Energy Transmission Business”).

[Click here:](#)

For the management and achievements related to the new strategy, a number of initiatives have been raised that will enable the Organization to live the Vision, leveraged on capabilities or differential advantages, based on the ability of human talent.

## Tax benefits for environmental investment

ISA explored the different opportunities provided in the legislation to obtain favorable tax treatment for investments in areas where environmental pollution is reduced. Thus, by making use of the deduction provided for in Article 158-2 of the Tax Code, which defined it was possible to deduct the income tax with such investments made in monitoring and improving the environment, the Company obtained a significant benefit, by income deduction for 2013.



## CONSOLIDATED RESULT

Component	2012	2013
Comprehensive water management system	454,462,016	
Air conditioning	1,021,345,330	
Elevator	65,000,000	
Central control and supervision system	233,191,232	
Lighting		2,471,566,040
Intelligent monitoring system for electricity and water consumption of block 1 of ISA's head office	14,491,178	
Compensation of inventory of Greenhouse Gases		89,127,680
<b>Total Net Income deduction</b>	<b>1,788,489,756</b>	<b>2,560,693,720</b>
Total Income Tax payment decrease	590,201,619	640,173,430



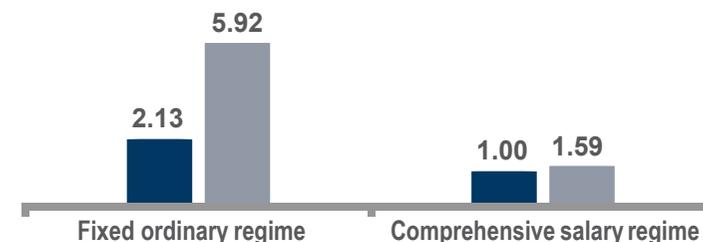
## COMPENSATION AND REMUNERATION OF EMPLOYEES

Salaries at ISA and its companies are defined by taking into account the scope and contribution of the positions on the results of the Organization, the performance of workers and salary market references.

As for salary benchmarking, for the Fixed Ordinary Regime, ISA's minimum salary is COP 1,254,000 and its ratio to the Minimum Legal Wage (SMLMV, for its acronym in Spanish) is 2.13 times more; likewise, the average salary is COP3,488,000 and the ratio with the SMLMV is 5.92 times more.

As to the individual scheme, ISA's minimum comprehensive salary is COP 7,664,000 and the ratio with the Mandatory Comprehensive Salary (COP 7,663,500 ) is 1 time; also, ISA's average comprehensive salary is COP 12,192,000 and the ratio with the Mandatory Comprehensive Salary is 1.59 times.

RATIO OF ISA'S MINIMUM SALARY WITH MINIMUM SALARY IN COLOMBIA

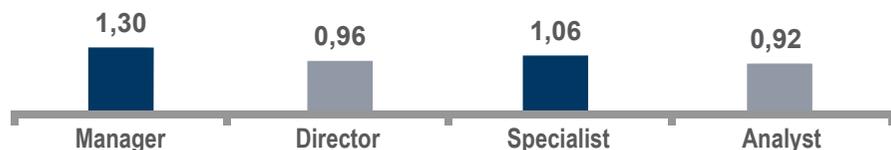


Regime	Ratio with minimum salary	Ratio with average salary
Fixed Ordinary Regime	2.13	5.92
Comprehensive Salary Regime	1.00	1.59

Regarding the ratio between the average base salaries of men vs. women, broken down by professional category, there is no significant difference in remuneration by gender.



RATIO BETWEEN MEN BASE SALARY VS. WOMEN BASE SALARY – COMPREHENSIVE SALARY REGIME

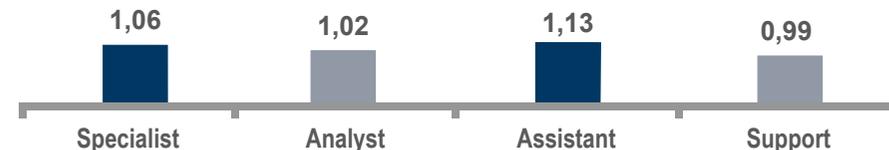


Position Group	Ratio
Manager	1,30
Director	0,96
Specialist	1,06
Analyst	0,92

The total value of payroll in 2013 was COP 43,479,828,100 broken down as follows (not including benefits): Fixed Ordinary Regime payroll was COP 23,616,835.00, the value of Comprehensive Salary payroll was COP 19,862,993,100.

As for the share of components in the total pay in ISA, fixed component represents the component with the largest share. The variable component is strongest in senior management.

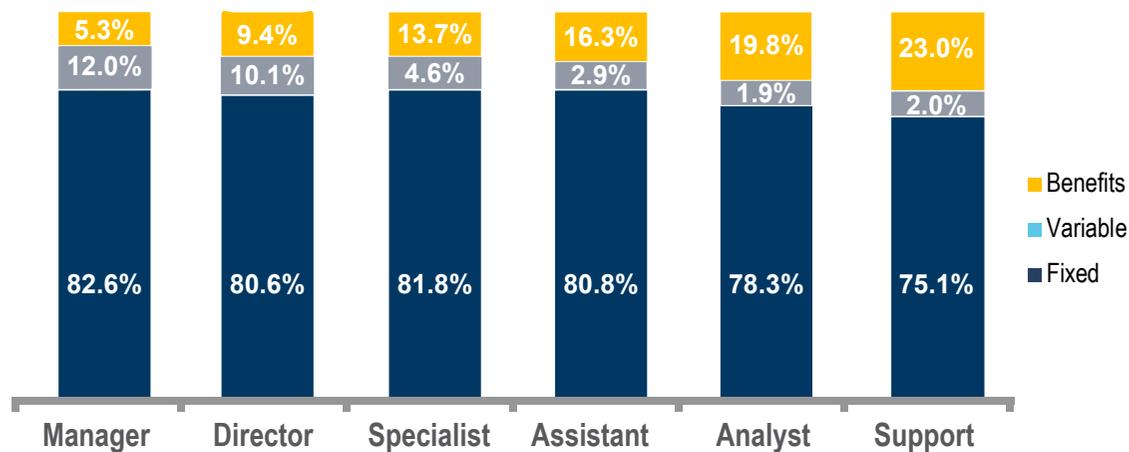
RATIO BETWEEN MEN BASE SALARY VS. WOMEN BASE SALARY - FIXED ORDINARY REGIME



Position Group	Ratio
Specialist	1,06
Analyst	1,02
Assistant	1,13
Support	0,99



SHARE IN TOTAL PAY BY COMPONENTS



POSITION GROUP	FIXED	VARIABLE	BENEFITS
Manager	82.6 %	12.0 %	5.3 %
Director	80.6 %	10.1 %	4.4 %
Specialist	81.8 %	4.6 %	13.7 %
Analyst	80.8 %	2.8 %	16.3 %
Assistant	78.3 %	1.9 %	19.8 %
Support	75.1 %	2.0 %	23.0 %



## ECONOMIC MANAGEMENT IN THE SUPPLY CHAIN

Since 2011, efforts have been made to strengthen the Supply Chain. As a result of this initiative, 11 functional areas were proposed, of which 16 initiatives resulted for development; one of the most relevant initiatives in 2013 was the capture of savings, where three categories were implemented, two of them with positive results in the year, as Conducting Cable and Structure, and a category that will end the process in 2014. The results involved savings for approximately USD15 billion.

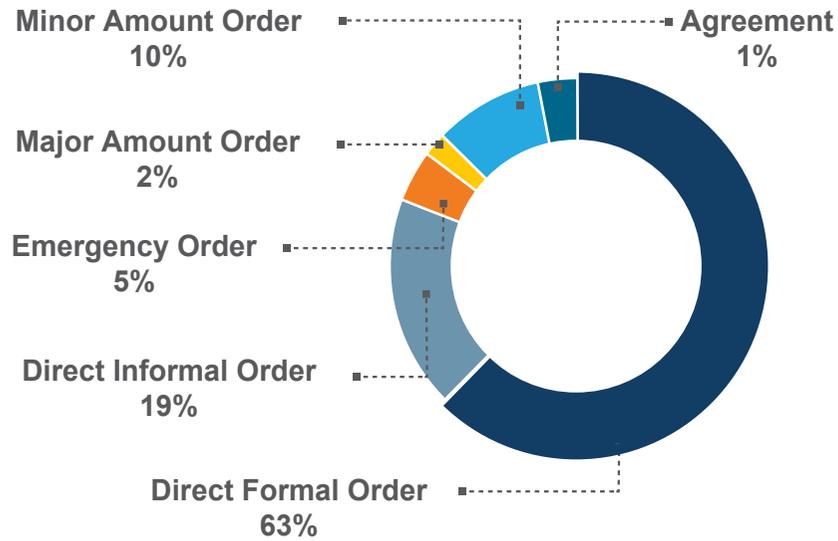
Other project that started in 2013 and which is related to Supply Chain is the Strategic Sourcing, with the implementation of the Strategic Supply Matrix, resulting in 40 categories and 390 subcategories of goods and services handled by ISA.

In addition, a specific exercise took place with the Line Maintenance category, where different stakeholders (employees, customers, suppliers) participated for the definition of the strategy.

Contract management during 2013 amounted to COP 278 billion, signing 1128 agreements with 704 providers of goods and/or services.

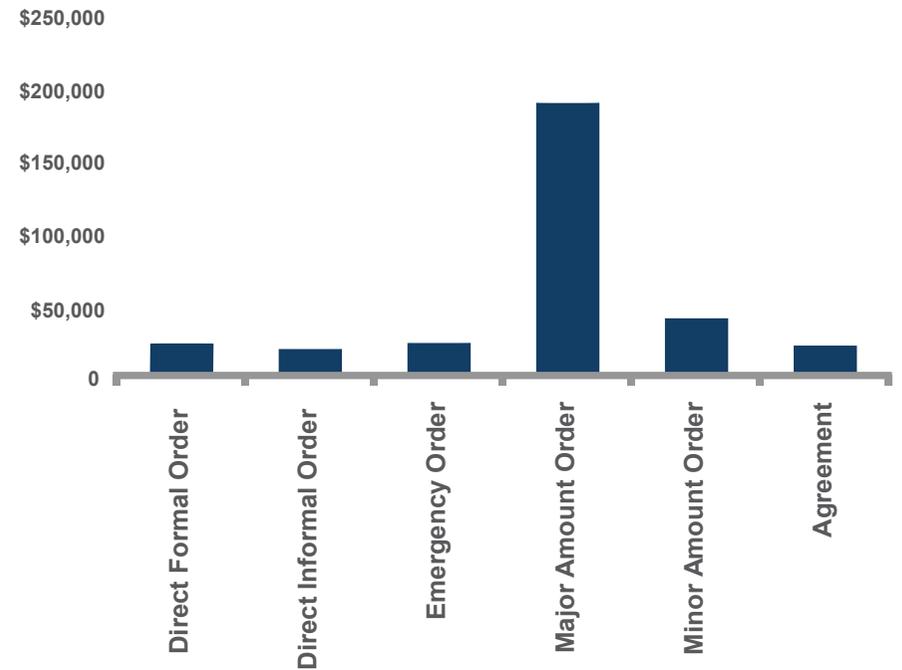


DISTRIBUTION OF CONTRACTS



It is worth noting that 82% of signed contracts were executed by direct orders not exceeding 100 SMMLV individually, while the larger procurements in terms of value, corresponding to minor and major amounts, represented 12% of signed contracts.

TOTAL VALUE IN CONTRACTS (In millions COP)



The Company continues with a high level of annual contracting and although in 2013 it registered a lower purchasing volume compared to 2012, a large amount of suppliers were accumulated, thus generating trade relations.



EVOLUTION OF PROCUREMENT



ISA identifies the percentage of sales made in Colombian Pesos; this figure represents the local procurement vs. purchases in foreign currency:

Item	Value	Participation
Contracts in COP	\$ 208,854,651,709	75%
Contracts in COP performed in foreign currency	\$ 69,615,257,754	25%
Total contracts in COP	\$ 278,469,909,463	100%

According to the chart above, 25% of ISA’s actual purchasing in 2013 was made with foreign suppliers, being understood that they were executed through a legal representative or attorney domiciled in Colombia.

By 2013 there was a significant improvement in the management of suppliers; the purchasing plan was implemented, a major initiative for the Supply Chain. The first exercise was published in ISA’s website, suppliers section. According to the 2013 Purchase Plan, 666 new contracts, AOM-related, were signed during the year, distributed in 442 service contracts (66%), 185 contracts for goods (28%) and 39 combined contracts between goods and services (6%) for a total value of approximately \$ 45 billion.

The goal for next year is to duly reflect the planning from the areas in the 2014 purchase plan, both for ISA and INTERCOLOMBIA.



## MANAGEMENT WITH SHAREHOLDERS

Shareholders and investors are one of the groups of stakeholders that have a relationship with the Company where the greatest commitment is to create value and growth. Thus, the new objectives of increasing the group's profits by 2020 will trace the actions and efforts of the entire human talent towards such purpose.

ISA's outstanding shares, consist in common, registered and dematerialized shares; by the end of 2013, the Company had 1'107,677,894 outstanding shares, belonging to 40,56240,465 shareholders located mainly in the cities of Bogotá (36.0536.03%), Medellín (17.71%) and Cali (6.92%), as observed in the following graphic.

### **2013 Dividends Decreed**

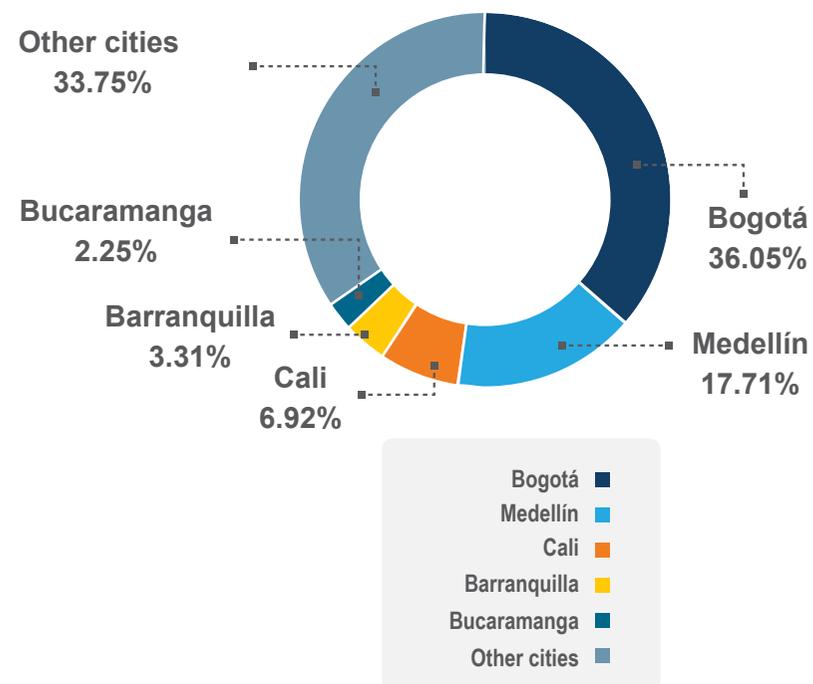
*The General Assembly of Shareholders held on March 22, 2013 approved the proposition on setting aside and distributing profits from the 2012 period; the proposal consisted in distributing profits for COP 208,243 million to pay a dividend of COP 188 per share.*

*The payment represents an increase of 5.03% compared to the 2012 dividend per share and corresponds to 92.4% of the net profit obtained by the Company in the period.*



Shareholders	N° of Shares December 31-13	%
<b>STATE INVESTORS</b>	<b>682,078,108</b>	<b>61.58%</b>
NATION	569,472,561	51.41%
EPPM	112,605,547	10.17%
<b>PUBLIC AND PRIVATE CAPITAL STOCK COMPANIES</b>	<b>78,586,530</b>	<b>7.09%</b>
ECOPETROL S.A.	58,925,480	5.32%
EMPRESA DE ENERGÍA DE BOGOTÁ	18,448,050	1.67%
EMPRESA DE ENERGÍA DEL PACÍFICO	1,213,000	0.11%
<b>PRIVATE INVESTORS</b>	<b>347,013,256</b>	<b>31.33%</b>
Institutional	208,761,035	18.85%
Individuals	67,137,820	6.06%
Corporate Entities	13,804,266	1.25%
FOREIGN INVESTMENT FUNDS	56,392,985	5.09%
ISA ADR PROGRAM	917,150	0.08%
<b>SUBSCRIBED AND PAID-IN OUTSTANDING CAPITAL</b>	<b>1,107,677,894</b>	<b>100.00%</b>

SHAREHOLDERS' GEOGRAPHIC DISTRIBUTION AT DECEMBER 31, 2013



SHAREHOLDERS' GEOGRAPHIC DISTRIBUTION AT DECEMBER 31, 2013

Cities	Shareholders	Percentage
Bogotá	14,623	36.05%
Medellín	7,185	17.71%
Cali	2,806	6.92%
Barranquilla	1,344	3.31%
Bucaramanga	913	2.25%
Otras ciudades	13,691	33.75%
<b>TOTAL</b>	<b>40,562</b>	<b>100,00%</b>



61.58% of ISA's shares belong to State shareholders, including the Nation (51.41%) and Empresas Públicas de Medellín –EPM– (10.17%).

Private and public capital companies hold 7.09%; they are composed by Ecopetrol (5.32%), Empresa de Energía de Bogotá –EEB– (1.67%) and Empresa de Energía del Pacífico (0.11%).

The remaining 31.33% (floating) belongs to private shareholders and investors that include the following categories: institutional investors (18.85%), individuals (6.06%), corporate entities (1.25%), foreign investors (5.09%), and ADR Program (0.08%).

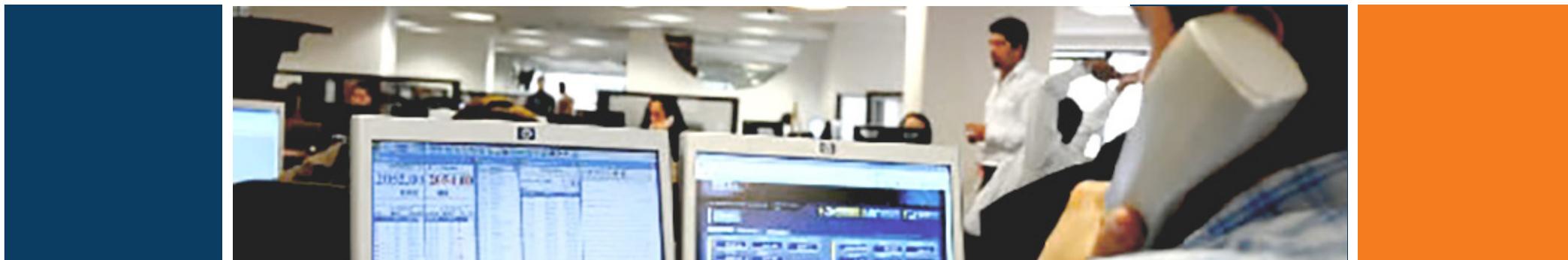
From 40,562 shareholders at the end of 2013, 96.76% (39,249) are individuals.

The amount of ISA shares traded in 2013 (75,056,894 shares) decreased by 2.56% compared to the amount traded in the previous year (77,030.392 shares).

At the end of 2013 net purchasers of shares were Foreign Investment Funds, Legal Funds, ADR Program and Insurance Companies; in turn, net sellers were the categories of individuals and general Funds, a reiterative behavior observed throughout the year. This trend is similar to that shown by the equity market in agreement with information provided by the Colombian Stock Exchange.

### Management and assistance to shareholders

In 2013, a total of 24,714 contacts were received through ISA's shareholders assistance center, which were attended with a 99% average service level, thus complying with the indicators agreed upon (90%).





The shareholders' toll-free assistance line received 81.39% of the requirements through the Call Center (20,115 calls), which were attended with an average service level of 96%.

Our Shareholders made 1,756 requests through mailbox accionesisa@isa.com.co, while at the personalized assistance offices in Medellin, 277 requirements were addressed.

In general, the service provided by ISA to its shareholders consists in providing proper advice through the different consulting channels; requirements were attended, classified as follows:

- Shareholders' General Meeting and its Internet transmission.
- Payment of dividends to shareholders.
- Timely delivery of Tax Certificates.
- Support to online website inquiries for monthly account statements on shares and certificates.
- Availability of stock consulting tools in the website.
- Advice and support to shareholders related to special processes for stock transfers (legal proceedings, successions, donations, assignments, estates, among others).
- Support to our shareholders on matters attended by direct depositors (stock brokerage firms).

## 2013

### Report of cases by Source

#### Requirements to Management Unit and Call Center between 2013/01/01 and 2013/12/31

SOURCE	NO. CASES	%
Calls to ISA's toll-free line	20,115	81.39%
Call Center Outgoing Call	1,999	8.09%
Contacts to email accionesisa@isa.com.co	1,756	7.11%
Data update	328	1.33%
Calls and visit to Medellin Assistance Office	277	1.12%
Letter/Fax received from Shareholders	201	0.81%
Other Contacts (Rights of Petition, Update Bulletins, voice mail)	29	0.12%
Other Contacts, Regional Offices	9	0.04%
<b>TOTAL</b>	<b>24.714</b>	<b>100.00%</b>

*ISA received the “IR Recognition” to issuers, an initiative to acknowledge issuers that are certified on compliance with best practices on matters such as disclosure of information to the market through its website and investor relations.*

*Through Trust Company Bancolombia, ISA retained the services of INVAMER S.A. (agency responsible for the survey of satisfaction to shareholders) to assess the quality of services served through the shareholder’s assistance line; the rating obtained through Quality Service Audit S.A. ranks ISA in the range of companies rated as “Excellent” .*

# Environmental management



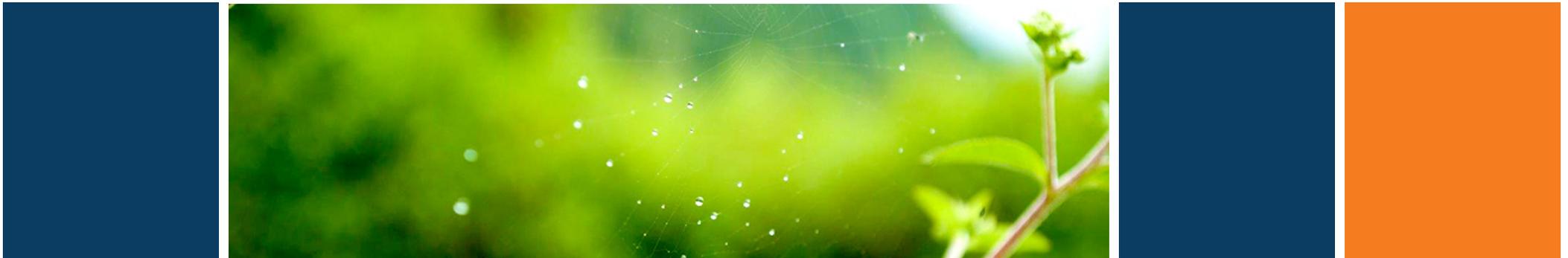
In terms of sustainability, ISA and its companies have declared their commitment to carry out their business activities within a framework of environmentally sustainable development, in exercise of their responsibility for the impacts that their decisions or activities might cause to society and the environment within their sphere of influence.

ISA's ongoing management stands out in 2013 for its management of its greenhouse gas inventory and the contribution to society to face the consequences of climate change and the challenges of mitigation and adjustment through land management, as well as the compensation of the carbon footprint.

## ENVIRONMENTAL IMPACTS

For society and communities adjacent to the projects executed by the Organization, being aware of its status is a highly relevant matter.

Such communities directly impacted by the execution of projects have contact with the Company and suppliers performing field works. There are tools provided in the environmental license such as Information Programs and Community Participation (Programas de Información y Participación Comunitaria –PIPC); Community Benefit Programs (Programas de Beneficio Comunitario –PBC) and social management voluntary actions framed in corporate sustainability, seeking to mitigate and offset the impacts generated by the construction of any infrastructure work.



Name of indicator	2013 Project	Observations
<b>Opportunity in processing environmental licenses and permits</b>	<ul style="list-style-type: none"> <li>▪ Colombia-Panama Connection</li> <li>▪ Ipiales Alternate Highway</li> <li>▪ Cerromatoso</li> <li>▪ Chivor</li> <li>▪ Sogamoso</li> </ul>	<p>Legal requirements were timely accomplished; certain delays were endured due to the definition by the competent authority, the relevance of the environmental control instrument or special requirements demanded.</p> <p>In the case of Corponariño, a technical concept was issued on the mangrove; certain obligations were set for crossing the mangrove through the municipality of Mosquera, Nariño.</p>
<b>Information And Community Participation Workshops (PIPC)</b>	48 meetings with all communities.	They consist in PIPC-workshops that explain the project and its effects to the community to agree on the management measures.
<b>Community Benefit Projects (PBC)</b>	<p>JAMONDINO Expansion 1/1 PBC under implementation. Acquisition of materials for construction of the casa de la cultura of Cujacal, municipality of Pasto.</p> <p>TERMOCOL 2/3 PBC under implementation, with contribution of materials for refurbishment of footbridge over river Bonda and Palgana rural zone; contribution of materials for public lighting in corridor to Neguanje. Refurbishment of community house in Bonda village, under implementation</p> <p>Between CO-SOGA (Connection substation Sogamoso to the National Transmission System -STN) and CO-CHIS (Central Connection Hidrosogamoso); 36 PBCs were negotiated. Regarding the PBCs of CO-CHIS and CO-SOGA, all project ideas are in place and the eventual implementation is under analysis. Meetings were held with communities regarding this topic as well as a number of support workshops for the definition of ideas.</p> <p>CANA The Resettlement Program is under implementation. The procurement process of forest compensation is pending, through the reforestation of 780ha; obligation required by the environment license of Corporación Autónoma Regional del Cauca –CRC-.</p>	Projects developed jointly with communities with the purpose of offsetting any inconvenience, impacts or expectations caused by the works.

Name of indicator	2013 Project	Observations
<b>Number of complaints, requests and claims processed during the period</b>	CO-SOGA 2/2)*100=100% Excellent compliance.  CO-CHIS (6/7)*100=85% Excellent compliance.  CERROMATOSO (1/1)*100=100% Excellent compliance.	Petitions were filed regarding the labor recruitment program  Concerns and requests were filed by property owners and contractors' suppliers for payment defaults

To manage and mitigate those impacts that ISA might generate in its operation beyond the projects, the Comprehensive Management System allows identifying the most significant impacts.

Based on ISO 14001 standard, the Company conducts its environmental planning, identification of objectives, goals and improvement programs per year; the setting of efficient management measures; the permanent control of operations and the identification of deviations and measurement using indicators.

Results of indicators and programs under ISO 14001 standard:

Key environmental indicators	Measuring units	2011	2012	2013
Energy consumption*	KwH/month	11.351.783	12.338.801	13.942.995.52
Waste generated (hazardous)	Kg	13.288	8.106.5	11.878
Waste generated (non-hazardous)	Kg	28.571	44.815	130.368
Managed PCB contaminated oil	gallons	0	0	12.325
Managed industrial remainder	Kg	632.735	1.661.639	423.738
Paper consumed per employee – Medellin Head Office	Kg	6	9.9	8,9
Water consumption	m3 annual	96.642	95.836	10.444.664.00
SF6 emissions	tn CO2 equivalent	1.564.99	1.705.67	2.056.56
Oil and fuel disposal	# environmental near-misses	0	3	3
Affected vegetation	m3 annual	0.25 m3/hectares	1.698.45 m <sup>3</sup>	5655 m <sup>3</sup>
	Individual		5481 Individuals	11494* Individuals**

(\*) This information includes both licensed and non-licensed lines

(\*\*) This indicator increased significantly over the previous year, given that various forest plantations were under the lines



## PROTECTION OF ECOSYSTEMS

The construction of transmission lines involves an environmental impact due to the removal of vegetation at easement areas, in an adjacent area between 30 to 15 meters on both sides of the 500-kV line, and between 30 to 16 meters for 230-kV lines, the Company conducts periodic maintenance because the area must remain clean during the operation to prevent any damage or outage of the line.

To prevent the impact during construction, routes are identified by prioritizing those with less environmental sensitivity; this is carried out by using a tool called Analysis of Environmental Constraints (Análisis de Restricciones Ambientales –ARA); then, with the formulation of the Environmental Impact Study (Estudio de Impacto Ambiental –EIA) and the procurement of the licensure, management measures are established when it is impossible to prevent removal of vegetation; to mitigate this impact, ISA develops Forestry Compensation Programs (Programas de Compensación Forestal –PCF).

Sometimes during the operation stage it is necessary to remove vegetation not included in the environmental license; forestry exploitation permits are required for this process.

The following results were obtained in 2013 with regard to forestry exploitation permits, volume granted and lifting of ban.

Project	Status	Forestry exploitation		Lifting of ban
		Permit granted (resolution-date)	Volume	
Enlargement S/E Cerromatoso	Study - Design	Permit granted (resolution-date) "Resolution 294 of December 27, 2013	75.88 m <sup>3</sup>	
Connection of Sogamoso Hydro-Electric project to the National Transmission System (STN)	Study - Design	Resolution 351 of 12/4/13. Art. 3 Amends Environmental License of ISAGEN and grants forestry exploitation permit for vegetation cover		Resolution 1428 of 21/10 /13 granting temporary and partial lifting of ban requested by ISAGEN for vascular and nonvascular epiphytes.
Connection of Sogamoso Substation to the STN	Study - Design	Sole forestry exploitation. Resolution 737 of 24/7/13	Area: 213.25 ha. Maximum commercial volume: 9.370,93 m <sup>3</sup> . Maximum total volume for exploitation: 15.592,48 m <sup>3</sup>	Area: 213.25 ha. Maximum commercial volume: 9.370,93 m <sup>3</sup> . Maximum total volume for exploitation: 15.592,48 m <sup>3</sup> Res. 1918 of Dec. 27 /13 from the Directorship of Forests, Biodiversity and Ecosystem Services DBBSE. Temporary and partial lifting of the ban on the species of bromeliads, orchids, mosses and epiphytes in the easement corridor
220-KV El Bosque Substation and associated lines	Construction	Res. 1013 of 4/10/13 Auto 3579. Oct.22/13		
Termocol Thermoelectric Plan to STN	Construction	Res. 152 of 14/02/13 Assignment of Environmental License with related permits		
Grid under operation LT La Mesa - Northwest	Operation	Authorization No. 40 of July 25,2013		2.92 m <sup>3</sup>
Grid under operation LT Ancón Sur - Esmeralda	Operation	Resolution CA-1308-7997 of August 22		10.81m <sup>3</sup>
Grid under operation LT La Virginia – San Marcos	Operation	Resolution 0780-0781-114 of March 9, 2013		6.34m <sup>3</sup>

Forestry Compensation Programs stand out for their participatory and inclusive process of communities, environmental authorities and national and international NGOs to generate solutions that protect the environment in line with their own wildlife.



Topic	Relevance (impact + -)	Management (resources, objectives, responsibilities)
<b>Updated biodiversity management strategy</b>	Based on the Manual of Compensation due to biodiversity loss, imposed by the Ministry of Environment and Sustainable Development for projects that require environmental licensing, since January 2013, a Guide was prepared for application of this manual for ISA's transmission projects in Colombia.	The Guide was used to regain ISA's experiences on the formulation and implementation of forestry compensation projects aimed at protecting biodiversity and a portfolio of possibilities was prepared to align with the Manual and the corporate social responsibility of co-managing different biodiversity preservation projects with local communities, NGOs and regional autonomous corporations.
<b>Communicate to stakeholders (impacts and investments)</b>	<p>The management of preservation of ecosystems and compensation measures applied in 500-kV Bacatá – Primavera – Bolivar transmission lines were presented at meetings with regional environmental authorities and regional meetings with communities</p> <p>An agreement was entered into in 2012-13 with The Nature Conservancy –TNC- to apply the compensation model and net profit of biodiversity in early stages of transmission projects in a pilot of Peru's enlargement plan.</p>	<p>Successful biodiversity preservation projects that were completed and received by CARs in 2013 were:</p> <p>Declaration of protected regional area Los Rosales in Atlántico with studies prepared by the agreement ISA-TNC- Corporación Autónoma Regional del Atlántico -CARA-.</p> <p>Purchase of lands for protected area Lurisa in Atlántico.</p> <p>Declaration of protected regional area El Ceibal in the jurisdiction of CARDIQUE, with the studies of agreement ISA- CARDIQUE.</p> <p>Action plan for preservation of the dry forest in the Caribbean and the herbarium of the Botanical Garden of Cartagena, with the agreement above.</p> <p>Purchase of 3000 hectares to consolidate strategic areas of preservation in CAR, CORANTIOQUIA, CORPONOR, CORPOCESAR and CRA.</p> <p>Handling plans for strategic areas in Serranía Quinchas, Alto Carare, Ciénaga Cachimbero, Rio Alicante, Rio Guatapurí, Los Clavos (arhuaco indigenous preservation area SNSM), Rosales and El Ceibal.</p>

As part of its strategic updating process, during 2013 ISA implemented initiatives to identify the contributions to sustainability in terms of savings and efficiencies.

In the case of OPEX initiatives, the optimization of the strategy of maintenance of lines shows the high potential of leverage existing between the search for technical and economic efficiencies and the decreased allocation and consumption of natural resources and generation of waste.

Besides improving the efficiency of the life cycle of the assets of lines by reducing maintenance costs without affecting the quality of service and maintaining the integrity and safety of people, this initiative -thanks to the measures implemented for the improvement in efficiency in processes and the strategy on Reliability-Focused Maintenance (Mantenimiento Centrado en Confiabilidad -MCC)- allowed lowering its frequency; in addition to reducing the value of the maintenance cost in terms of \$/ Km of line, environmental impacts associated with displacement, use of machinery and tools, power consumption and cutting of vegetation are significantly reduced, thus achieving greater eco-efficiency in one of the most relevant activities related to the nature of the service.

This initiative has made progress in the identification and technical/economic analysis for the inspection of the high tech area for line maintenance, which includes the implementation of helicopter inspections with high-tech cameras, flights on drones (unmanned aerial vehicle) which could reduce the need for ground inspections involving the movement of personnel with significant resource consumption and waste generation.

## CLIMATE CHANGE

Emissions are one of the key factors contributing to climate variability. Aware of this situation, ISA has advanced in scope 1 and 2. Likewise, it has a special management program in place for SF6, the primary greenhouse gas present in transformers and essential for the operation and provision of Energy Transmission service.

Scope	Process	2011		2012		2013	
		t CO2e	% Total	t CO2e	% Total	t CO2e	% Total
Scope 1	SF <sub>6</sub>	1.807.81	48.26%	1.660.07*	43.18%*	2.056.56	37.73%
	Refrigerant R-134A	-	0.00%	-	0.00%	-	0.00%
	Refrigerant R-410A	-	-	38.34	1.00%	-	0.00%
	Diesel SE	93.05	2.48%	93.05	2.42%	93.05	1.71%
Scope 2	SE Energy	648.97	17.33%	896.79	23.32%	1.841.47	33.78%
	Head Office Energy	316.07	8.44%	396.72	10.32%	605.33	11.10%
Scope 3	Aerial	598.37	15.97%	437.99	11.39%	502.11	9.21%
	Buses	135.65	3.62%	135.65	3.53%	135.65	2.49%
	Private	70.17	1.87%	70.17	1.83%	116.12	2.13%
	Commissions	50.18	1.34%	27.58	0.72%	71.22	1.31%
	Refrigerant R-22	15.27	0.41%	76.68	1.99%	17.08	0.31%
	Taxi cabs	10.18	0.27%	11.82	0.31%	12.45	0.23%
<b>Total GHG Emissions</b>		<b>3.745.72</b>	<b>100%</b>	<b>3.844.86</b>	<b>100%</b>	<b>5.451.04</b>	<b>100%</b>

(\*) In 2012, there was an error in measuring SF6. The chart shows the corrected value.

In 2013, it was possible to manage compensation of emissions made during 2012. Accordingly, ISA received the Neutral Carbon Certificate by the purchase of bonds to South Pole Carbon, a global leader in carbon offsetting.

Through the compensation of its Carbon footprint in the Energy Transmission Business, ISA assumes a new environmental and social commitment.

The bonds purchased will be applied in the town of Acandí in Chocó, under the REDD Plus project of the Chocó - Darien Preservation Corridor, unique in the country and one of those 34 existing in the world.

In total, ISA offset 3,890 tons of CO<sub>2</sub>e of its operation-related emissions during the year, by using credits from a project for Reducing carbon Emissions from Deforestation and Forest Degradation (REDD+). This project, developed by Community Council COCOMASUR and company Anthroctect S.A., takes place in the Darien region, recognized as one of the places with most biodiversity in the world due to its strategic geographical location and high levels of endemic species.



These objectives are achieved by obtaining international standard seals such as the Verified Carbon Standard -VCS- governing voluntary carbon markets, and the Climate, Community and Biodiversity Standard -CCBS- that guarantees relevant benefits for climate protection, community development and biodiversity preservation.

Also, the social management of the asset includes a contribution to climate change mitigation; actions were carried out in 26 municipalities in 16 departments (Quindío, Atlántico, Santander, Valle, Bolívar, Norte de Santander, Tolima, Cauca, Caldas, Antioquia, Córdoba, Huila, Nariño, Magdalena, Sucre and Boyacá) in partnership with two entities.

Key initiatives were focused on:

- Support to Ventures Contest, in partnership with Corporación Ventures
- 1,219 business ideas received.
- 183 ideas qualified for ISA Award for energy efficiency and climate change.
- 2 ISA Award winning entrepreneurs received COP 10,000,000 and COP 15,000.000 in cash, from the municipalities of Manizales and Barranquilla.

In partnership with Fundación Rio Piedras and the support of Vallenpaz, training was provided to technical teams in the application of the methodology for vulnerability analysis and risk analysis associated with the change climate focused on adaptive ecosystem management.

It was possible to reach Caldono, Cajibío and Piendamó, benefiting about 166 people.

*Through the combination of forest preservation and sustainable development activities, this project relies on benefits additional to climate benefits such as the organization of soil use, protection of biodiversity and improvement of life quality of the communities of the region through the financing of educational, cultural and socio-economic activities.*

PERCENTAGE OF COMPLIANCE WITH ENVIRONMENTAL LEGAL GUIDELINES



*In 2013, ISA was ratified by ICONTEC in ISO 14001 Standard for the Energy Transmission Service.*



# Management with our employees



The Company aims to manage the life cycle of human talent according to the contribution required in the business and the achievement of the organizational objectives, by having eligible individuals, motivated to act at the time and place required, at competitive costs.

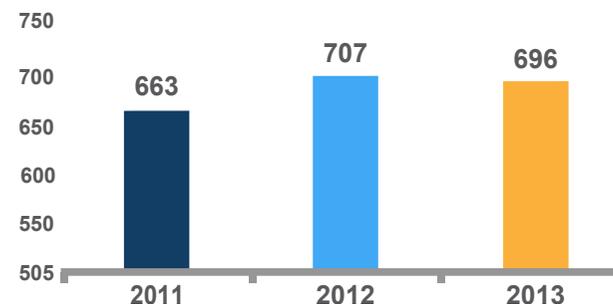
The challenges are focused on enabling human capital for productivity and growth, mainly taking into account:

- Lead the management and transfer of individual and collective knowledge of the group’s businesses.
- Enable leaders to manage the sustainable development of the business and the employees.
- Promote a high performance culture based on respect, the power of simplicity and service orientation.
- Enable proactive and consistent people who stand out for its human meaning, and for representing the values in a multicultural environment of trust, openness and inclusion.
- Establish participation mechanisms to make census and make permanent monitoring to satisfaction and commitment of workers and the Company.

### Characterization of human talent at ISA

By the end of year 2013, the Company had a team of 696 employees, with an average of 41.9 years old and 15.1 years of service. From all personnel, 5% correspond to directive officers and the remaining 95% to non-directive employees.

### STAFF

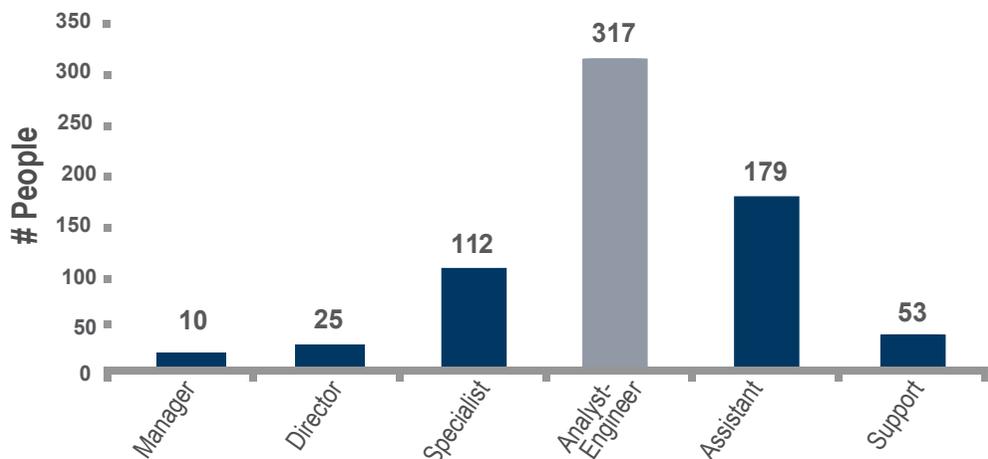


STAFF	
2011	663
2012	707
2013	696

From all staff, 317 are analysts; this is the most common organizational position in ISA, followed by the position of assistant. Distribution by positions is as follows:



DISTRIBUTION OF EMPLOYEES BY POSITION



DISTRIBUTION OF EMPLOYEES BY POSITION – 2013

Position	# People
Manager	10
Sub-Manager	0
Director	25
Specialist	112
Analyst – Engineer	317
Assistant	179
Support	53
<b>TOTAL</b>	<b>696</b>

The Company has in place two kinds of employment: Fixed Ordinary and Comprehensive Salary; 80% of the staff belongs to the first regime and the remaining 20% corresponds to the comprehensive salary regime.

Distribution of employees by regime

DISTRIBUTION OF EMPLOYEES - 2013					
Regime	Type	Number of Employees	Distribution by gender		%
			M	F	
Comprehensive salary		140	89	51	20.1%
Fixed ordinary salary	Collective Agreement	459	287	172	65.9%
	Collective Convention	97	94	3	13.9%
<b>Total</b>		<b>696</b>	<b>470</b>	<b>226</b>	<b>100,0%</b>

As for the term of the employment relationship, 100% employees hold an undefined term agreement.

Distribution by gender

From 35 people holding directive positions, 10 are women and 25 men;

MEN		WOMEN	
Directive	Non - Directive	Directive	Non - Directive
4%	64%	1%	31%
	68%		32%



## Turnover

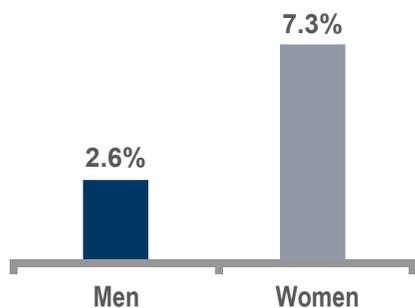
Throughout the year, 24 people were admitted, 63% with the business and the remaining with corporate areas, and 33 people left, of which 14 retired by pension.

The number of withdrawals on the average staff in the period was 4.68%, and from this percentage 2.70% corresponds to non-pension retirements.

### TURNOVER

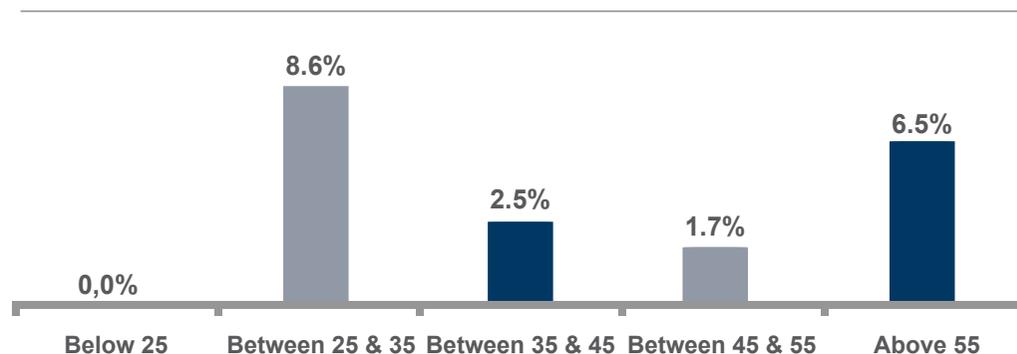
Year	Admissions of staff	Retirement of staff	Turnover	Benchmark Companies with revenues USD 300 to USD 700 million (annual)
2011	71	37	8.38%	6.40%
2012	66	19	6.27%	6.40%
2013	24	33	4.04%	6.40%

### TURNOVER BY GENDER - 2013



Gender	Turnover
Men	2.6%
Women	7.3%

### TURNOVER BY AGE, YEAR 2013



Range of Age	Turnover
Below 25	0,0%
Between 25 & 35	8.6%
Between 35 & 45	2.5%
Between 45 & 55	1.7%
Above 55	6.5%



## ATTRACTION AND RETENTION OF HUMAN TALENT

ISA tends to keep the human resource motivated. To contribute to retention, development and promotion, it recognizes the performance of employees and keeps a high level of competitiveness and equity in remuneration.

Besides the collective adjustments, the Company makes wage and salary increases individually considering the position and worker's performance.

During 2013, 44 salary movements were conducted.

### SALARY MOVEMENTS

Year	N°	N°	Salary increase average	Amount	Worker's annual fixed Income Increase average	Amount
	Workers	Movements	(Thousands)	(Millions)	(Thousands)	(Millions)
2011	77	80	881,1	70,5	9.907,10	792,6
2012	50	51	912	46,5	9.867,00	493,3
2013	44	44	732,1	32,2	14924,6	656,7

## Promotions

From /To	Total Movements
From Jr. Assistant to Assistant	1
From Assistant to Analyst	3
From Professional in Development to Analyst	7
From Analyst to Specialist	4
From Analyst to Director	1
From Specialist to Director	1
At the same Position level	0
<b>Total General</b>	<b>17</b>

## Training and development of employees

The contribution of employees to the business and the strategy of the Company by using their knowledge is quite valuable and is part of the objectives and challenges in the area of human talent. This aspect is of special interest for workers, as expressed by them in different spaces of dialogue.

During 2013, the investment in the different educational options reached COP 2,153 million, for a total of 31,623 hours of training, equal to an average of 44 man/hours of training.

The accumulated coverage index (per capita learning actions - at least 8 hours per year per person) was 87%.

*64% hours of training, that is, 20,315 was focused on the technical areas of the Organization.*

As regards to the distribution of hours by gender, the result was as follows:

Gender	Male	Female
<b>Total Population</b>	<b>245</b>	<b>484</b>
Total hours of training	8475.75	23148
Average of hours per worker	34.59	47.83

*The distribution of training hours shows that the group of analysts and assistants enjoyed the highest percentage of training hours during the year.*

Category	Hours	%
N2= Manager	285	1%
N6= Assistant	369	1%
N6= Support	1.575	5%
N3= Director	2.153	7%
N4= Specialist	4.710	15%
N7= Assistant	6.865	22%
N5= Analyst	15.667	50%
<b>Total</b>	<b>31.624</b>	



During 2013, the Company focused training on three lines of learning: Technical, Directive and Managerial, with programs delivered with internal resources, others with national and international suppliers.

### Technical line

Actions focused on core knowledge, in the technical competencies of business, tools, systems and methodologies required.

Program	Purpose of program	Actions 2013	Observations
Qualification and Certification	<p>Enabling and qualifying maintenance and operation personnel from energy transmission business to reach superior performance and technical excellence.</p> <p>Strengthen the development of knowledge, skills and abilities of employees holding key positions.</p>	<ul style="list-style-type: none"> <li>▪ 140 people qualified as work supervisors and 15 under qualification process</li> <li>▪ 14 people qualified for Works with Voltage.</li> <li>▪ 122 people certified on advance level for safe work at heights and 62 people at administrative level that may provide instructions from floor.</li> <li>▪ 704 hours delivered under a Scada Monarch System program for the CSM work team.</li> </ul>	<p>The programs are designed with stringent criteria and excellence in service and they are implemented to meet the challenge of business consisting in operating and maintaining the power grid with high levels of availability, reliability and quality.</p> <p>Certification of working at heights is a program focused to enable participants to identify the key components of the Technical Regulations of Working at Heights, their responsibilities in connection therewith and the prevention of occupational risks arising from the work at heights.</p>
Internships	Learning action to develop, socialize, disseminate, transfer knowledge and adopt best practices on issues of strategic importance for the business group, in order to enhance the organizational learning curve.	ISA received 16 interns: 3 from REP 3 from CTEEP 5 from ISA Bolivia 5 from PDI	<p>Internships were focused on the following topics:</p> <ul style="list-style-type: none"> <li>▪ Maintenance of grid</li> <li>▪ Transmission lines and substations</li> <li>▪ Change of protections and current transformers</li> <li>▪ Inductive equipment for switching of units</li> <li>▪ Engineering processes</li> <li>▪ Control center</li> <li>▪ ISA's strategic updating.</li> </ul>
Seedlings of professionals	Aimed at identifying, attracting and early developing technical talent, in order to have people qualified and suitable for covering future vacancies for the maintenance and operation of the National Interconnected System and the Business Infrastructure Projects.	A group of 6 engineers completed their training cycle in 2013 and were promoted to other positions in the Management of Energy Transmission and Infrastructure Projects.	Participants strengthened their technical and human skills and acquired a more holistic view of business.
Technical training sessions	Specific training on processes, responsibilities and tasks to be performed.	Courses delivered: transformers of inductive equipment, PSCAD software, planning and programming, switches and isolators, Termocol project equipment, power and thermography systems.	These programs represented 1,248 hours of training.

## Directive line

Learning actions focused on managerial knowledge, the contribution through others, development of people, development of the strategic vision and results orientation. Under this line, programs for directive officers and people with integrating roles were developed:

Program	Purpose	Actions 2013
Contributing through others program	As contribution to strengthen the Differentiating Leadership Role at ISA, the program provided tools to directive officers to enable them working on the challenges of developing their people, broaden their perspective and guide towards the achievement of results.	<p>Five group sessions were conducted, addressing Leadership topics through the influence, long-term vision and matters related with human management led and mobilized by directive officers in their areas.</p> <p>Support to managers and their teams was offered to encourage the transfer of learning in the collective space and a total of 21 sessions of assistance to 19 Company directive officers was provided.</p>



## Managerial line

It corresponds to educational activities focused on organizational knowledge, that is, knowledge required by all workers at ISA to enable their work, which is developed through cross-cutting issues; highlights in 2013 were:

Program	Actions 2013	Observations
Sponsorship of superior education	ISA sponsored three employees in the following graduate programs with universities abroad: Master Degree in Corporate Planning, Master in Management of Business Innovation and Master in Corporate Finance.	Sponsorship of these studies represents an investment of COP 197,075,119.
Knowledge Multipliers	A recognition event was held with 242 formal and non-formal facilitators, highlighting their commitment, discipline and interest shown to share their knowledge.  As support for the transfer of knowledge and seeking to maintain and preserve knowledge, continuity was given to the network of ISA's knowledge multipliers.	Formal knowledge multipliers are people who facilitate learning spaces under the company's in-house programs; they spend time structuring and teaching their knowledge, and share their knowledge with patience, dedication and effort. Non-formal knowledge multipliers help their peers and share their knowledge in day-to-day activities, and at different spaces, and were nominated by the workers of the Company.
Contract managers	This program continued during 2013 and included the participation of 211 technical and administrative managers of contracts.	Its goal was to educate and train those who have this role in the Company to meet the new definitions of the process and their responsibilities. 738 hours were invested in them.
Sponsorship of external events	A total of 57 people attended in-country conferences, courses and workshops in the year with a total of 1,856 hours invested.	These programs focus on updating knowledge and strengthening skills that prepare people for better performance in office.
Workshops on personal development issues	23 soft skills programs, for a total of 5,273 hours.	The topics developed were: flexibility and adaptability to change, team cohesion, high performance teams, communications skills, relational intelligence, leadership, negotiation and service.
Language program	Sponsorship of 15 directive officers receiving personalized classes.  The Company provides an aid to all employees to reinforce their language studies	It is a program designed for individuals who require communication skills in English or Portuguese, because of the job performed.

## HEALTH AND SAFETY PROTECTION OF EMPLOYEES

One of the main interests of ISA is to preserve the health of its workers and their families on a comprehensive basis. For this effect, it has a Comprehensive Health team in place with an annual allocated budget for the implementation of programs for health promotion, prevention of illness and accidents, both labor and common.

### Health and safety risks

ISA has a picture of risks for its employees and contractors. To manage these risks it has in place a matrix of hazards, risk assessment, determination of controls for line maintenance, maintenance of the High Voltage Protection System -SPAT-, maintenance of substations and works with voltage.

Risks are identified from the process and from the activities performed by the worker or contractor. Also, they are identified from their location or area, classification, description, source and the consequence thereof.

Hazards to workers and contractors are classified as: biological, transportation-related, electrical, ergonomic, physical, physical-chemical, locative, mechanical, psycho-labor, chemical, socio-political. There are management measures in place for each of them.

### Welfare, health and safety activities

In order to improve the management of occupational risk and keep employees in proper health conditions, the Company made the following investments:

Value	Concept
COP 10,629,828,521	For supplementary health plans and aids for health-related expenses that are extended to the family members of active and pensioned workers.
COP 175,973,689	For activities carried out under the subprogram of Occupational Medicine, including medical evaluations, and health promotion and prevention activities.
COP 288,587,426	For the provision of personal protective equipment and provision of job supplies.

- Diagnosis of working conditions, under the methodology of matrix of hazards, risk assessment and controls determination.
- Implementation of Epidemiological Surveillance Systems for musculoskeletal and cardiovascular risk covering the entire working population.
- Occupational Medicine subprogram where medical admission, periodical (related with Epidemiological Surveillance Systems) and retirement evaluations are carried out.
- Management programs for their main occupational hazards such as: electricity-related, heights and socio-political risks. Also, prevention measures for critical and high risk tasks.



- Emergency Plan.
- Occupational health week.
- Promotion of health and prevention of diseases, through healthy lifestyle, including, the workout center in the Head Office, to which family members of workers may also access.

*In 2013, ICONTEC ratified the certification on the health and safety system under the requirements of standard OHSAS 18001:2007, for the Energy Transmission Service including the operation, maintenance and connection to the National Transmission System developed by ISA workers at the facilities.*

### Joint Occupational Health Committee (Comité Paritario de Salud Ocupacional –COPASO)

COPASO is the main mechanism of participation of the Organization on issues relating to health and safety at work. Its purpose is to promote and monitor compliance with the rules and regulations set by the Company in terms of occupational health. They participate in safety inspections and investigations of work accidents.

These committees are composed by representatives from both the Company and employees. At present, 27 people compose such committees, representing 4% of workers.

### Labor Accidents and Absenteeism

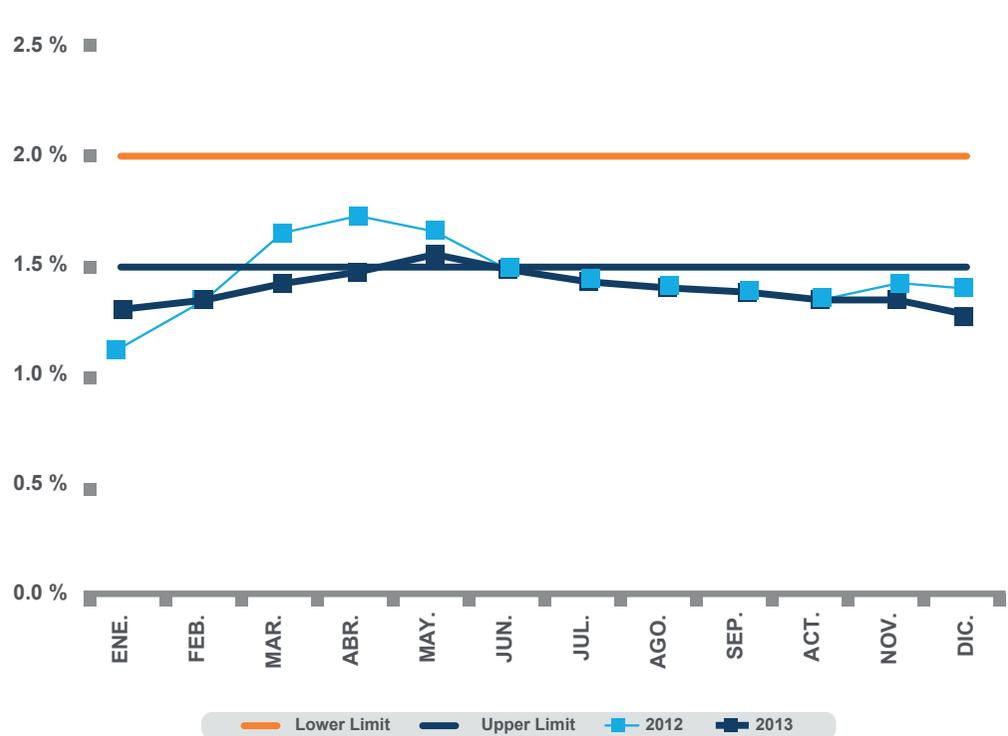
2,484 days of absence were recorded in the period due to illness and accidents. 466 days of absence due to illness, with an indicator of 1.25%, showing a decrease compared with 2012, where there was an absence rate of 1.38%, generated by 2,529 days of incapacity.



(\*) Members -COPASO-:

From left to right: Jorge Ricardo Rodríguez G., Jesús Alberto Saldarriaga A., Isabel Cristina Pelaez O., Marco Fidel Navas A., Lina Maria Jaramillo E., Jorge Eduardo Carbonell G., Brocardo Montoya B.

### ABSENTEEISM INDEX 2012 - 2013 (MATERNITY AND PATERNITY LEAVES)

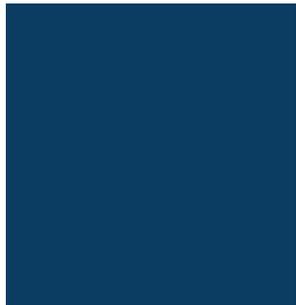


### Labor Accident Rate

Workers at ISA	Contracting Companies
<p>The accident frequency indicator of ISA's workers closed in 0.72 (Goal: 2.5-2). The above corresponds to five disabling work accidents, eleven non-disabling work accidents and three sports-related work accidents.</p> <p>Compared with 2012, there was a decreased labor accident rate, where there was a 1.59 indicator, corresponding to nine disabling work accidents, nine non-disabling work accidents and three sports accidents.</p>	<p>The accident frequency indicator of contractor workers closed at 6.21, due to 52 accidents giving rise to 240 days of incapacity.</p> <p>There was a deadly work accident at the Infrastructure Project Management, as someone got trapped in an excavation during the enlargement of a substation, generating 6,000 charged days.</p>



2012 ACCIDENT FREQUENCY INDICATOR



## ENSURE WELFARE OF EMPLOYEES AND THEIR FAMILIES

ISA has actions in place that promote a balance between work and family life. Activities are sought for enjoyment, culture and recreation of employees that is made extensive to their families. Thus, during the year various artistic and musical presentations were conducted and visits were arranged to arts and cultural institutions such as the Museum of Antioquia and the Planetarium.

Special celebrations such as Secretary's, Father's, Mother's Day and recognition to employees and families.

Courses and workshops, extended to the family group, aimed at learning sports, crafts and family topics.

Activities for the development of sports and physical activities led by professionals were promoted. During the year, 82 employees represented the company in soccer, basketball, volleyball, bowling, athletics, among other sports.

In addition, aids were provided to workers and their families to cover health expenses, education, aid for births, deaths and marriages and calamity loans were granted to support workers under difficult situations.

*During 2013, 36 formation activities were developed for workers and their families. A total of 333 family members participated in these formation programs. COP 997,873,383 were invested in recreation, sports and cultural activities.*



## PARTICIPATION MECHANISMS

For ISA, collective labor relations are one of the key aspects to make the Company a place where rights are respected, participation is promoted, agreements are met and where ways for building new realities are sought. This section includes information regarding the union and collective participation, the results of organizational climate and the performance management, as they are spaces for open dialogue with the management and direct managers with whom employees can express comments, concerns or discomfort within the Organization.

### Freedom of association

At ISA, there are beneficiaries of a Collective Labor Agreement and others are beneficiaries of a Collective Convention; permits are granted and collective bargaining is held. Both collective bargaining agreements, Convention and Labor Agreement, are negotiated autonomously and independently, in accordance with the formalities prescribed by law.

- Participation of workers in the Collective Agreement  
2013 was a year in which there was continuity of the process of dialogue and periodical approach with representatives of the Collective Agreement, thus strengthening Company-worker relations at formal and informal conversation spaces. It was a year where workers observed the fulfillment of each of the clauses of the collective agreement in force.
- Participation of workers in union organizations

Of all ISA workers, 97 are members to the SINDICATO NACIONAL DE TRABAJADORES DE INTERCONEXIÓN ELÉCTRICA S.A. -SINTRISA-, the Company's Union.

During the period of the Report, dialogue and outreach sessions with representatives of trade unions continued, which main objective was to pool the interests of both parties about an eventual negotiation of the Collective Labor Agreement to be held between ISA and SINTRISA.

Throughout 2013, the Company held meetings with representatives of the Collective Convention and Collective Agreement to discuss issues related to collective labor relations, as follows:

- Two Company - Union meetings were held in order to explain the financial situation, technical projections, the labor and social policy and advances in the ISA 2020 strategy.
- Aspects specifically related with employer's substitution were discussed with representatives of the Convention and the Union.
- In virtue of the ISA 2020 strategy, meetings were held with all workers of the Company under the scheduled agenda of change.



No claims or tutelas were filed against ISA in 2013 by any union worker claiming being fired, transferred or demoted in his/her working conditions,

However, two proceedings took place in connection with the Company-Union relationship that are important to consider:

who could have union protection, and without having prior authorization from a judge.

Tutela from SINTRAISA Vs. ISA	<p>On February 5, 2013, ISA was served upon the admission to proceed of a tutela action filed by SINTRAISA against the Company for an alleged violation of the right to equality and the right of association, which intended to obtain the readjustment and increase of basic salaries and legal and extralegal benefits of SINTRAISA unionized affiliates, from January 1, 2012 with 4.73 % and from January 1, 2013 with 4.33% in compliance with the principle of equality in connection with workers assigned to the Collective Agreement.</p> <p>The tutela action was answered by ISA and the Administrative Court in first instance, on February 13, 2013 resolved to deny the tutela action. SINTRAISA challenged the decision and the Administrative Tribunal of Medellin on March 20, 2013 upheld the original decision because there were other means of defense as the courts or through negotiation, and also because no irreparable damage was proven that could warrant the temporary protection. This case was not chosen by the Constitutional Court for review for which it became firm and final. Notwithstanding the foregoing, SINTRAISA verbally requested to the CEO the salary readjustment offered on November 16, 2012 and he accepted accordingly.</p>
Tutela from SINTRAE Vs. ISA	<ol style="list-style-type: none"> <li>1. On May 27, 2010 SINTRAE, filed before ISA the list of claims, sought to begin a collective conflict; although there was a Collective Convention with SINTRAISA in effect until March 31, 2011 and that all ISA workers affiliated to SINTRAE were also SINTRAISA affiliates and consequently they were beneficiaries of such Convention.</li> <li>2. On July 19, 2010, the Ministry of Social Protection rendered opinion stating that ISA was not bound to negotiate the list of claims filed by SINTRAE. Such opinion was shared with SINTRAE on August 19, 2010; in spite thereof, they believed that ISA was obliged to negotiate. SINTRAE filed complaints before the Ministry of Work, arguing an unreasonable denial by ISA to negotiate the list of claims. The case of the first complaint was closed upon SINTRAE's request and the second was solved in favor of ISA, that is, it was resolved that ISA was acting according to the law.</li> <li>3. On March 26, 2013, the Superior Tribunal of Medellin served upon ISA the order of admission of the tutela filed by SINTRAE against ISA and the Ministry of Work, Territorial Directorship of Antioquia. The tutela was answered by ISA. On April 17, 2013, ISA was informed that the Tribunal had solved to protect the fundamental rights of association and negotiation in favor of SINTRAE and consequently ISA was ordered, in forty-eight (48) hours to receive SINTRAE's negotiators and begin the direct settlement stage. ISA challenged the decision on the same date, as granted by the Supreme Court of Justice. In compliance with the tutela action, the direct settlement stage began on April 18, 2013 and was concluded on May 7, 2013. The Supreme Court of Justice solved the appeal and confirmed the first instance decision. The Constitutional Court did not choose the case for review.</li> <li>4. The Ministry of Work, by Resolution 3440 of September 24, 2013, ordered the creation of a Mandatory Arbitral Tribunal to analyze and decide on the collective conflict between ISA and SINTRAE. ISA filed reconsideration petition and subsidiary appeal against such administrative act. On February 19, 2014, ISA received communication bearing number ISA 201488000936-3, sending copy of Resolution 450 of February 5, 2014, whereby the reconsideration petition was solved unfavorably and the appeal is granted.</li> </ol>



## Organizational Climate

The climate survey is the participation mechanism by excellence. In this survey, workers can express their perceptions on various aspects on the work and the environment that surrounds them; it is addressed to all people within the Organization regardless of their position, role or geographic location. It is also a way to permanently consult both satisfaction and the level of commitment expressed by employees. ISA and its companies annually conduct a measurement and improvement plan of the Organizational Climate.

In 2013, 93% of ISA's workers and 89% of all companies' workers participated by answering the survey. The following scale is in place to interpret the results

Concept o of Value Obtained	Value Obtained
Clear strength	Above 75%
Moderate strength	Above 50% and below 75%
Improvement opportunity	Above 20% and below 50%
Alert	Below 20%

The overall result of climate for ISA obtained in 2013 remains at Moderate Strength; although it changed from 75% (2012) to 72% (2013), this was due to internal changes that involved a restructuring of the Company, which action was accompanied in the second half by the Cultural Transformation team, where all employees of the Company were prepared on the basis of change that would take place at the Company in January 2014.

However, there was continuity of the specific action plans conducted in different areas, which allowed identifying and addressing issues that affected the Organizational Climate.

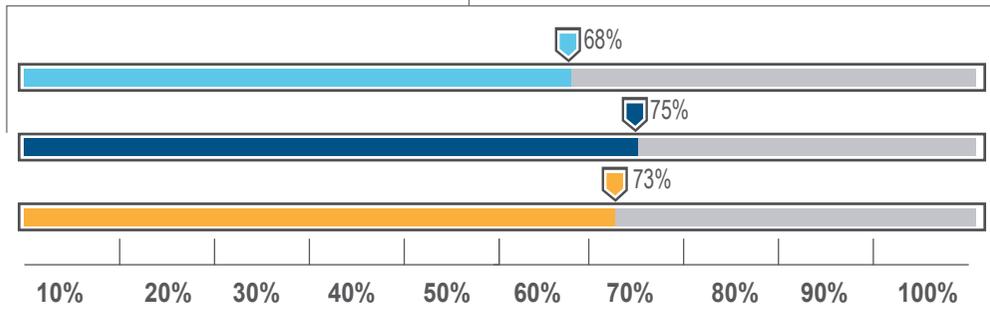
As perceived by employees, the dimensions of climate that decreased were: commitment, which remains as a clear strength and effectiveness of the Company and individual effectiveness, marked as moderate strengths.



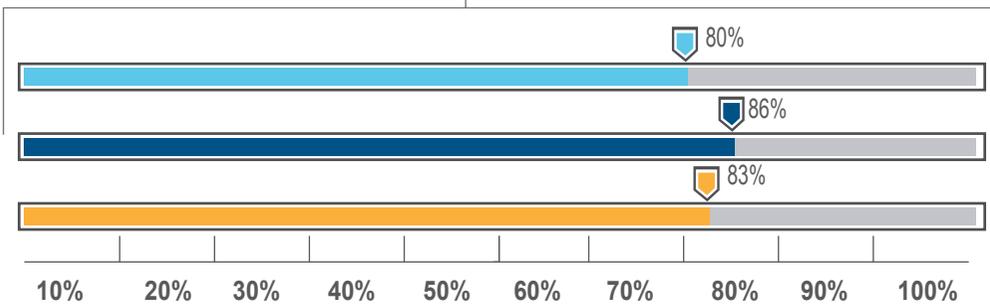
ASSESSMENT ON PERCEPTION OF FAVORABILITY OF ORGANIZATIONAL CLIMATE VARIABLES  
2010, 2011, 2012 –FAVORABILITY PERCENTAGE -

■ 2011 ■ 2012 ■ 2012

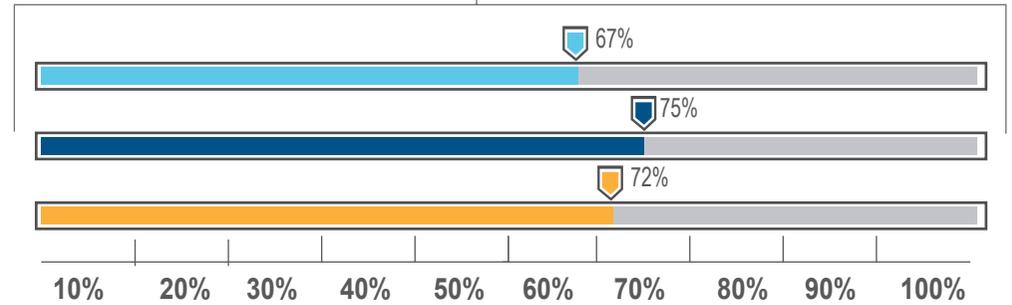
General Average



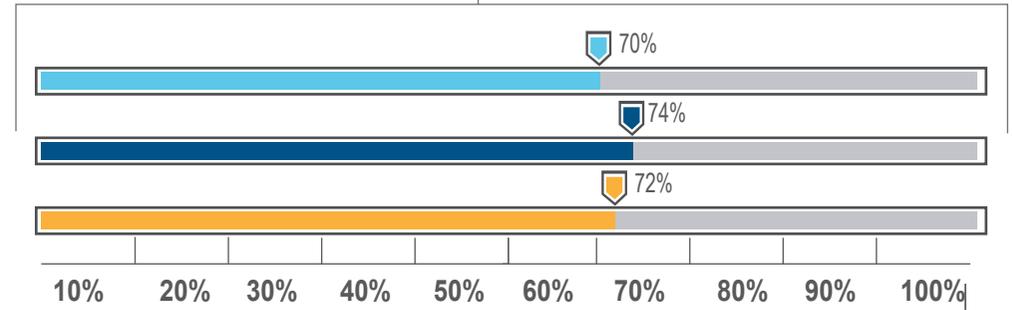
Commitment



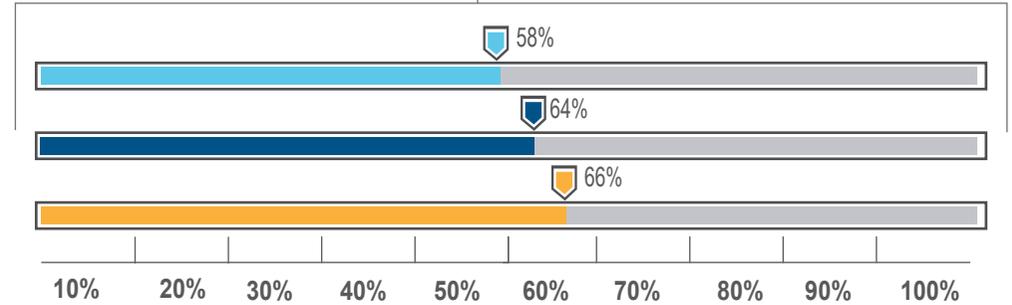
Effectiveness of Company



Individual Effectiveness



Effectiveness in recognition of the work



Results were delivered in a one-day workshop held with the executive group; the general and specific results were analyzed and conclusions for climate management during 2014 were obtained. Subsequently, the delivery was made to all employees at meetings with each of the units. The results of the Company, the management and the direction of employees were presented. A total of 28 presentations were made with an estimated assistance of 600 workers and 100% of the units were covered.

### **Performance Management**

As a way to align large corporate purposes with the contribution assigned to and expected from each of ISA's employees, an annual performance management is held at ISA and its companies.

The Performance Management model emphasizes on three aspects: Making, Being and Knowing. The first refers to the achievement of business objectives from the sum and synergy of individual contributions.

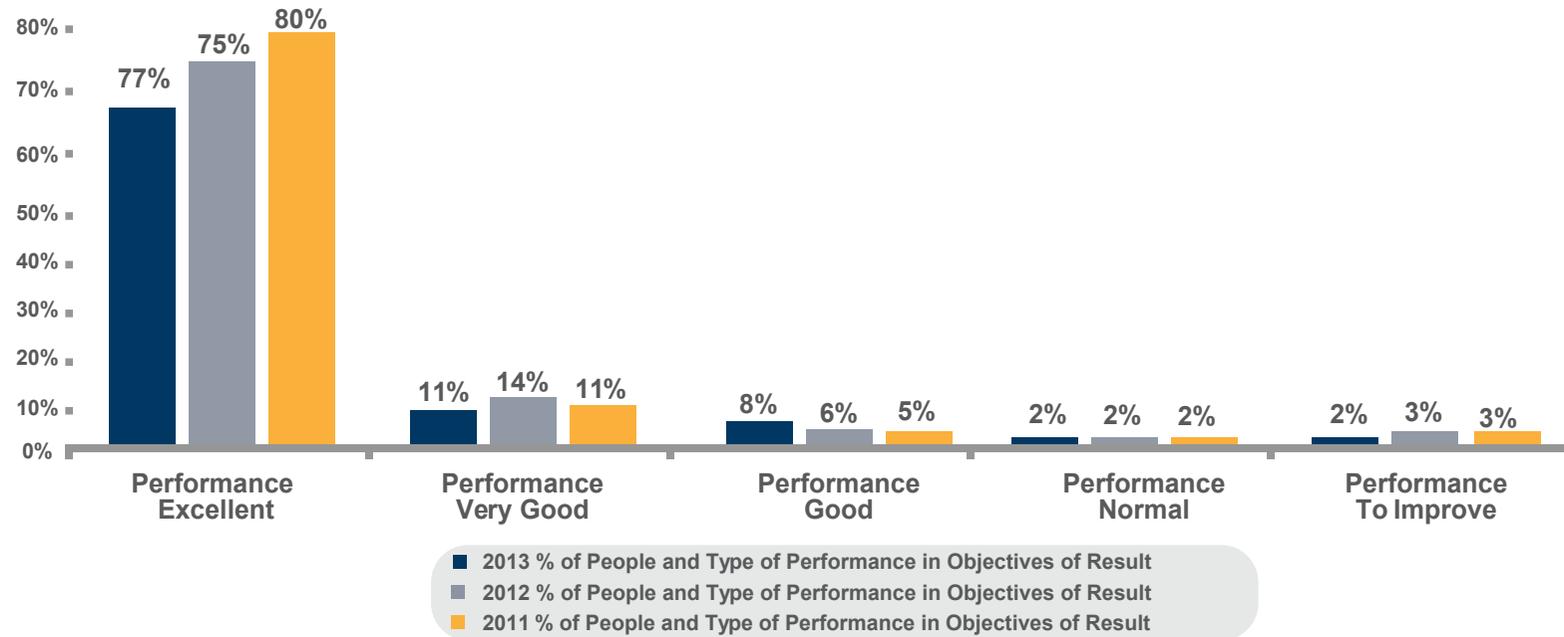
The second and the third refer to the behaviors and skills of employees that result in goals or objectives of development. The application of the model is made in three stages: Agreement on targets, Monitoring and Evaluation.

In 2013, Performance Management had a turnout of 90% of ISA's workers; some are excluded for various reasons such as: recently joining the Company, direct reports of the CEO that are not evaluated with this system, long-term disabilities, maternity leave and study leave, among others. Excluding this group of people, the level of participation increased to 96% of workers.

Regarding the achievement of targets of results and development we have:

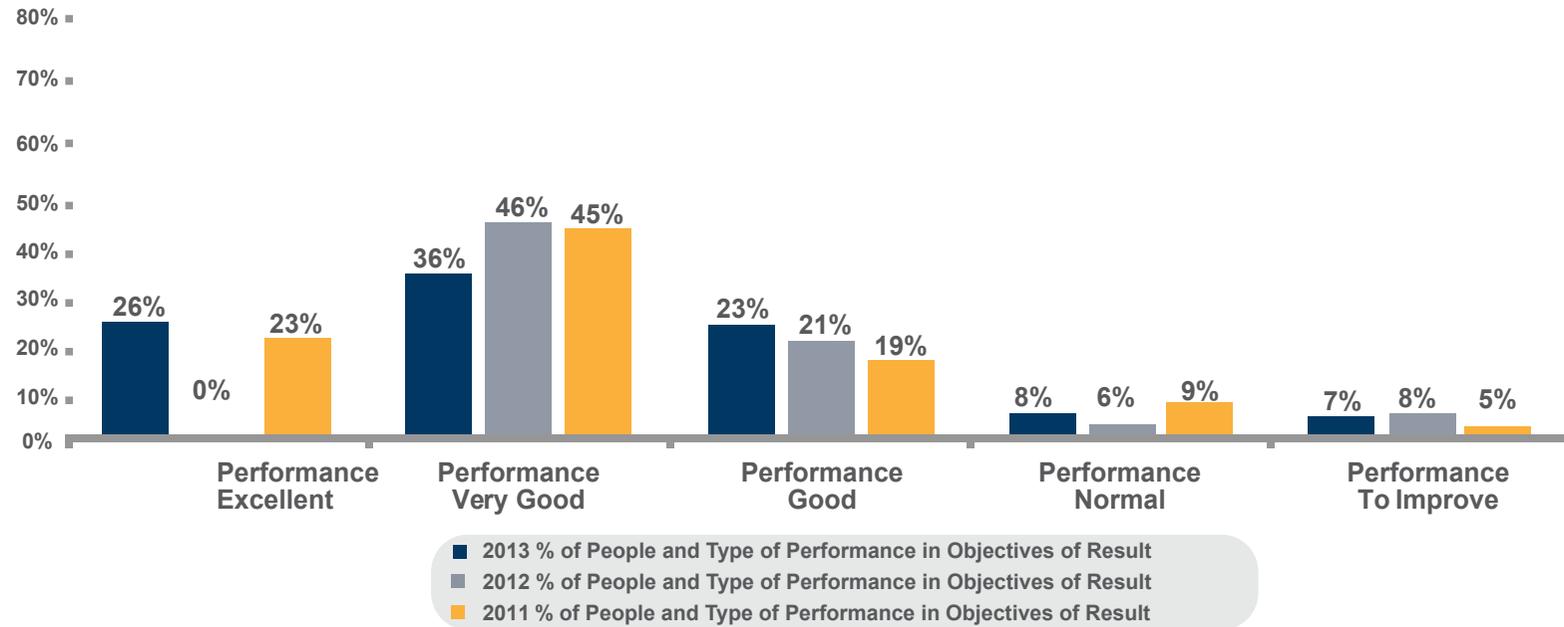
2013 PERFORMANCE MANAGEMENT

ACHIEVEMENT OF OBJECTIVES OF RESULTS, 2011, 2012, 2013 COMPARISON



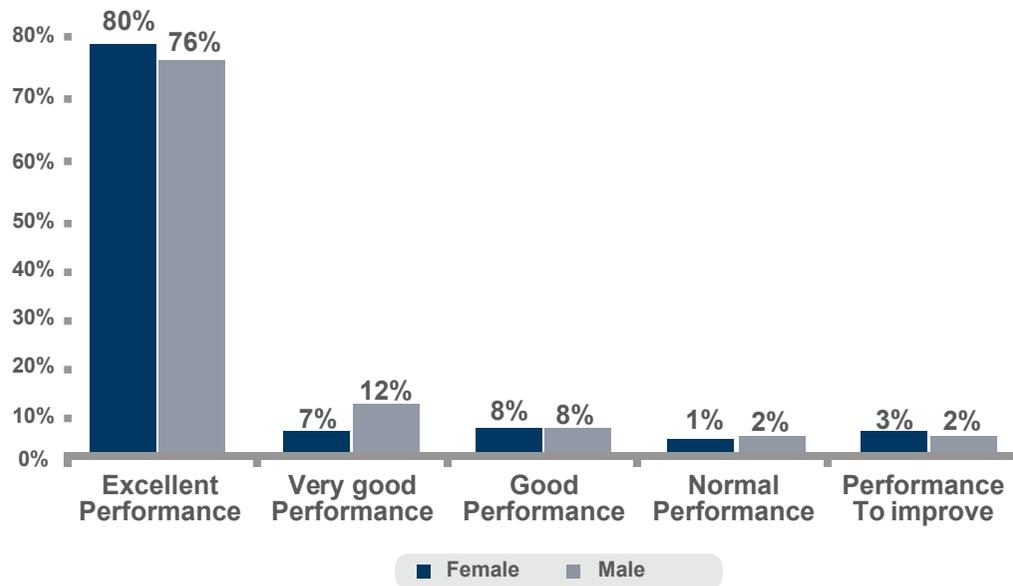
2013 PERFORMANCE MANAGEMENT

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES, 2011, 2012, 2013 COMPARISON

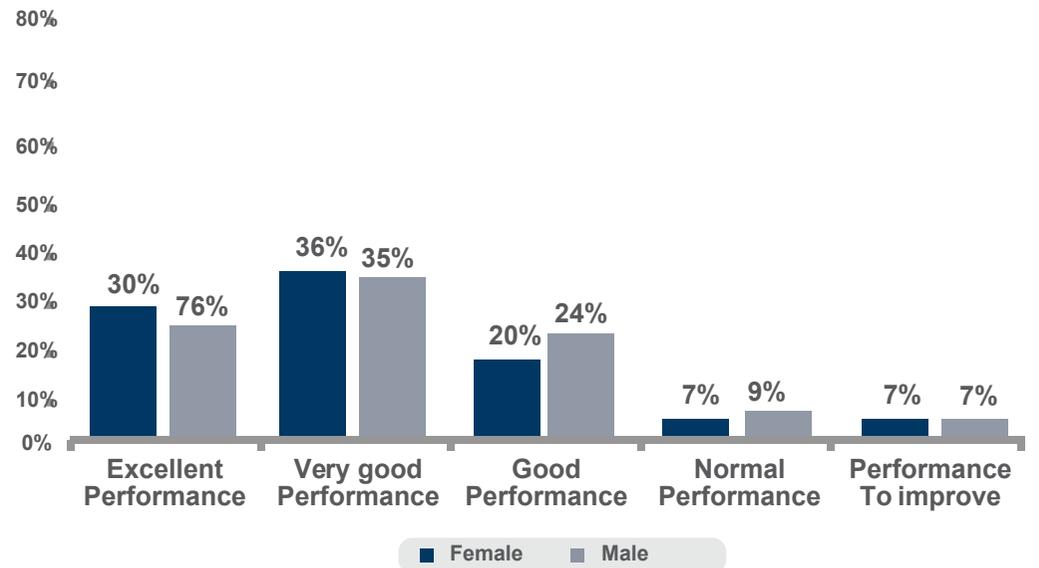


After conducting the analysis of the 2013 results by gender, it is concluded that there is no significant difference between them, as it can be observed in the following graphic:

PERCENTAGE OF PEOPLE BY GENDER AND ACHIEVEMENT OF OBJECTIVES OF RESULTS



PERCENTAGE OF PEOPLE BY GENDER AND ACHIEVEMENT OF OBJECTIVES OF DEVELOPMENT



# Management with communities



ISA focuses its contribution to social welfare and to enhance the quality of life of those communities where it operates, in line with regional and national interest processes. The Corporate Social-Environmental Management Model is supported in three global initiatives: Millennium Development Goals, UN Global Compact and Climate Change; these initiatives guide all performance lines used to manage the surroundings where the Company is present.

With its infrastructure, ISA covers 334 municipalities; the initiatives and social projects carried out by the Company are prioritized from a responsible investment methodology, which takes into account five variables:

- ISA's infrastructure presence index.
- Index of viability of surroundings.
- Index of criticality and cyclical recurrence.
- Index of risks.
- Key assets or places for the Company.

This information is processed through the Grid Territorial Observatory tool and allows not only responsible decision-making of investments in the area of influence, but the selection of the management line to intervene and track the results.

[See link here:](#)



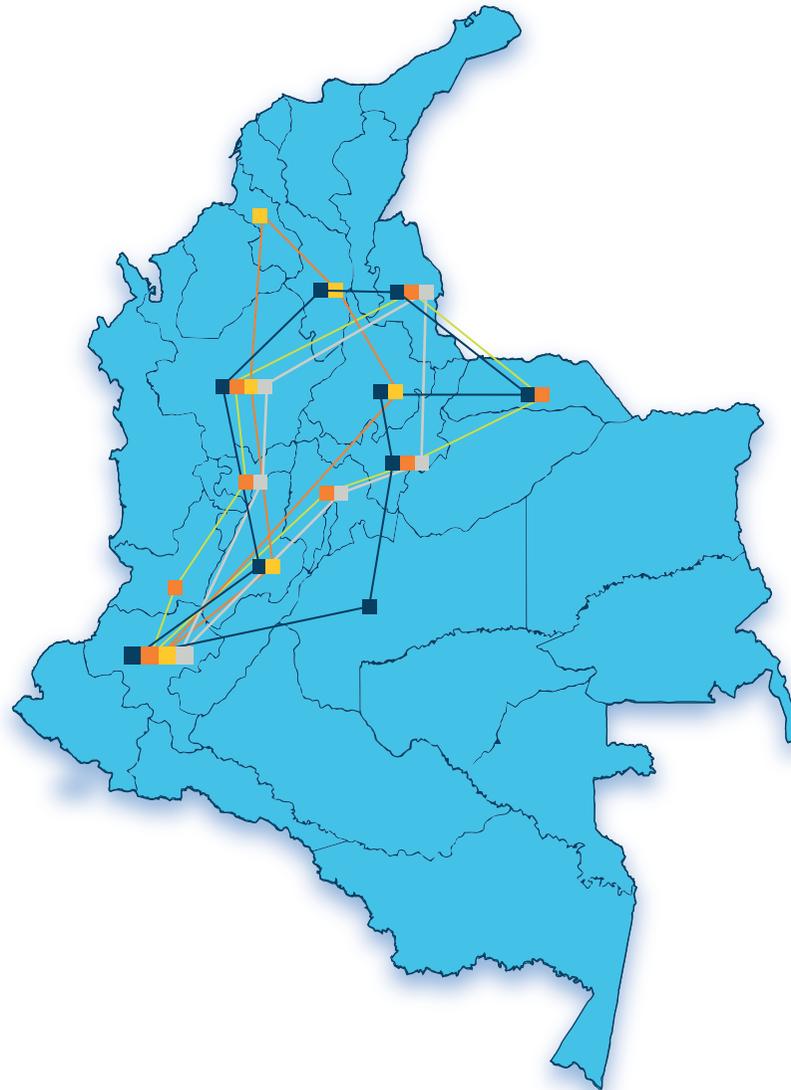
## Map of presence in Colombia

### Strengthening of community organizations

Antioquia	Tolima
Bolívar	Norte de Santander
Boyacá	Santander
Cauca	Arauca
Cundinamarca	Meta
Caldas	

### Contribution in overcoming poverty

Valle del Cauca	Caldas
Antioquia	Boyacá
Cundinamarca	Arauca
Magdalena Centro	Norte de Santander
Cauca	



### Contribution to improving quality of education, research and development

Tolima	Sucre
Cauca	Santander
Antioquia	Bolívar

### Management and promotion of human rights in communities

Antioquia	Cauca
Cundinamarca	Boyacá
Caldas	Norte de Santander

## PRESENCE WITH INVESTMENT IN AREA OF INFLUENCE OF BUSINESS

### Investment in the area of influence of business

- Amount of social investment: COP 2,680,822,345
- Coverage of social management in the area of influence of business: 187 municipalities/ 334
- Coverage of social management in other areas outside the area of direct influence: 87 municipalities
- Number of partnerships: 42

### Key management indicators

The indicators have allowed identifying progress in the three years of implementation of the Social - Environmental Management Model lines to identify a baseline and enhance communities according to the responsible investment strategy; for 2013, partnerships and territories were the target. Progress was made in the measurement of impact indicators in three lines of management.

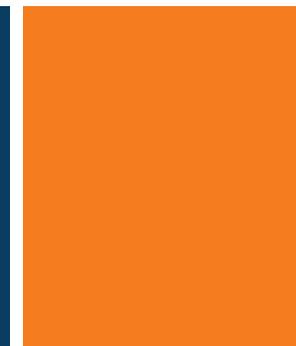
## SUPPORT TO QUALITY OF EDUCATION

2012	2013
64 Municipalities	59 Municipalities
3 Partners	4 Partners
298 Education institutions	452 Education institution
65.464 Benefited students	53.211 Benefited students
271 PMI	52 PMI
28.584 Education material delivered (school kits)	28.620 Education material delivered (school kits)
2036 Qualified teachers	1.163 Qualified teachers
# Research conducted: Not reported	Research conducted: One in process

### Impact Indicator:

increase % rate – education quality index:

19% increase compared with initial diagnosis of Schools in Arauquita, after completion of 4 phases of the Program.



## CONTRIBUTION TO OVERCOMING POVERTY

2012	2013
28 Municipalities	19 Municipalities
11 Partners	8 Partners
100 People with decent jobs	38 People with decent jobs:
13 Solars / orchards installed. 270 People	160 Solars/Orchards installed:
682 People benefited with productive projects:	1.087 People benefited with productive projects:
447 People benefited (inclusive business strategy)	134 People benefited (inclusive business strategy)
	47 Families benefited (inclusive business strategy)

### Impact Indicator:

Increase % on participants' revenues

7% increase of average revenues by participant, from processes held by Vallenpaz and UNDP

## INSTITUTIONAL STRENGTHENING

2012	2013
98 Municipalities	58 Municipalities
16 Partners	12 Partners (10)
334 Strengthened organizations (Public, Community and PDP)	166 Strengthened organizations (Public, Community and PDP)
37 Planning tools (PDD,PDM Marco Fiscal, PEM)	44 Planning tools 2PEM, 5 PAM, 2 JUME, 4 Replicas, 13PDM, 11POT, 4ODM, 2PDD y 1 Technical Study)
1542 People participating in political and democracy formation processes	870 People participating in political and democracy formation processes

### Impact Indicators:

#### Capacity index of Regional Peace and Development Programs

6.1, ranging one to ten (intermediate capacity) in the Capacity Index of Regional Peace and Development Programs -ICP-: diagnosis used to identify strengths and weaknesses in a PDP.

ISA, in alliance with the PDPs and REDPRODEPAZ, supports some measurements as well as the implementation of improvement actions undertaken under each program.

#### Organizational capacity index

- 7% increase in the Organizational Capacity Index -OCI-: Assessment of management capacity of organizations to identify strengths and weaknesses in their performance.
- This index has been measured continuously since 2008; in the last measurement in 2012 in Magdalena Medio and Eastern Antioquia, organizations recorded scores above the national average, both at the beginning and the end of the ICO measurement.
- Base social organizations accompanied by the Corporation for Development and Peace in Magdalena Medio (Corporación para el Desarrollo y la Paz del Magdalena Medio -CDPMM) increased their capacity in 7 points; they showed an initial OCI score of 62% and final score of 69%.

- Organizations accompanied by Prodepaz, in the Eastern Antioquia increased their capacity in 7 points – showing an initial OCI score of 56% and a final score of 63%.
- Organizations accompanied by Corporación Nueva Sociedad Región Nororiental Colombiana -CONSORNOC- in Norte de Santander increased in 9 points, with an initial score of 51% and a final score of 60%.
- Organizations accompanied by Fundación Red de Desarrollo y Paz de los Montes de María -FRDPMM-, located at Montes de María increased 7%, with an initial OCI score of 46% and a final score of 53%.

### Comprehensive Performance Index -CPI-

- 33% of CPI improvement, in municipalities intervened: it consists in the municipal performance measurement conducted by the Department of National Planning –DNP–, comprising the assessment of four components: effectiveness, efficiency, compliance with Law 715 of 2001 and administrative and fiscal capacity. All the above is accompanied by an analysis of the effect of the surroundings and the exogenous factors in the management of mayors.

## HUMAN RIGHTS

2012	2013
55 Municipalities	33 Municipalities
6 Partners	9 Partners
0 Events of infringement caused by the business:	0 Events of infringement caused by the business:
	0
3288 Sensitized people	1082 Sensitized people
76 Promotion actions performed	62 Promotion actions performed
Follow-up to suppliers (% Compliance with contractual clause): Not reported	Follow-up to suppliers (% Compliance with contractual clause)
Respect for Human Rights (# ISA projects with risk analysis): Not reported	Not reported Respect for Human Rights (Three ISA projects with risk analysis)

## CONTRIBUTION TO SOCIAL WELFARE OF COMMUNITIES WHERE THERE IS PRESENCE

ISA manages the surrounding to contribute to welfare through Corporate Social Responsibility -CSR- actions; this management responds to the Social and Environmental Management Model lines, many of which are performed to make the business viable and to create positive conditions in the territories where there is electricity infrastructure. The achievements are listed below:

### Strengthening of community organizations

The strengthening of community organizations is promoted in order to build capacity for participation, social control, land planning, politics and democratic education, as key factors in creating conditions conducive to construction and sustainable development.

Improvement in 122 social organizations from a total of 58 strengthened municipalities in the departments of Antioquia, Bolívar, Boyacá, Cauca, Cundinamarca, Caldas, Tolima, Norte de Santander, Santander, Arauca, Meta, is highlighted. Efforts are joined for this purpose with national entities, mainly the Development and Peace Programs.



## STRENGTHENING OF COMMUNITY ORGANIZATIONS

Region	Achievements
Meta, in partnership with Cordepaz	Artistic and cultural school of the rural zone of Contadero of municipality of Villavicencio. Community organization of the rural zone of Servita of the municipality of Villavicencio –Meta.
Cauca, in partnership with the Regional Indigenous Council of Cauca (Consejo Regional Indígena del Cauca, CRIC)	Thinking mingas 5 indigenous communication groups of Cauca.
Eastern Antioquia, in partnership with PRODEPAZ	Radio program “Desde el fogón de los mayores”, in 10 indigenous radio stations 58 social organizations and 2797 participants in organizational strengthening workshops. Four sector trained organizations, 860 people, 437 of them in productive projects. 46 strategic plans created.
Norte de Santander, in partnership with CONSORNOC Magdalena Centro, in partnership with Corporación Desarrollo y Paz del Magdalena Centro	52 formulated young people life plans A cultural promoters’ network consisting of 18 participants. 10 replicas of Politeia Program. 10 council men graduated from Politeia School. Second meeting of youth leaders with the participation of 15 young people. Branding and seal design with 8 associations. Four regional meetings at: Berlín, San Diego, Florencia and Norcasia, with participation of 230 inhabitants. 10 young people participated in the group of community reporters.  <a href="#">See video</a> <a href="#">See link here</a>
Bolívar y Atlántico, in partnership with Corporación Desarrollo y Paz canal del Dique y coast zone	A school for 40 fishermen 200 young people assisted in strengthening and formulation of projects
Cesar, in partnership with Corporación Desarrollo y Paz del Cesar Córdoba y Urabá, in partnership with CORDUPAZ	Four social organizations strengthened in Chimichagua, Chiriguaná and Curumaní Workshops for social organizations for creation of network of people from Córdoba and Urabá. Construction of local and regional agendas.
Montes de María (Sucre – Bolívar), in partnership with Fundación Red de Desarrollo y paz Montes de María	A formulation plan in leadership, political culture and public policies with 30 young people and teachers. Six regional meetings for construction of public policy of young people from Montes de María.

## STRENGTHENING OF COMMUNITY ORGANIZATIONS

Region	Achievements
<p>Región de Porce III</p> <p>At national level, in partnership with Redprodepaz</p>	<p>Two Development and Peace Tables in strengthening, in the municipalities of Anorí and Guadalupe, with participation of 40 community leaders, representing over 100 community organizations.</p> <p>Systematization of experiences on topics related with: Peace and Human Rights, integral human development: rural development, land organization: land and territories, education and culture: reconciliation and democratic governability, construction of a guide – methodology for replica of good practices on peace and development programs.</p> <p>Measurement of Capacity Index of Peace and Development Programs – ICP.</p> <p>A national meeting of communication for development.</p>



## Contribution in overcoming poverty

Social management aims to support the promotion and creation of economic development and poverty eradication scenarios through sustainable income generation for vulnerable communities in the area of influence of the assets.

This line is highlighted by: 1,087 people, 27 families and 160 home gardens in 19 municipalities, supported by the departments of Antioquia, Cundinamarca, Caldas, Cauca, Boyacá and North Santander; these initiatives are supported by us in partnership with nine entities.

### CONTRIBUTION IN OVERCOMING POVERTY

CONTRIBUTION IN OVERCOMING POVERTY	
<b>Decent job</b>	
Valle del Cauca, in partnership with Vallenpaz	3.500 families and 100 organizations supported in four municipalities with a model of comprehensive farm production
Norte de Santander, with CONSORNOC	Continued support to generation of youth agricultural microenterprises.
Magdalena Centro	19 people have been supported with decent jobs. 968 people included into productive projects, who have increased their income in 10% average.
<b>Food security</b>	
Municipality of Anorí, rural zones La Casita and Montefrío, in partnership with RECAB	53 families, 228 people, have made progress in the construction of their farming plans and are organized around home gardens and the strengthening of local economy
<b>Inclusive business</b>	
Eastern Antioquia, in the municipalities of San Francisco and Sonsón, in partnership with the United Nations Development Program –UNDP-	An inclusive business for cocoa supply, implemented with an anchor company. 76 cocoa-producing families, supported in the sustainability of 116 acres of crops, at the rate of 1.60 acre per family. Technical assistance and access to seed capital for producers.
<b>Training for work</b>	
Arauca, in partnership with Fundación EL ALCARAVÁN	25 producers affiliated to Asoganaderos supported in the development and transfer of methodologies and 25 family youngster trained on animal care
Cundinamarca, in partnership with PRODEOCSA	Training in the handling of agro-ecological products for pest control and clean production strategies and good agricultural practices.

## Contribution to improving quality of education, research and development

ISA is truly convinced that the development of information, knowledge and education is the instrument contributing to close the gap of poverty and

to break social inequalities, contributing to the development of the Company and society. This line is underscored by the qualification of nearly 53,211 students from 452 education institutions, and 1,163 teachers in 59 municipalities from 20 departments. This management was conducted through four partnerships.

### CONTRIBUTION TO IMPROVING QUALITY OF EDUCATION, RESEARCH AND DEVELOPMENT

Programs	Achievements
"Aprendamos con Eloisa Latorre" (Let's Learn with Eloisa Latorre)	27743 children received school kits, 26603 neighbors from substations and 1140 from line easement areas. 296 education institutions, in 59 municipalities from 20 departments at influence zones of 38 substations, of the four Energy Transmission Centers (Centros de Transmisión de Energía, CTE).
Educational Transformation for Life Program, in partnership with Foundation Restrepo Barco	47 new education institutions nearby ISA's electric infrastructure, at 15 municipalities from six departments, began a new expansion of the Program, as follows: In the department of Tolima, municipalities of Ibagué, Falán, Palocabildo, Armero. In the department of Cauca, municipalities of Popayán, Santander de Quilichao, Totoró. In the department of Antioquia, the municipalities de Puerto Berrio and Puerto Nare. In the department of Bolívar, the municipalities of Cartagena and San Juan Nepomuceno. In the department of Sucre, municipality of Ovejas. In the department of Santander: Cimitarra. En el municipality of Arauquita: five education institutions reached 19% improvement, compared with the initial diagnosis, after implementation of the Program in four phases.
Program "Ser más Maestro" (Being a Teacher), in partnership with Proantioquia Program "Secretos para Contar" (Secrets to Tell) in partnership with Proantioquia	In the Northeastern and Low Cauca Antioqueño: 65 teachers were trained. In the municipality of La Pintada: 1281 rural families received the fifth trilogy of collection "Secretos para Contar". 40 teachers participated in reading workshops

## Institutional Strengthening

ISA contributes to strengthen the institutional capacity of public institutions, based on the supposition that the State is the set of institutions responsible for ensuring the rights of people, the public interest and protecting public property.

During the period, there was progress in local and educational planning capacity development, and technical assistance on issues related to public management, information systems, land use and climate change.

- Promotion of local planning topics:

Actions and programs were implemented in a total of 16 municipalities in eight departments (Bolívar, Córdoba, Magdalena, Cauca, Cesar, Antioquia, Sucre, Tolima); the initiatives of this line were conducted in partnership with three entities: UN Development Program –UNDP-, Foundation Restrepo Barco -FRB and Foundation Rio Piedras.

Support was achieved for the design of 44 planning tools: two Municipal Education Plans (Planes de Educación Municipal –PEM), five Municipal Assistance Plans for Improvement (Planes de Acompañamiento Municipal al Mejoramiento –PAM), two Municipal Education Boards, four Replicas, 13 Municipal Development Plans, 11 Land Organization Plans, four Public Policies, two Department development plans and one Technical Study.

- Public policies:

Support in the formulation of public policies for: housing and habitat, health, food security, to improve the quality of life in the territories under the Millennium Development Goals -MDG, in partnership with UNDP

Territorial entity	Public policy
Department of Bolívar	Food security
Department of Córdoba	Housing policy
Municipality of Santa Marta	Food security policy
Municipality of Valledupar	District strategy for overcoming extreme poverty, with alignment of district's offers and activation of equity network.

The plans were designed with the technical support of UNDP and participation in each location of Social Policy Committees (COMPOS), composed by representatives of the various secretariats of government and mayor offices, community leaders, associations and corporations at each locality, the Colombian Family Welfare Institute -ICBF, all of which jointly conducted a diagnosis of the department's issues.



During the three years of partnership with this multilateral body, support has been provided to 10 departments and 30 municipalities in the area of influence of ISA, thus materializing results that strengthen local capacity for structural and sustainable management, based on the identification of the less developed MDGs and the recognition of bottlenecks that impede their progress, yet, combining the efforts of key stakeholders in the public, private and community sectors.

- Educational Planning

Seven municipalities (local governments) from four departments: Antioquia, Bolívar, Sucre and Tolima, supported by educational planning strategies in each education secretariat, in partnership with Foundation Restrepo Barco:

- Two Municipal Education Plans (Planes Educativos Municipales –PEM): management tool that allows the Secretariats of Education to plan, organize, monitor and evaluate the support to the quality of educational institutions.
- Five Municipal Assistance Plans for Improvement (Planes de Acompañamiento Municipal al Mejoramiento –PAM): the main instrument of the municipal planning system in terms of education.

## Technical assistance in public management matters

<b>Education</b>	<p>Five municipalities (Municipal administrations), from three departments Sucre, Tolima y Cauca, support in public management strategies:</p> <ul style="list-style-type: none"> <li>-Two Municipal Education Boards (Juntas Municipales de Educación –JUME): community participation scenario for support and verification of compliance with policies, objectives, plans and education programs at the municipalities.</li> <li>-Four replicas of process: Methodological appropriation of the Education Transformation for Life Program, contributing to the qualification and sustainability in the processes for improvement of quality of education from the territorial entities.</li> </ul>
<b>Public information systems</b>	<ul style="list-style-type: none"> <li>▪ Four information systems DEVINFO, built and published for the measurement and monitoring of Millennium Development Goals, in partnership with the UNDP.</li> <li>▪ Valledupar INFO, Devinfo Santa Marta, Bolívar INFO, Córdoba INFO.</li> </ul>
<b>Land Organization</b>	<p>Technical base studies from the Pueblo Nuevo Indigenous Reserve Urban Center, located in the municipality of Caldono, department of Cauca, under the strengthening of municipal administrations and social organizations</p>
<b>Climate Change</b>	<ul style="list-style-type: none"> <li>▪ Strengthening of municipal administration of Popayán, municipality affected by the climate change.</li> <li>▪ Actions for implementation of climate change adjustment measures in partnership with Foundation Río Piedras</li> </ul>

*In words of Private Secretary to the Governor of Cauca Mr. Walter Aldana, "it is the best exercise of Participatory Planning I have known in indigenous communities," comment made to the project results in an excellent position to be supported in their management. Meanwhile, participants consider this project as an opportunity to transform the future of their indigenous reservation with the committed and organized work from the whole community, which was evidenced in the participatory built scenario where the following message was reiterated: "Breaking grounds under the minga"*

## PROVIDE PUBLIC INFORMATION ON A TIMELY BASIS

During the period, the Company combined the provision of information of public interest through conventional media and social networks, by defining and implementing new guidelines that homologate communication processes, streamline the relationship with its various key audiences and contribute to the viability of its businesses.

As part of this effort, ISA continued its diligent use of its institutional means to publicize the company management in different fields of activity, highlighting the process for strategic re-direction, the quarterly financial results, the delivery of dividends, the consolidation of new business and awards received.

During the period, ISA consolidated its presence in social networks, through the work carried out on Twitter (@ISA\_Avanza ), LinkedIn (Interconexión Eléctrica S.A.), Facebook (ISA Avanza) and Youtube (Canal ISA Avanza). These media are now a key tool for the timely delivery of public information of interest, and its effect is reflected in the strengthening of contacts and interactions.

As for the informative work associated with the provision of the energy transmission service, it is worth noting that the scheduled outages for maintenance or as a result of attacks on the infrastructure were timely reported to those affected. Also, ISA kept available and updated information related to attacks to its grid on its website [www.isa.com.co](http://www.isa.com.co), for considering this situation a matter of public interest.

Another important contribution of communication in the last period has been the identification and implementation of new guidelines to help responding assertively to the complex changing environments in which ISA develops its management and the high sensitivity arising in the impacts associated to infrastructure projects. In this sense, the public profile of the people responsible for managing infrastructure projects was strengthened through training for corporate spokespersons; there was continued internal awareness of the responsibility of all employees to protect the reputation of the Company as a resource and the use of the Communication Manual for Mitigating Reputational Risks and Crises was encouraged. Additionally, work was developed on the approval for the management of incidents that might take place in the Organization, by integrating the concepts of:

emergency, contingency, business continuity and crisis; and establishing the necessary guidelines for their management.

It is worth highlighting the construction of corporate guidelines for strengthening the management of social and reputational risks in the life cycle of the assets of the Energy Transmission Assets in ISA and its companies, a document that provides tools to the senior management of the companies to support the due diligence in the management of these risks.

The Company continued to have an active participation in specialized media groups, through which it constructed proposals that resulted in its own and the sector’s benefit. In this regard, the initiatives conducted by the Communications Group of the National Operation Council (Consejo Nacional de Operación –CNO), The Chamber of Communications and CSR of ANDESCO, the Corporate Reputation Network and the Communications Committee of ISA and its companies are to be highlighted.

As part of this work it is worth noting the construction of a Public Communication Guide, a document jointly produced by the CNO Communications Group, through which the actions of public communication are articulated to the frame of the development of electricity infrastructure projects. The guide defines common guidelines used to build effective relationships with key audiences from electricity sector companies to help generate a favorable environment and minimize the risks that threaten their reputation.

## DEVELOPMENT OF PUBLIC AND PRIVATE PARTNERSHIPS

One of the premises of the Company is to exert influence within and outside its value chain to increase the positive impacts on sustainable development, or to minimize the negative impacts that the Company may cause. For such purpose, public-private partnerships are privileged, as it may be observed throughout this chapter, and participation in collective initiatives that may lead to a change in public policies and/or creation of standards. ISA is the founding partner and sponsor of the following entities:

Red Prodepaz	Energy Mining Committee for Security and Human Rights	Foundation Ideas para la Paz	Global Compact Regional Center For Latin America and The Caribbean
Support to the peace process and dialogue table in La Habana by holding 5 regional forums in the country.	Creation of work table with participation of the Vice-Presidency of the Republic for construction of Public Policy of Human Rights and Entrepreneurs.	Is one of the most renowned think tanks that has worked jointly with the government on the post-conflict and peace construction topics of the agenda.	Support and promotion to the creation of Global Compact local networks and dissemination of its principles throughout the continent.
Support to implementation of Law for Victims and Land Restitution			



## SOCIAL MANAGEMENT IN THE LIFECYCLE OF ASSETS

ISA has advanced in the strengthening of relationships that contribute to the generation of trust, good relationships and involvement with communities and promoting the coexistence with the electricity infrastructure, which ultimately contributes to the viability of the business.

The Company has shared nearly 10,675 pieces of information material, delivered in 334 of the 393 municipalities where it operates, on topics such as electromagnetism and noise, land use at easement zones, burning and other practices that may affect the infrastructure.

Awareness processes have been conducted with communities and Municipal Risk Councils on practices for coexistence with the electricity infrastructure in the context of risk management. Additionally, social programs and ex post evaluation of UPME 01 and 02 projects were socialized.



## SOCIAL MANAGEMENT IN THE LIFECYCLE OF ASSETS

Programs	Achievements
ISA connects regions program and "For your Safety Think About Prevention" campaign	26 community radio stations and 10 indigenous radios stations from Cauca, which replicate the radio program. 216 municipalities covered, 124 of them in ISA's direct influence area. 7453 radio emissions 17 rural zones in 13 municipalities of five departments visited
Rounds for building relations	19 education institutions 1022 children, 205 people from the community and 54 public officers sensitized
Educational disclosure of risks related to coexistence of communities nearby the infrastructure	As part of the strategies of relationship in the operation stage of ISA's electricity infrastructure, information meetings are held with municipal administrations and educational workshops are conducted with communities from different municipalities of the area of influence. This is conducted to inform about the risks existing at this stage and prevent the same. Such risks include kite flying, burning at easement corridors, buildings or pressure thereof on easement corridors, vegetation near to the lines, among others, which topics should be informed to communities in order to prevent the same. The results for this year were: -Total departments attended: 13 Córdoba, Sucre, Cundinamarca, Tolima, Valle del Cauca, Cauca, Antioquia, Santander, Cesar, Atlántico, Bolívar, Magdalena, Norte de Santander. ▪ Total municipalities attended: 42 Cúcuta (Norte de Santander); (Montelíbano, Sahagún, Chinú (Córdoba); Sampedo (Sucre); Ibagué (Tolima); Jamundí, Candelaria, Cali and Tuluá (Valle del Cauca); Popayán (Cauca); Tena, Anapoima, La Mesa, Topaipí, Yacopí, El Peñón, Vergara, Supatá, Tenjo, El Rosal (Cundinamarca); Puerto Berrío, Maceo and La Pintada (Antioquia); Cimitarra, Ocaña, Barrancabermeja and Bolívar (Santander); González, El Copey, Curumani, Pelaya, Pailitas, Valledupar, El Paso, El Carmen, La Gloria (Cesar); Suán, Santa Lucía (Atlántico); San Estanislao, San Cristóbal, Soplaviento, Santa Rosa (Bolívar); Algarrobo (Magdalena). ▪ Total rural zones visited: 124 ▪ Educational institutions attended: 19 ▪ Sensitized children: 1.022. ▪ People from community sensitized: 726 ▪ Public officers sensitized: 142
Socialization and evaluation of social programs related with UPME 01 and 02 2003 project.	Community–PBC–, implementation of Program on Information, Participation and Culture–PIPC–, and Forestry Compensation Programs –PCF–. With the following results: ▪ 312 people interviewed ▪ 16 workshops performed ▪ In transmission line UPME 01, 48 rural zones were visited, 31 of them reported that the PBC was fully executed, 18 reported partial execution and 6 report no execution. ▪ Transmission line UPME 02 interviews and surveys were conducted at previously selected rural zones, in the municipalities that were part of the area of influence of the construction of the transmission line.

## SOCIAL MANAGEMENT IN THE LIFECYCLE OF ASSETS

Programs	Achievements
Claims, complaints and requests from community	<p>In 2013, 111 notices were prepared on claims, complaints and requests received from the community, whereby they requested investment, sponsorships, supplies and support to proposals or entities.</p> <p>8 notices were positively managed:</p> <ul style="list-style-type: none"> <li>▪ Supplies for Technical Educational Institution Jacinto Vega of municipality of Santa María – Boyacá:</li> <li>▪ Amount of contribution: COP 1,931,034</li> <li>▪ Supplies for Educational Institution Puerto Olaya in the municipality of Cimitarra.</li> <li>▪ Amount of contribution: COP 3,922,413</li> <li>▪ Adjustment of IT room for Educational Institution Cacaotal, en Chinú – Córdoba.</li> <li>▪ Amount of contribution: COP5,206,896</li> <li>▪ Attention to displaced families in the municipality of Toledo, Norte de Santander.</li> <li>▪ Amount of contribution: COP 9,966,000</li> <li>▪ 304 beneficiaries.</li> <li>▪ Support to Great Supper Vallenpaz. Amount of contribution: COP 10,000,000</li> <li>▪ Supply of materials for road in Arboledas, Norte de Santander. Amount of contribution: COP 6,000,000</li> <li>▪ Supply of materials for repair of physical infrastructure of Education Institution Fernando Villalobos Arango, of the rural zone of Aparco, municipality of Ibagué, Tolima.</li> </ul> <p>Amount of contribution: COP 5,300,000</p> <ul style="list-style-type: none"> <li>▪ Supply of electricity items for construction of chapel at rural zone of San Bernardino, in Popayán.</li> </ul>

## MANAGEMENT OF SOCIAL RISK AND HUMAN RIGHTS

ISA manages the social and reputational risk as a way of acting within a framework of Due Diligence of Human Rights. The Company is aware that not only its actions may affect communities, but in complex environments this situation may escalate into a social conflict that stresses interaction between the Company and communities or between the Company and its key audiences and could result in a negative response of the community to the business or even in scenarios in which the Company may be involved in violation of the rights of communities.

During 2013, Corporate Guidelines were issued for Strengthening the Management of Social and Reputational Risks in the Life Cycle of Energy Transmission Assets at ISA and its companies. Its objectives include providing tools to senior management of the companies that support the Due Diligence in the management of social, reputational and Human Rights risks; based on the above, it will be necessary to strengthen the analysis of the social, political, environmental, and corporate image (reputation today) dimensions in new projects and/or investments, by complementing the technical studies, as the case may be, with information to enable making analysis on the complexity of the environment where the project is to be implemented.

A group was created for the analysis of social and socio-political risks of the surrounding, which recognizing the challenges of the Company vs. its projects and presence in the territory, was compelled to deeply analyze its management of risks to act under Due Diligence.

Under this action, along with Foundation Ideas para la Paz, it made progress in the internal training by the analysis of real cases, the eventual infringements to the Rights if not acting with sufficient rigour or the non application of tools contained by Due Diligence.

Thus, two cases of projects were analyzed: Porce under operation and Sogamoso project under construction.

Recommendations were made on the procurement of local labor in the projects and the measures to be included in the real property management vs. the new Law on Victims and Land Restitution.

As strategy for the monitoring of the surrounding, early alerts to be generated and signals to be provided to the business, there is a report from the Grid Territorial Observatory that showed the following results for 2013:

NAME OF RISK SOURCE	N° EVENTS BY QUARTER			
	First	Second	Third	Fourth
Social conflict	68	30	42	18
Business situation	3	5	4	0
Armed conflict	109	116	97	109
<b>Total</b>	<b>180</b>	<b>151</b>	<b>143</b>	<b>127</b>



# Management of suppliers



ISA's commitment to its suppliers is the permanent building of relationships through fairness, transparency and clear rules in the process of purchasing goods and services. Suppliers providing goods and services for the operation of the Company are classified into two groups:

- Suppliers who provide goods and services for the Energy Transmission Business in its three core activities: construction, operation and maintenance of the System.
- Suppliers that provide corporate goods and services.

ISA has been strengthening trust relationships through a close dialogue, where it recognizes its counterparty and shows transparency, by delivering to providers the information required to understand the business, communicating how the company is inside, in a binding exercise to make them part of the Company and the processes; this closeness to be strengthened day by day, generates value to the relationship.

ISA has taken action on all fronts, specifically in the areas of occupational health and safety and environmental management (SOGA); tools, training and support were designed three years ago to ensure practices aligned with the "must be" and thus improve the competence of providers.

The new ISA 2020 Vision involves refocusing to become more effective, observe the Supply Chain particularly at the procurement processes and advance in the development and management of suppliers; it determines the new challenges for the 2014 management:

- Strengthen the supply chain process at ISA and its subsidiaries, so that the optimization of resources is achieved and profitability is maximized.
- Ensure that the procurement process incorporates the best international practices to facilitate the submission of bids by suppliers and the analysis and correct selection of bids by ISA.
- Generate more opportunities for communication with suppliers that enable us to learn their value proposition and share our expectations and challenges for the coming years, so that we can align our goals.

## TRANSPARENCY IN CONTRACTING OF SUPPLIERS AND CONTRACTORS

In its procurement processes, ISA applies the following criteria, which facilitates to both Company employees and suppliers a clear path of action to be followed and through which the procurement requirements are to be proposed:

- Keep honest, constructive and appropriate relationships.
- Ensure transparency in the purchase of goods and services.
- Develop procurement processes under objective selection procedures and clear rules that ensure fairness and equal opportunities.
- Provide timely and relevant information on business plans and programs.
- Require compliance with national and international standards and rules of quality and safety.

In furtherance of transparency, the procurement processes are published in the website of the Organization. In 2013, 51 procurement processes above 100 SMLV were conducted, which processes are associated to the delivery of request for bid documents to all suppliers requesting information.

Transparent, equal processes with fair and clear rules have been guaranteed to all suppliers through the provision of information to all of them, by clarifying the conditions of the selection process, the analysis of bids received under the technical and legal criteria. In addition, all questions asked by bidders were answered and the required clarifications were made via addenda.

Finally, for those procurement processes above 500 SMMLV, the report of evaluation of tenders was publicized, access to all bidders was allowed and, subsequently, the corresponding comments were received and analyzed.

## DEVELOPMENT OF AND ADVICE TO SUPPLIERS

It is worth noting that the strengthening of providers enables contributing to the results of the objectives of the Company. Economically sound and socially responsible suppliers that meet environmental, health and safety requirements, with ethical standards and minimum guaranteed, makes this dream possible. ISA is aware that this is achieved by raising awareness, teaching how to do the things the Company does and then requiring this to the businesses, organizations so they can respond to increasingly competitive environments.

For this purpose, ISA this year developed a series of measures to improve the competitiveness and quality of services provided by its suppliers, to thereby add value in the Supply Chain, as an effort by the Company to improve performance of its suppliers in the field of environmental and health and safety management, in the context of fulfilling the requirements of law and international standards under which it is currently certified (ISO 14001 and OSHAS 18001).

*SUPPLIERS IN THE INFORMATION SYSTEM: As part of the supplier development program currently held by ISA, a questionnaire was incorporated under the supplier registration process with CSR topics (Environmental management, safety and health management, ethics and Human Rights). Based on such results, suppliers were segmented to determine such topics on which they should be strengthened.*

This way, progress has been achieved in strengthening the Management of Suppliers, through the prequalification, where those interested in establishing a contractual relationship with ISA must be registered in the Supplier's information system operated by company Konfirma.

The Design and Implementation of a model for development and strengthening of suppliers of goods and services is sought with participation of the Technological Center of Antioquia (Centro Tecnológico de Antioquia –CTA). This project will enable the implementation of a process in the new supply chain in order to provide continuity in time and effectively improve the competitiveness of suppliers and ISA to meet the needs of clients in the construction of new infrastructure, maintenance and operation of existing networks.

<sup>(2)</sup>Registration of suppliers showed that 346 fully completed the registration. However, 687 suppliers began the registration but did not complete the process, that is, some information was pending of inclusion in the light or full record but submitted all information related to ethics and Human Rights.

To this end, in October 2013 an assessment of the management of supplier development at ISA was conducted, which purpose was to assess the current status of ISA's Management and Development of Suppliers, identifying strengths and opportunities for improvement in order to establish a baseline for the definition of a model to increase ISA's managerial skills with a focus on achieving results through the transfer of technology and scientific method-based tools.

The HSE Meeting for ISA's Suppliers was held to facilitate the understanding of legal requirements regarding environmental, social and safety aspects, and the new contract terms with respect to the breach of ethical statements, Human Rights and anti-corruption, implementation of requirements in the performance of contracts. The event was attended by 20 national supply companies.

This information may be consulted at:

[See link here:](#)

#### *Objectives of diagnosis:*

- 1. Identifying the expectations and needs regarding the Project, in areas of Supply, Infrastructure, Transmission and Corporate Social Responsibility.*
- 2. Identifying the scheme of relations with suppliers from the Infrastructure and Transmission areas.*
- 3. Learning from the point of view of certain suppliers, the way how the relationship is developed towards ISA's-Supplier's joint development.*
- 4. Understanding the evolution level of the concept of ISA's Supply Chain, taking into account that this process is under construction.*
- 5. Understanding the comprehensive operation of suppliers' development from the Supply area.*

Furthermore, in order to ensure awareness and provide clarity to contractors as to the requirements of ISA in terms of safety, occupational health and environmental management, during the year ISA developed three support tools for achieving this goal. On one hand, it designed the Manual for Health, Safety and Environmental Management for Contractors, which clearly defines the requirements that must be met under these issues by contractors and mechanisms are established to monitor compliance.

Finally, a virtual induction course (e-learning) was created, which will be available on the website from 2014, designed by the Company to strengthen the management of contractors on topics related with Corporate Governance, practices of quality, safety, occupational health and environmental management, considering that contractors are essential to our work. The goal is that contractors obtain the information required for the joint provision of services with excellence through a self-learning process.



## ASSESSMENT OF SUPPLIERS: HOW IS MANAGEMENT AND PERFORMANCE MEASURED

On December 19, 2013 a new Institutional Guide came into effect for performance management of suppliers and contractors in order to define the criteria and the methodology for their management during recruitment, performance and termination of contracts.

This management begins with the assessment of performance through a detailed analysis of the management of contractors in the performance of a specific contract, and determines the performance of suppliers or contractors by a weighted score of performance evaluations in contracts performed in the past two years.

The activity concludes with monitoring and control on the implementation of the corresponding improvement plans.

Once the implementation of the improvement plan has been verified, a new evaluation is made by assigning the highest score to provider enabling the same to participate in new procurement processes. The Supply Office monitors the improvement plans of suppliers, contractors and subcontractors of ISA, and, and uses this information to provide feedback for program and project development and the strengthening of suppliers.

*It should be noted that if a contractor fails to meet any of the criteria set in the Code of Ethics or the laws, the score for the performance evaluation for each criteria is zero (0), and the procedure to follow in case of failure is as provided in the Code of Ethics.*

*When the score is zero, due to ethic failures, supplier or contractor must prove to ISA, by any means deemed necessary, on the implementation of measures to overcome such situation. However, ISA reserves the right to accept such actions with endorsement from the Ethics Committee.*

## ADVICE TO SUPPLIERS AND CONTRACTORS FOR HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

ISA is aimed at strengthening institutional policies, including commitments to quality and efficiency in service delivery, health and safety of the Company's and contractors' employees, as well as environmental preservation. There is continued advice and support from an expert in the following topics:

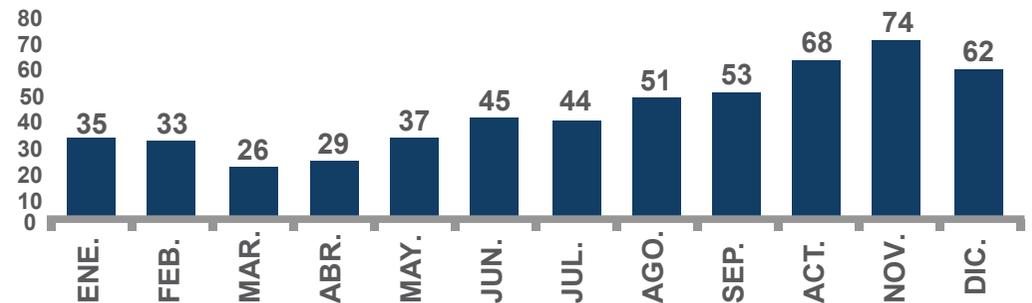
- Definition of requirements applicable in health, safety and environmental management, at ISA's different contracting purposes.
- Assistance, advice and validation in compliance with contractual requirements to all our contractors performing service agreements with ISA.
- Support to ISA's contract managers in documentary monitoring, in order to verify the compliance with requirements by contractor during contract performance.

### Results

For 2013, advice was provided to 200 suppliers, who after receiving ISA's letter awarding a procurement process should prove compliance with health and safety and management requirements to receive the order for commencement of Works. The evolution of such advice is evidenced in the following graphic.

Item	Total 2013
Definition of SOGA requirements	564
Review for start order	1124
Review during performance	2120

AMOUNT OF SUPPLIERS RECEIVING ADVICE ON HS-EM



The purpose of this service is to strengthen our suppliers in fulfilling their legal obligations, in order to avoid the occurrence of events that may affect the safety and health of employees, contractors or the environment.

Additionally, in order to ensure compliance with legal requirements set for the commencement of works, contractors and ISA's contract managers are permanently accompanied to carry the proper management and monitoring of their performance.

Finally, in-field monitoring was conducted on 108 contracts pertaining to 77 contractors, who had critical aspects on occupational health and environmental management, in order to verify compliance with the defined requirements, review the action plans implemented and provide feedback to contractors.

### Legal compliance

As a result of continuous monitoring during the performance of contracts intensive on health and safety issues, and Environmental Management in 2013:

- Amount of chemicals used by contractors in the performance of contracts with ISA:



Chemical	Amount	Unit
PCB dielectric oil	0.72	Gallons
Two-stroke oil	136.06	Gallons
Two-stroke Super Moto oil	24	Gallons
Mineral lubricating oil for diesel engines	50	Gallons
Acetylene	20	Pounds
Nitric acid	7	Milliliters
Multipurpose WD40 spray	50002	Not defined
Diesel	8	Gallons
Lime (calcium oxide)	1800	Kilograms
Cement	3400	Kilograms
CRC QD Contact Cleaner	30	Units
CRC multipurpose 3-36 penetrating lube	60	Units
CRC, heavy duty silicone	60	Units
Delmostyn	12	Milliliters
Gasoline	52.72	Gallons
Conductive Grease	300	Grams
Calcium hypochlorite, granular	9	Kilograms
Sodium hypochlorite 15%	150	Liters
Liquid insecticide	1866	Grams
Klerat blocks	4	Units
Glass cleaner	37	Units
Nitrogen	40	Pounds
Industrial oxygen	1950	Pounds
Water-based paints	7000	Gallons
Solvent-based paints	3760	Gallons
Propane	9000	Pounds
Rataquil Pellets	3	Units
Roundup – glyphosate	108.2	Liters
Sipertrin	1500	Milliliters
Thinner	80	Gallons
Urea	5000	Gallons

- Amount of hazardous waste generated by contractors in the performance of contracts with ISA:

Waste	Amount	Unit
Used motor oil	50	Gallons
Chemical impregnated cloths	9	Units
Poison bags	60	Units
Brushes	4	Units
Packages and containers	182	Units
Debris	1732	m3
Cotton waste	73	Kilograms
Solids	79	Kilograms
Thinner	16	Gallons

- Amount of jobs and wages generated by contractors in the performance of contracts with ISA:

Jobs generated	Jobs area of influence	Wages
1180	521	160



### Evolution of Management of SOGA Suppliers software

This application is still a great support to monitor management of providers regarding health, safety and environmental management. It also allows the reporting of events that may arise during the implementation of activities under a contract and the updating of information on these topics.

During 2013, around 152 contracts were managed under the software, of which 80 are still in effect.



# Management with customers



Customers comprise companies from the Electricity Sector (energy generators, carriers, distributors and traders) and the Telecommunications Sector. ISA is engaged to high standards in the provision of its services, for which it is certified under ISO9000, ISO14001 and OHSAS18001 for energy transmission.

## INTERNAL AND EXTERNAL CUSTOMER'S SATISFACTION

ISA's customer satisfaction is a first level indicator within the Strategic Direction and Service Policy.

The study is addressed to ISA's external customers, a group composed by electricity sector companies, attended through ISA's services portfolio:

- Energy Transmission Service
- Connection to the National Interconnected System (Servicio de Conexión al Sistema de Interconectado Nacional – SIN)
- Services Associated to Energy Transmission

ISA conducts the survey every two years; the last was made in 2012 and the results were positive, the result for general satisfaction was 90.1%.

The results are taken up to set goals and improvement plans that enable ISA's Commercial area to ensure a reliable, available, safe service and keep market recognition; build sustainable relationships, based on trust respect and keep an ongoing and reliable communication with excellent service attitude; finally, it allows focusing new connection business in the

Energy and Mining Sector and business groups.

## PROVIDE SERVICE WITH HIGH LEVELS OF RELIABILITY, AVAILABILITY AND SAFETY

ISA operates and maintains its power grid with high levels of availability, reliability and quality; the business management is supported by rigorous and fine processes, safe for people, in balance with the environment and socially responsible.

To keep and increase the availability and safety of the service, a strategy for workers' availability to perform their work has been prepared through a Qualification and Certification program, focusing efforts on:

- Offering additional programs for retraining on work at heights in advanced levels.
- Contacting external suppliers that allow certifying work at heights individually, each time such heights exceed psychophysical restrictions.
- Conducting pilot project with CTE Northwest for covering absences in substations where the target audience will be the engineers of substations.



- Transferring the practice to ISA's subsidiaries
- Certification in labor skills under the Standard for the remote operation of substations.

Finally, in response to the commitment and accomplishment of the Company's social purpose of providing a service with quality and efficiency, there are indicators in place to measure the performance of the company during the year:



## 2013 INDICATORS

Indicator	Result	Lower Goal	Upper Goal	Comment
Energy not supplied (MWh)	2.911	9.903	10.462	It measures the amount of energy not supplied to final consumers within a given period, caused by events attributable to the companies (forced and planned). In 2013, the established goals were met
Availability of STN (National Transmission System)	99.998%	99.653%	99.917%	Percentage of time period that the assets were in service or available for service in the last 12 months.
Severity index of operation and maintenance errors	0.82	1	0.85	It evaluates the management of human error in the operation and maintenance.
Reliability	98.41%	96.04%	96.12%	Percentage of the time period considered within which the transmission system allows satisfying consumers' demand due to scheduled and forced events. The 2013 indicator was above the targets.
Effectiveness of reclosing	81.64%	77.67%	81.30%	Percentage of sudden failures that derived in effective reclosing (where the asset finally had its original condition). The 2013 indicator was above the targets
Non-selective and non-necessary outputs	11.56%	8.5%	6.0%	Percentage of outputs that were not selective and were not necessary. Selective and necessary outputs refer to the effective isolation of failed equipment or under unacceptable conditions to continue in service. The targets were not achieved in 2013.
Timely performance of maneuvers	99.88%	99.75%	100%	Percentage of maneuvers promptly performed in the past year.
Rate of failure of circuits 500 - 230 kV	3.16	4	3	

## KEEP RELIABLE, PROMPT AND TIMELY COMMUNICATION

The correct interaction of the elements of the Loyalty Plan acts as a PDCA cycle, aiming to reduce the gap between the service provided and the service received by the customer, thus obtaining greater satisfaction.

Reducing this gap is possible through proper organization of technological, human, logistical, financial resources of the Company and adequate structure of service channels.

The encounters with customers, meetings at the customers' premises, satisfaction survey, the mailbox of the commercial area, account executives assigned to each customer, the mailbox and Ethics Line, and the facebook and twitter accounts allow open and public spaces for feedback; customer's newsletter offers a means for feedback and comments. (See Chapter Stakeholders' participation).

These different levels of dialogue and communication allow prompt feedback for continuous improvement.

## PROMOTE OPERATIONAL EXCELLENCE

To ensure excellence-based service, it is necessary to have trained and skilled human talent; for this effect, there are a number of programs in place that allow complying with this promise of service:

### Qualification

Program that incorporates the best world class practices and ISA's internal standards, to develop skills and abilities in business critical positions.

### Working at heights certification

It is intended to enable participants to identify the key components of the Technical Regulations for Working at Height, their responsibilities in this connection and the prevention of occupational risks arising from working at heights; contributing to the promotion of safe work and the promotion of health in their business places.

In search for service availability, several projects are permanently implemented, which include:

### Safety

Implementation of the methodology for management of errors in energy transmission: Methodology for the analysis of human factors in the process of operation and maintenance, which helps reducing the frequency and severity of incidents and events caused by the influence of people.

## Availability

Control Centers Project: commissioning of systems for Monitoring and Operations Centers for ISA, TRANSELCA and REP.

Project for renovation of inductive and control equipment in substations, expansion of existing substations, interconnection of others and construction of new substations integrating the STN. Implementation of best maintenance practices to optimize execution times of tasks and identifying the threats that may pose a risk of accident during the execution of maintenance.

Management of service continuity intended to take measures that provide a timely response to risks that could affect service provision.

Asset management: systematic and coordinated activities and practices through which the Organization optimally and sustainably manages its assets and asset systems, their performance, risks and associated costs.

Development of automation for new and existing substations: The platform is the result of a process of research and development performed by ISA. The System for Automation of a Substation -SAS-, is the interface that allows the operator of the substation to have any information concentrated in one place in order to implement his operational activities more safely, providing the necessary information in timely manner in order to avoid errors in the operation of the substation and even speed up the replacement of circuits in case of unforeseen events.

## Reliability

Several activities are permanently performed in connection to the reliability intended for the system:

- The diagnosis of the operating status and the eventual causes of failures of the Company's assets.
- Unified Manual for Operation and Maintenance. The Manual enables ISA to standardize and coordinate the operating and maintenance procedures in order to control any eventual risks, allowing a reliable operation of the system.
- Certification of its protection devices: given the importance of protective devices to ensure the life of power equipment and the system reliability, they have been considered by ISA for a certification process. The objective is to have at ISA a predefined catalog of equipment and their suppliers. Any supplies required are timely selected from this catalog, with the certainty that they are appropriate for the system.

## Referencing and asset management

ISA and its companies have been adopting national and international standards and procedures in order to implement best practices that will enable securing the provision of services with rigor and excellence.



ISA, by applying its policies of continuous improvement, participated of the ITOMS international referencing that encompasses companies around the world with high quality, reliability and safety levels in connection with energy transmission.

Thus, the Company participated in the second cycle of ITOMS (International Transmission Operations & Maintenance Study) international referencing; results of the energy transmission companies in the world are expected in April 2014.



# Management of Human Rights



*ISA quarterly holds an indicator on infringement to Human Rights in virtue of the Energy Transmission Business; the result of this indicator was zero (0).*

This chapter allows measuring progress in such actions extended on suppliers, communities, processes of the Organization, which enables concluding that the Company every day works for a culture where Human Rights are lived; without ignoring the challenges of the environment, a performance based on respect is sought, and advance is being made in this regard.

During the period of this Report, the Company focused on the promotion of Human Rights and the strengthening of Due Diligence; this exercise was extended to its value chain. It also participated in forums for dialogue on Human Rights and joined the UN Business 4Peace initiative.

ISA's practices on Human Rights were highlighted in the publication Responsible Business Advancing Peace: examples from Companies (2013) Advancing Companies, Investors and Global Compact Local Networks, made by UN Global Compact, Principles for Responsible Investment PRI, in cooperation with KPMG.

It should be added that ISA is committed to the promotion of Human Rights and seeks that its stakeholders are also recognized under this initiative.

For such reason, all publications and actions performed during 2012 and 2013 may be consulted and downloaded from the Company's website:

Second module of course on Business and Human Rights

[See link here](#)

ISO 2600 good practices to strengthen the management and promotion of Human Rights

[See link here](#)

How to implement Due Diligence

[See link here](#)

## MANAGEMENT AND PROMOTION OF HUMAN RIGHTS IN COMMUNITIES

The commitment to respect and promotion of Human Rights is performed through the management of communities; ISA supports their dissemination for citizens to demand assurance and compliance by the State, while participating in humanitarian assistance initiatives.

The support in 2013 to the processes of 33 municipalities and the following 6 departments should be highlighted: Antioquia, Cundinamarca, Caldas, Cauca, Boyacá y Norte de Santander.

The greatest progress was noted in:

Program	Achievements
Eastern Antioquia, in partnership with Prodepaz	Support to organizational strengthening with associations of victims. Golombiao Program, under the UNICEF framework: <ul style="list-style-type: none"> <li>▪ 49 Advisors trained in 7 workshops on the rights of children, teens and young population and joint responsibility of local players.</li> <li>▪ 131 people trained in 9 workshops of Golombiao methodology transfer, for promotion of peace game and principles of non-violence</li> </ul>
Valle del Cauca, under agreement with VALLENPAZ	Associations assisted in the process of integral production are trained in Human Rights.
Magdalena Centro, in partnership With Foundation Programa Desarrollo y Paz del Magdalena Centro	180 sensitized people in 8 municipalities were trained on dissemination, promotion and enforcement of Human Rights. 14 workshops, 8 for strengthening and management of resources and 6 for leadership and promotion by the Sub-regional Work Tables
Córdoba and Urabá, in partnership with CORDUPAZ	Support to creation and consolidation of the Integral Observatory of Human Development and Human Rights of the Peace and Development Program. Three Territorial Committees for Transitional Justice, supported in the proposition and accompaniment to territorial action plans for assistance to victims in Córdoba and Urabá. Two workshops on training and education to social and community organizations on the Law for Victims and Land Restitution in Córdoba and Urabá.

## MONITORING OF SUPPLIERS ON ETHICS, HUMAN RIGHTS, SECURITY AND ENVIRONMENTAL MANAGEMENT

One of the main aspects in the management of Human Rights was reflected in the management of suppliers, which from different monitoring and control tools, allowed the Company to have more support, promotion and understanding of the same in its business management. For this effect, questions in this regard were included in the supplier registration form, Form A1 was made extensive to suppliers of goods and services and controls to emergency contracts were improved.

The supplier registration included information on Human Rights and ethics, in order to identify those suppliers who have either made progress or require strengthening the management on these issues.

During the second period of 2013, 687 sustainability self-assessments were completed through Konfirma's information system; of these 687, 346 were recorded in its entirety. Such 687 self-assessments show a picture in terms of sustainability of suppliers, as follows:

Health and Safety	Ethics	Human Rights	Environmental Mgmt.
87%	79%	87%	84%

Other suppliers, show a gap in connection with these issues and the development of a proactive management during 2014 is expected.

### Form A1 – Ethics, Human Rights and Anti-Fraud Code

During 2013, 440 suppliers that signed a contract with ISA and the corresponding Form A1 agreed to comply with the regime of disabilities and incompatibilities for state procurement, the fiscal responsibilities under law 610 of 2000, Article 60, the OFAC (Clinton) and UN lists, the acknowledgement of ISA's Procurement Agreement and to be acquainted with ISA supplier's commitment regarding Human Rights and ethics.

### Risk control in emergency procurement

Emergency is a situation that due to terrorist attacks, force majeure or act of God may affect the transformation, connection and transmission of energy, communications or any other activity included in the corporate purpose of the Company and consequently their normal operation.

In October 2013, ISA again performed the procedure for prequalification of suppliers who may be retained in case of an emergency situation in the National Interconnected System -SIN- thus controlling the risk for normal service delivery.

The following are the objectives of this prequalification:

1. Being able to select pre-qualified suppliers for procurement processes in case of emergency or disaster.



2. Protecting ISA against disabilities or incompatibilities of suppliers regarding the standards established in the Constitution and the law, frauds, infringement to ethics, violation of laws in favor of illegal armed groups or private people.

3. Being able to prove ISA's pre-contractual Due Diligence to the supervision and control bodies.

With the information obtained by this method, a database was created with those 24 suppliers who meet all the basic requirements of ISA in this kind of procurement.

## PROMOTION OF ETHICAL PRINCIPLES AND HUMAN RIGHTS IN SUPPLIERS

During 2013, two meetings with suppliers were held, where Ethics and Human Rights was a relevant topic in the presentations.

The first meeting was held in July, where an activity was developed on Ethics, fundamental value to ISA for the relationship with its suppliers and other stakeholders. The objective of the activity was to reaffirm the commitment of each supplier to Business Ethics; suppliers fixed their signature on a card, followed by the signature of the CEO of the Company, Luis Fernando Alarcón Mantilla, and were presented in a canvas with the message "I am an ISA provider committed to Business Ethics", My language is ethics.



in November 2013, another meeting was held with 28 so-called critical suppliers for the Organization on –HSE- health, safety and environmental management, as well as Ethics and Human Rights. Issues relevant to the Company-Supplier relationship were discussed at such meeting, focusing on the new challenges faced by businesses today and the changes involved in the new ways of doing business management. Also, ISA's documents to invite suppliers to the promotion of and respect for human rights, ethics and transparency were illustrated. The minutes of this event are available at:

[See link here](#)

# Annexes



## GRI INDICATORS – AFFILIATES

COMPANY	ISA BOLIVIA
Website for business reports	<a href="http://www.isa.com.bo">www.isa.com.bo</a>
Indicator	Results
Company Information	
Relevant issues	<p>Triple Certification on standards ISO9001, 14001 and 18001, without essential NCs.</p> <p>Approval by the Bolivian regulator (AE) for the execution of two (2) projects for expansion of the Transmission System in a total amount of nearly 9 million US Dollars.</p> <p>Approach and strong management with the Ministry of Sector and state companies to define the expansion plan by sector, considering the 2025 State patriotic agenda to identify firsthand any feasible projects to contribute with ISA2020.</p> <p>10th Anniversary with massive assistance of representatives from government entities, Sector companies and private business.</p> <p>Management with nationwide media to inform about our presence in Bolivia and the type of business. The foregoing in accordance with recommendations from opinion leaders given the zero knowledge about the Company until 2011.</p>
Awards and honors	<p>Triple Certification on standards ISO9001, 14001 and 18001, with large recognition by the certifying agency (TUV), in the sense that ISA Bolivia was the only company from the Southern Cone receiving a triple certification, without essential NCs.</p> <p>Results of Organizational Climate 2013 in 83%, placing us in the maximum national ranking and also inside Grupo ISA.</p>
Environmental matters	
EN1 Materials used by weight or volume	In 2013 management, a total of 906 Kg. of inorganic waste was generated, of which 536 Kg. was delivered to the Poverty Relief Program (Programa de Alivio a la Pobreza (PAP Foundation) that benefits thousands of Bolivian families with recycling matter.
EN3 Direct energy consumption by primary source.	In 2013 management, there was a consumption of 612227,75 Kw/h

Environmental matters	
EN16 Total direct and indirect greenhouse gas emissions by weight.	No measurement has been made. The Company is very small and its emissions are not considered relevant.
EN22 Total weight of waste, by type and disposal method.	<p>In 2013 Management, a total of 240.3 Kg. of hazardous waste was generated, which was delivered to the Outside Agent that complies with all requirements set forth by law.</p> <p>The kind of hazardous waste generated during the management is as follows:</p> <ul style="list-style-type: none"> <li>▪ Fluorescent tubes (recycled)</li> <li>▪ Oil-derived material (incinerated)</li> <li>▪ Painting and spray containers (recycled)</li> <li>▪ Used oil and fuel (recycled)</li> </ul>
EN28 Cost of significant fines and number of non-monetary sanctions by breach of environmental regulations.	There were no environmental fines and/or sanctions during the 2013 management.
Labor matters	
LA1 Breakdown of workforce by type of employment, contract and region.	<p>ISA Bolivia has 33 direct employees:</p> <ul style="list-style-type: none"> <li>▪ Full time</li> <li>▪ Indefinite term: 27 of which 4 are women and 24 are men</li> <li>▪ Fixed-term contract: 6 people of which 3 are women and 3 are men</li> </ul>
LA7 Rates of absenteeism, occupational diseases, lost days and number of work-related fatalities by region	<ul style="list-style-type: none"> <li>▪ Number of accidents: 0</li> <li>▪ Fatalities: 0</li> <li>▪ Absenteeism</li> <li>▪ Absenteeism rate: 2,06 %</li> <li>▪ Hours scheduled for work: 63792</li> </ul>
LA13 Composition of governance, corporate bodies, broken down by gender, age, minority group membership and other diversity indicators	<p>Age ranges in ISA Bolivia are:</p> <ul style="list-style-type: none"> <li>▪ Above 50: 1</li> <li>▪ Between 40-50 years old: 6</li> <li>▪ Between 30-40 years old: 20</li> <li>▪ Between 20-30 years old: 6</li> </ul>

## Labor matters

	Men	Women	Total
Director Manager	3	2	5
Coordinators	2	-	2
Analysts	5	5	10
Operators	5	-	5
Assistants	1	1	2
Executors	9	-	9

LA14 Ratio of basic salary of women to men by employee category.

There are no salary differences between men and women; differences are related to position and responsibility.

## Human Rights

HR3 Training of employees on Human Rights

There was a conference with audiovisual presentation, with delivery of a brochure containing articles of the Declaration of Human Rights to each employee.

HR5 Company's activities in which the right to freedom of association and collective bargaining might be at significant risk, and measures adopted to support these rights

- Permanent management with all employees to improve their technical, human competences and in general the Organizational Climate.
- Welfare Program called Revitalize.

## Regulatory compliance

SO8 Monetary value of sanctions and fines and total number of non-monetary sanctions for infringement of laws and regulations

In 2013, there was a penalty for the permanent failure of Carrasco Arboleda 230 kV line, imposed by the regulatory body for 250,358.40 Bs.

### Customer practices

<p>PR3 Type of information of products and services required by standing procedures and regulations, and percentage of products and services subject to such informative requirements.</p>	<p>Energy transmission service including operation, maintenance and connection to the National Transmission System</p>
<p>PR4 Total number of infringements of regulations and voluntary codes concerning information and labeling of products and services, by type of result of such incidents</p>	<p>There were no infringements of the Regulation.</p>
<p>PR5 Practices for customer satisfaction, including satisfaction surveys</p>	<p>ISA Bolivia annually conducts a satisfaction survey to those companies identified as its customers: TDE and CNDC. The remarks made in both cases were managed through the Integrated Management Plan. The measurement methodology will be changed for the 2014 management.</p>
<p>Service quality index. (e.g., point out the availability indicator or such indicators related to the provision of service)</p>	<p>Bolivian regulation measures two indicators for each line and each self-transformer: Number of forced disconnections and average time of forced disconnections. For 2013 management, only one line exceeded the average time indicator for forced disconnection.</p>
<p>Number of effective complaints addressed through the Ethics Line. Or point out the indicator associated to the Ethics Line management</p>	<p>No complaints were recorded in the Ethics Line.</p>
<p>Percentage and total number of significant investment agreements that include clauses incorporating Human Rights concerns or that have undergone Human Rights screening (HR1).</p>	<p>Clauses of this kind are not included in the agreements.</p>

COMPANYI	INTERNEXA
Website for business reports	<a href="http://www.internexa.com/Paginas/centro_recursos.aspx">www.internexa.com/Paginas/centro_recursos.aspx</a>
Indicator	Results
Company Information	
Relevant issues	<ul style="list-style-type: none"> <li>▪ An academic event and TIC conference were held under the framework of the LACNIC 19 event, held between May 5 and 10 in the city of Medellin hosted by INTERNEXA and coordinated with the Mayor's Office of Medellin.</li> <li>▪ Encounter with women and TICS with great exhibitors of topics.</li> <li>▪ Conversation about women's challenge in an industry led by men.</li> <li>▪ 20 students from UdeA (University of Antioquia) were invited for free to the event +8 officers from the TIC cluster of the Mayor's Office.</li> <li>▪ 30 employees from INTERNEXA were benefited with this event.</li> <li>▪ 12 municipalities of Antioquia, original for the plan were connected: WE, HIGH SCHOOL STUDENTS ATTEND UNIVERSITY, with the MOOC system, an education system that enables them to improve their performance for admission to the UdeA.</li> <li>▪ 34 Sena students were invited to learn about the operation of the Regional Grid Management Center as part of their training.</li> <li>▪ The Technicians under Development program provides the opportunity to fresh engineers to learn for a year about all processes of the Company to prepare them for their professional life.</li> </ul>
Awards and honors	<ul style="list-style-type: none"> <li>▪ INTERNEXA, first regional grid obtaining the MEF certification for its Carrier Ethernet services in 4 South American countries.</li> <li>▪ For third consecutive year, INTERNEXA won the categories: "Supplier of Regional Service of the Year" and "Ethernet Wholesaler"</li> </ul>
Environmental matters	
EN1 Materials used by weight or volume	Water consumption m3: Aqueduct 280; rain water 408 and tank car 48.
EN3 Direct energy consumption by primary source.	Energy consumption:4'259.300 Kwh/hour

### Environmental matters

EN16 Total direct and indirect greenhouse gas emissions by weight.	<p>Taxi cabs: tons of CO2          Buses for employee transportation: tons of CO2          Air transport: tons of CO2          Energy consumption SE: tons of CO2          Energy consumption head office: tons of CO2          Total emissions ITX 2012 = 472.39 tons were reduced compared with 2011: 510.34 tons.</p>
EN22 Total weight of waste, by type and disposal method.	<p>Waste:</p> <ul style="list-style-type: none"> <li>▪ Emissions of refrigerant of refrigeration systems R22. Air of head office 10 Pounds.</li> <li>▪ Amount of hazardous waste in Kg. generated in the year: 225</li> <li>▪ Amount of waste properly disposed of with certified companies: 28.5 tons (withdrawal of electronic equipment and infrastructure during the year)</li> </ul>
EN28 Cost of significant fines and number of non-monetary sanctions by breach of environmental regulations.	<p>During 2013, there were no sanctions or infringements to requirements from environmental entities at those countries where INTERNEXA operates.</p>
<b>Labor matters</b>	
LA1 Breakdown of workforce by type of employment, contract and region.	<p>In Colombia, INTERNEXA has 165 employees under undefined term contract and 3 under fixed-term contract. Employee distribution is as follows:</p> <p>General Manager: 1          Managers: 8          Directors: 10          Specialists: 29          Analysts: 118          Assistants: 2</p> <p>Employees are located in four cities in Colombia, mainly in the city of Medellín with 148: Bogotá with 17, Barranquilla 2 and Cali 1</p>
LA7 Rates of absenteeism, occupational diseases, lost days and number of work-related fatalities by region	0.40%

**Labor matters**

LA13 Composition of governance, corporate bodies, broken down by gender, age, minority group membership and other diversity indicators.

INTERNEXA has a total of 19 executive officers and 149 non-executive officers. All population is composed by 107 men and 61 women.

The range of age is as follows:

- Between 20-24 years old: 4
- Between 25-30 years old: 27
- Between 31-35 years old: 57
- Between 36-40 years old: 29
- Between 41-45 years old: 34
- Between 46-50 years old: 7
- Between 51-55 years old: 7
- Between 56-60 years old: 2
- Above 60: 1

LA14 Ratio of basic salary of women to men by employee category.

There are no salary differences between men and women; differences are related to job responsibilities and gender is not taken into account for salary definition.

**Regulatory compliance**

SO8 Monetary value of sanctions and fines and total number of non-monetary sanctions for infringement of laws and regulations

During 2013, the Company did not receive any monetary or non-monetary sanctions for infringement of laws and regulations.

**Customer practices**

PR3 Type of information of products and services required by standing procedures and regulations, and percentage of products and services subject to such informative requirements.

INTERNEXA's portfolio of services includes:  
Transmission: Connectivity services supported on the only terrestrial optic fiber networks directly connecting the major cities of the region, thus creating the shortest and fastest way to link them with the best availability and safety.



## Customer practices

IP: Services that provide access to content and applications available on public IP (Internet) or private networks.

Connection: The connection services provide access to specific sites in the customer's network architecture.

Infrastructure: Provides space, energy and optimal conditions for the hosting of customer-owned equipment.

Operation and maintenance: Supervises, operates and fully maintains telecommunications transmission networks and data routing (fiber optic, microwave, and satellite).

PR4 Total number of infringements of regulations and voluntary codes concerning information and labeling of products and services, by type of result of such incidents

There were no infringements to the regulations or due to services provided.

PR5 Practices for customer satisfaction, including satisfaction surveys

INTERNEXA annually conducts a customer satisfaction survey, nationwide and internationally, with a 95% reliance level, with the aim of determining the satisfaction of external customers of the Company for each of its services and processes in the service relationship, a key input for developing actions to keep and improve customer loyalty.

## Human Rights

HR3 Training of employees on Human Rights

In 2013 Human Rights training was conducted by using the corporate video. Access was provided to all suppliers through the WEB.

HR5 Company's activities in which the right to freedom of association and collective bargaining might be at significant risk, and measures adopted to support these rights

INTERNEXA complies with the Human Management policy of ISA and its companies, which scope provides: "ISA business group holds its employment relationship with its workers in accordance with legal provisions and laws applicable to each country, the internal ruling of each company, the individual employment contracts and the Collective Agreements in effect".

**Human Rights**

Service quality index.

According to the customer satisfaction survey, we obtained a general customer satisfaction index of 86.5 for 2013 with an expected goal of 86.2  
Regarding the accomplishment of service levels, we obtained 97.92% exceeding the goal for the year of 94.52%.

Number of effective complaints addressed through the Ethics Line.  
Or point out the indicator associated to the Ethics Line management

In 2013, no complaints were filed with the Ethics Line. There were only 5 claims, which were fully managed.

Percentage and total number of significant investment agreements that include clauses incorporating Human Rights concerns or that have undergone Human Rights screening.

The Company holds a policy of including in the agreements signed with customers a clause expressly prohibiting the handling of pornographic content. This is not established in the template with suppliers, but a Human Rights course was delivered to them to raise their awareness on this issue.

COMPANY	XM
Website for business reports	<a href="http://www.xm.com.co/Pages/InformesEmpresariales.aspx">www.xm.com.co/Pages/InformesEmpresariales.aspx</a>
Indicator	Results
Company Information	
Relevant issues	<ul style="list-style-type: none"> <li>▪ Dialogue with Stakeholders: In 2013, XM implemented spaces for dialogue with Employees, Customers and Suppliers to learn about their perception on the Company and define relevant matters to work on throughout 2014.</li> <li>▪ Certification on ISO\IEC 27001 Standard: In 2013 Certification was obtained in connection with the Information Security Management System based on ISO\IEC 27001 Standard for the <i>Programar Despacho Económico</i> process granted by Icontec. XM is the first of ISA and its companies in achieving this certification.</li> <li>▪ Internal Audit Certification: The Institute of Internal Auditors evaluated the efficiency and effectiveness of the internal audit activity at XM, and granted the maximum rating called “Generally in Compliance”, which means that all its activities are performed in accordance with the Regulations for the Professional Performance of Internal Auditing.</li> <li>▪ 1st Forum of Ethics of the Electricity Sector: On August 2013, the 1st Forum of Ethics on the Electricity Sector was held in Bogotá, called “Ethics: the energy that makes us different” – event led by XM, with the support of the National Council of Operation (<i>Consejo Nacional de Operación, CNO</i>) and the Advisory Committee of Trading (<i>Comité Asesor de Comercialización, CAC</i>). The objective of the forum was to create a space for reflection, action and commitment in the creation of an ethical capital inside the organizations of the Electricity Sector as a factor to boost their competitiveness and sustainability. It was attended by 117 people representing 55 companies from 12 cities of the country.</li> </ul>
Awards and honors	<p>2013 Andesco Award on Corporate Social Responsibility: XM'S commitment to sustainability was recognized with the Andesco award to Corporate Social Responsibility in the category of Best Small Utility and Communications Company. In this regard, the Award underscored the program for qualification and certification of operators, the prevention of the systemic risk in the Energy Wholesale Market of Colombia, the identification of restrictions of the National Interconnected System and the analysis of risks in the event of delays in works, the measurement of the carbon footprint in the chain link conducive to energy generation.</p>

**Environmental matters**

EN1 Materials used by weight or volume	At the closing of the Report, this consolidated information is pending
EN3 Direct energy consumption by primary source.	Energy consumption 101952,09KwH/hour
EN16 Total direct and indirect greenhouse gas emissions by weight.	At the closing of the Report, this consolidated information is pending
EN22 Total weight of waste, by type and disposal method.	

## Environmental matters

Type of Waste	Amount generated per year (Kg)	Method of Treatment
Paper, Kg	23133	Utilization through recovery
Plastic, Kg	1204	
Cardboard, Kg	5437	
Ordinary, Kg	31353,6	Final disposal through several companies of Medellín (La Pradera landfill)
Metals, Kg	1991	Utilization through recovery
Glass white hull, Kg	3146	Utilization through recovery
Wood, Kg	24	Disposal with various companies
Polyboard (waxed paper Cup) kg	127	Utilization through recovery
Biosanitary, Kg	18,36	Disposal with biological and contaminated matter
Sharp-edged, Kg	4,78	
Expired Medicine, Kg	2,8	
TOTAL	66380,54	

EN28 Cost of significant fines and number of non-monetary sanctions by breach of environmental regulations.

In 2013 there were no environmental sanctions or infringements.

### Labor matters

LA1 Breakdown of workforce by type of employment, contract and region.

In 2013, XM had 214 employees, of which 193 have undefined term contract and 21 have fixed-term contract. Distribution by employee is as follows:  
Analysts: 138, Assistants: 3, Specialists: 57, Executives: 16. Most employees work at the head office in the city of Medellin.

LA7 Rates of absenteeism, occupational diseases, lost days and number of work-related fatalities by region.

(1.15%) Main causes of absenteeism in 2013 were: Injuries and poisoning, respiratory diseases, diseases of the nervous system and sense organs. Regarding occupational diseases, it is zero, zero fatalities, zero work accidents.

LA13 Composition of governance, corporate bodies, broken down by gender, age, minority group membership and other diversity indicators.

In 2013 XM had a total of executive positions with participation of 7 women and 9 men, respectively. The range of age is as follows: 30-40 years old: 3 people / between 41-50 years old: 11 people / between 52-60 years old: 2 people

LA14 Ratio of basic salary of women to men by employee category.

In 2013, salary assignment was made taking into account the following criteria: Assessment of job – Studies on salary competitiveness – Adjustment of individual to job, in terms of training, experience, human and technical competences. Matrix of performance and potential. These criteria are applied in equal terms to all employees without gender differences.

### Human Rights

HR3 Training of employees on Human Rights

In 2013 no training activities on Human Rights were developed but the Labor Coexistence Committee and the Ethics Committee to audit compliance in this connection were promoted.

HR5 Company's activities in which the right to freedom of association and collective bargaining might be at significant risk, and measures adopted to support these rights

In 2013, XM, in its policy of performance, respected the rights of people, through the promotion of different mechanism as the Labor Coexistence Committee, the Ethics Committee and Dialogues with stakeholders.

## Regulatory compliance

SO8 Monetary value of sanctions and fines and total number of non-monetary sanctions for infringement of laws and regulations

During 2013, XM did not receive any significant sanctions or penalties for infringement of laws and regulations

## Customer practices

PR3 Type of information of products and services required by standing procedures and regulations, and percentage of products and services subject to such informative requirements.

XM's service portfolio:

- Operation and Management of the National Interconnected System

XM operates the National Interconnected System (Sistema Interconectado Nacional, SIN) and manages the Colombian Wholesale Energy Market (Mercado de Energía Mayorista Colombiano, MEM). In addition, it manages the international short-term electricity transactions with Ecuador –TIE- and provides services for the operation of power systems and real time systems, solutions for electricity markets and related products.

For the provision of services it relies on technology and the integral development of its people. It acts with social and ethical responsibility and is committed to the welfare of society.

- Training through simulators for operators.

XM offers training for operators requiring knowledge of the operation of power systems by using a simulator that reproduces the behavior of the Colombian National Interconnected System in real time and configurable to other systems (DTS), and using methods based on the assessment of technical and human skills, which allow the evaluator to identify the conditions of each operator and the gaps according to the expectations for each organization.

## Customer practices

PR4 Total number of infringements of regulations and voluntary codes concerning information and labeling of products and services, by type of result of such incidents

It monthly publicizes the report on compliance with indicators set by CREG Resolution 081 of 2007, which determine the quality of service required for the SIN operation and the market management.

For 2013, these indicators were within the limits provided.

PR5 Practices for customer satisfaction, including satisfaction surveys

- Quality assurance in the provision of services: through the monthly publication of the report on compliance with indicators set by CREG Resolution 081 of 2007; the quarterly report of the president; the annual report of the external audit results to the Commercial Exchange System Manager (Administrador del Sistema de Intercambios Comerciales, ASIC), and the Clearing Account Manager (Liquidador y Administrador de Cuentas, LAC), the National Dispatch Center (Centro Nacional de Despacho, CND) and International Electricity Transactions (Transacciones Internacionales de Electricidad, TIE), and the market operation and management report.

- Development of market training portfolio: XM conducted training and workshops for over 300 industry people.

- Customized training: customized training was conducted in planning, scheduling and coordination of the operation, and market management and transactions, for 140 people, for a total of 219 hours of training by XM staff to the following companies: TERMOTASAJERO, CHEC, EEBP, ARGOS, ESSA, CEO, EBSA, TEBSA and CNDC (BOLIVIA)

- Technical Seminars:

Two technical seminars were conducted during 2013: International Seminar on Synchronized Phasor Measurement and International Seminar on Electricity Markets, attended by more than 250 national and international assistants belonging to approximately 50 companies not only from Colombia but the electricity sector of the Americas. It was also attended by scholars.

- Strengthening within XM of the competence on Service Culture: These actions were focused on training and communication campaigns aimed at making XM personnel aware of the importance of service and promoting the self-management strategy to clients, to provide ways that would improve the opportunity of response and cause more moments in customer interaction.

- Dissemination and publication of Information: information, instructions, forms and procedures were updated, taking into account the self-management strategy defined by XM, which aims to facilitate to customer the management of its processes.

## Customer practices

Service quality index. (e.g., point out the availability indicator or such indicators related to the provision of service)

The service quality index for XM is an indicator which combines the results of the main quality indicators that the Company provides in its functions of operator and market manager, which are defined in Resolution CREG 081 of 2007 (see table below on CREG Indicators).

In the Integral Management Table there is a peak level indicator called Compliance with CREG Indicators, which reflects the results of these indicators. During 2013 all indicators were accomplished in all months, yielding a score of 10 around the year.

CREG 2013 Indicators

Indicator	Report	Goal	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
1	Quality of communication links of CND with CRC	>97%	99,98%	99,89%	98,02%	99,94%	99,55%	99,73%	99,98%	99,87%	99,42%	99,50%	99,96%	99,92%
2	Voltage level outside range without attacks	< 36 a year	1	2	5	5	5	5	7	8	9	10	12	13
3	Opportunity in the delivery of daily Dispatch	<12 a year	0	0	0	0	0	0	0	0	0	0	0	0
4	Timely registration of Agents, commercial borders and contracts	0 days of delay	0	0	0	0	0	0	0	0	0	0	0	0
5	Opportunity in the delivery of SIC settlement	0 delays	0	0	0	0	0	0	0	0	0	0	0	0
6	Level of SIC collection	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
7	Days of delay to publish estimated charges of LAC (STN-STR)	0 days of delay	0	0	0	0	0	0	0	0	0	0	0	0
8	Level of collection of STN and STR	900%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
9	Timely implementation of regulatory projects	100% of schedules	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
10	Information requirements	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

**Customer practices**

Number of effective complaints addressed through the Ethics Line.  
Or point out the indicator associated to the Ethics Line management

- Number of reports (complaints) received: 0
- Number of effective reports (complaints) (those where the reported event was proven): 0
- Number of inquiries received: 1

Percentage and total number of significant investment agreements that include clauses incorporating Human Rights concerns or that have undergone Human Rights screening (HR1).

In 2013, compliance with this indicator was 100%



COMPANY	TRANSELCA
Website for business reports	<a href="http://www.transelca.com.co/SitePages/RSE.aspx">www.transelca.com.co/SitePages/RSE.aspx</a>
Indicator	Results
Company Information	
Relevant issues	<p>Seminar in Community legislation to the Community Action Boards JAC</p> <p>As a strategy for strengthening Governance and the relationship with the stakeholder Government, TRANSELCA through the Department of Corporate Planning in partnership with Actuar FamiEmpresas, designed and conducted the Seminar in Community Legislation for 8 Community Action Boards (Juntas de Acción Comunal, JAC), from those neighborhoods composing our electrical easement area in the municipality of Soledad (Atlántico)</p> <p>The process of promoting good neighborly relations and coexistence between communities, their leaders and the neighbor cohabitant private company, is provided through opportunities of training and community participation and partner management. For such reason, it is important that community leaders learn to develop their skills and interpersonal competences that will help them not only to properly manage community projects of their neighborhoods, but also develop appropriate relationships between the Company and the community.</p> <p>21 People composed the study group, which was trained under a theoretical and practical methodology, with 65 hours of study on topics such as operation of Community Action Boards, obligations, duties and skills, type of community bodies, update on regulations -Law 743 of 2002 and Decrees 2350 of 2003 and 4890 of 2008, peaceful coexistence with the electricity infrastructure, guidance to community self-management, and presentation of projects.</p> <p>Great acceptance from students, demonstrations of gratitude, improved community – Company relationship and empowering of community leaders as guardians for the respect to the easement area, are the results obtained in the development of this activity.</p>
Awards and honors	The Company did not receive awards this year.

Environmental matters	
EN1 Materials used by weight or volume	Water consumption m3: 13.733
EN3 Direct energy consumption by primary source.	Energy consumption Kwh/year: 934.672 kW-h
EN16 Total direct and indirect greenhouse gas emissions by weight.	E900, 1.749,90 Ton CO2-eq (spills SF6) 14.140,16 gallons of Diesel 9.275,92 gallons of two-star petrol 1.155,55 gallons of four-star petrol
EN22 Total weight of waste, by type and disposal method.	6.36 Tons of hazardous waste, which were treated by burning and the use of safety cells.
EN28 Cost of significant fines and number of non-monetary sanctions by breach of environmental regulations.	During 2013, there were no environmental sanctions or infringements.
Labor matters	
LA1 Breakdown of workforce by type of employment, contract and region.	TRANSELCA has 176 employees, of which 48 have comprehensive salary, 119 are under convention and 9 under ordinary regime. Distribution of employees is as follows: General Manager : 1 Area Manager : 4 Directors Staff : 2 Department Chief : 9 Professionals: 89 Technician: 49 Administrative Technician: 22
LA7 Rates of absenteeism, occupational diseases, lost days and number of work-related fatalities by region.	The percentage of accumulated absenteeism by the fourth quarter of 2013 is: 2.82 days/employee

### Labor matters

LA13 Composition of governance, corporate bodies, broken down by gender, age, minority group membership and other diversity indicators.

In executive positions, TRANSELCA, has the participation of 8 women and 8 men, respectively. The range of age is as follows:

30-40 years old: 1 individual  
 40-50 years old: 8 people  
 50-60 years old: 6 people  
 60-70 years old: 1 individual

LA14 Ratio of basic salary of women to men by employee category.

There are no salary differences between men and women; differences are related to job responsibilities and gender is not taken into account for salary definition.

### Human Rights

HR3 Training of employees on Human Rights

Company's workers were sensitized on general aspects concerning Human Rights through internal communication means. In addition, advantage was taken from the CSR programs established (Traveling Briefcases, Soccer with Heart, Workshops for Peaceful Coexistence with Infrastructure) to sensitize communities on Human Rights.

HR5 Company's activities in which the right to freedom of association and collective bargaining might be at significant risk, and measures adopted to support these rights

Regarding freedom of association, the Company complies with the application of the convention in all fronts; e.g., the recruitment process, the internal assessment process, disciplinary process, recognition of benefits to workers under convention, application of discounts in favor of union organization, delivery of aids to union organization and authorization of union leaves, among others. As of December 31st, 2013, four workers enjoyed permanent union leave and 199 employees were beneficiaries of the convention, of which 81 are union members.

Regulatory compliance	
SO8 Monetary value of sanctions and fines and total number of non-monetary sanctions for infringement of laws and regulations	Investigation by the Superintendence of Home Utilities– Case: San Andrés de Sotavento event, November 2009
Customer practices	
PR3 Type of information of products and services required by standing procedures and regulations, and percentage of products and services subject to such informative requirements.	<p>1. Energy Transmission through the STN. TRANSELCA's energy transmission grid allows the interconnection of generators, grid operators and large consumers for energy transactions between different market agents, as provided in the regulations in effect for the Electricity Sector in Colombia.</p> <p>2. Connection to the National Interconnected System (Sistema Interconectado Nacional, SIN) TRANSELCA offers the connection or modification of the connection existing between generators, carriers or large consumers to the National Transmission Systems (Sistemas de Transmisión Nacional, STN), Regional Transmission (Sistema de Transmisión Regional, STR) and/or Local Distribution (Sistema de Distribución Local, SDL).</p>
PR4 Total number of infringements of regulations and voluntary codes concerning information and labeling of products and services, by type of result of such incidents	There were no infringements to the Law or due to services provided.
PR5 Practices for customer satisfaction, including satisfaction surveys	<p>The overall satisfaction rate was 85.4% (Study conducted in 2012, every two years)</p> <p>During 2013, the annual improvement plan was developed, which allows improving features with improvable aspects, according to the results.</p>
Service quality index. (e.g., point out the availability indicator or such indicators related to the provision of service)	<p>Total availability of assets 99,893%</p>

**Customer practices**

Number of effective complaints addressed through the Ethics Line.  
Or point out the indicator associated to the Ethics Line management

- Total complaints received: 5
- Total effective complaints: 1
- Total contacts to Ethics Line related with ethic matters:3
- Total Meetings held by the Ethics Committee: 4

Percentage and total number of significant investment agreements that include clauses incorporating Human Rights concerns or that have undergone Human Rights screening (HR1).

The terms of reference that are integral part of TRANSELCA's contracts, are subject to Colombian regulations protecting Human Rights, including rejection to child and forced labor.

In 2014, the Company's rejection to child and forced labor will be expressly provided in the terms of reference of the contracts.

COMPANY	REP – RED DE ENERGÍA DEL PERÚ
Website for business reports	<a href="http://www.rep.com.pe/rep/Reporte%20de%20sostenibilidad/Forms/AllItems.aspx">www.rep.com.pe/rep/Reporte%20de%20sostenibilidad/Forms/AllItems.aspx</a>
Indicator	Results
Company Information	
Relevant issues	<p>Our Vision: By 2016, we will generate annual revenues above USD 300 billion and we will be recognized as leaders in the electricity transmission sector in Peru and for our management model based on generating value with returns, operational excellence and corporate social responsibility</p> <p>* 376 employees / * More than USD billion invested in the country / * and 9,070 km of transmission lines in 20 of 24 departments of Peru</p>
Awards and honors	<p>In this period, REP obtained the ABE Seal from the Good Employers' Association sponsored by the American Chamber of Commerce in Peru. The ABE Seal is granted to recognize companies that excel in work practices. Certification was provided by the SGS, who concluded in a 100% recommendation for REP; the following aspects were reviewed: healthy and safe work environment, training management and development, personnel evaluation and recognition and payment of wages and benefits to employees.</p>
Environmental matters	
EN1 Materials used by weight or volume	At the publication date of this Report, there were no consolidated data of the Company available.
EN3 Direct energy consumption by primary source.	The results of this measurement are available for the month of May
EN16 Total direct and indirect greenhouse gas emissions by weight.	REP (Red Energía del Perú), for second consecutive year conducted its Carbon Footprint, thus joining the environmental responsible companies that contribute to keep a nice and health ecosystem for human beings.

## Environmental matters

This report provides information on GHG emissions, according to the activities identified in REP for 2012; it also allows comparison with the results of the 2011 carbon footprint (REP then reported 3,618 tons of carbon dioxide equivalent). This way, it is possible to identify the sources that have reduced or increased GHG emissions and for the Company to propose alternatives to reduce GHG emissions in the most significant sources.

Total GHG emissions for REP in 2012 were 4,097 tons of carbon dioxide equivalent (tCO<sub>2</sub>e). For Scope 1 a total of 549.08 tCO<sub>2</sub>e was reached, Scope 2 was calculated in 964.1 tCO<sub>2</sub>e and for Scope 3 for a total of 2,582.9 tCO<sub>2</sub>e was calculated.

## EN22 Total weight of waste, by type and disposal method.

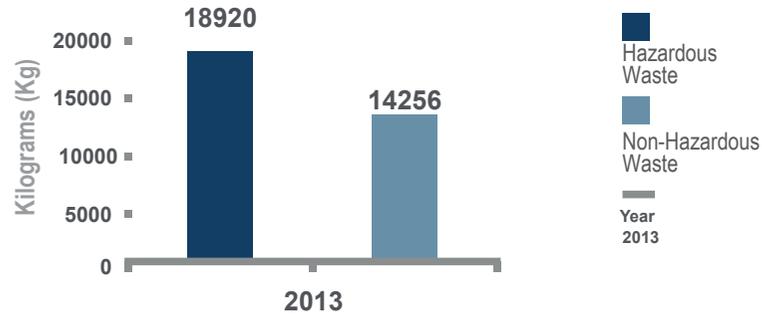
In the 2013 period, around 33 Tons of waste (hazardous and non-hazardous) were managed at the national level through Solid Waste Management Companies (EPS-RS) and Solid Waste Trading Companies (EC-RS), registered with the Directorate General of Environmental Health (Dirección General de Salud Ambiental, DIGESA).

Industrial waste generated in the 2013 period was transported, disposed and recycled through solid waste management companies (EPS- RS) and Solid Waste Trading Companies (EC- RS), registered with the Directorate General of Environmental Health (Dirección General de Salud Ambiental, DIGESA), in accordance with environmental laws.

Residues that did not show potential for reuse or recycling were disposed of in the safety landfill.

Environmental matters

INDUSTRIAL WASTE MANAGEMENT



EN28 Cost of significant fines and number of non-monetary sanctions by breach of environmental regulations.

Red de Energía del Perú (REP) is subject to penalty proceeding which has not yet reached the last instance.

Also, Consorcio Transmantaro (CTM) is subject to an open penalty proceeding, a closed proceeding (no penalty was imposed) and an observation

Labor matters

LA1 Breakdown of workforce by type of employment, contract and region.

Personnel by position		
Executives	21	6%
Coordinators	32	9%
Support professionals	58	15%
Business professionals	77	20%
Support technician	21	6%
Business technician	167	44%
<b>TOTAL</b>	<b>376</b>	<b>100%</b>



## Labor matters

## Staff by Premises

Dt North	53	14%
Dt South	44	12%
DT East	48	13%
DT Central	70	19%
Head Office	151	43%
<b>TOTAL</b>	<b>376</b>	<b>100%</b>

## Staff by Type of Contract

Foreign	2	1%
For specific work	5	1%
Undefined	334	89%
For beginning of activity	35	9%
<b>TOTAL</b>	<b>376</b>	<b>100%</b>

LA13 Composition of governance, corporate bodies, broken down by gender, age, minority group membership and other diversity indicators.

## REP Executives by gender

Female	6	29%
Male	15	71%
<b>TOTAL</b>	<b>21</b>	<b>100%</b>

## REP Executives by age

Above 45 years old	9	43%
Less or equal to 45 years old	12	57%
<b>TOTAL</b>	<b>21</b>	<b>100%</b>

## Labor matters

LA14 Ratio of basic salary of women to men by employee category.

There are no salary differences between men and women; differences are related to job responsibilities and gender is not taken into account for salary definition.

Women salary / Men salary ratio	
Executive managers	94%
Coordinators	102%
Support professional	110%
Business professional	91%
Support technician	103%

## Human Rights

HR3 Training of employees on Human Rights

The handbook for good behavior in communities was distributed to contractors, through induction talks to suppliers and new employees, promoting respect for Human Rights and children's rights. It continued with the release of the video on management of electricity easements, sought to sensitize staff related to lines on the correct handling of relationships with the community. The video was broadcasted in all DTs and at the San Isidro Office.

The 2013 training plan did not expressly include courses addressed to the San Isidro office administrative staff; however, it will be included for the 2014 plan.

HR5 Company's activities in which the right to freedom of association and collective bargaining might be at significant risk, and measures adopted to support these rights

Affiliation by Union group (number of employees)	
SUTREP Union	133
SINTREP Union	34
<b>SUPPORT PROFESSIONAL</b>	<b>167</b>

## Regulatory compliance

SO8 Monetary value of sanctions and fines and total number of non-monetary sanctions for infringement of laws and regulations

In 2013 there were no sanctions or penalties for infringement to laws or regulations.

## Customer practices

PR3 Type of information of products and services required by standing procedures and regulations, and percentage of products and services subject to such informative requirements.

Energy Transmission, Market Operation and Management, Telecommunications Transport, Construction of Infrastructure Projects and Road Concessions.

PR4 Total number of infringements of regulations and voluntary codes concerning information and labeling of products and services, by type of result of such incidents

There were no infringements of regulations or for services provided.

PR5 Practices for customer satisfaction, including satisfaction surveys

In 2013, a Strategic Project for Relationship with Customers was developed, based on the analysis and diagnosis of the Assessment Survey on External Customer Satisfaction conducted in November-December 2012, which resulted in a satisfaction level of 78.2%. The activities developed included: in March 2013, Meeting with Grupo ISA Customers in Peru, to whom the 2013 Promise of Service was presented and delivered; also, the Investment Projects executed by Grupo ISA in Peru were presented, highlighting the commercial operation of the 500kV Trujillo-Zapallal Transmission Line, on December 2012.

In August 2013, REP organized and developed a technical conversation on "Migration of REP's New Control Center, SCADA/EMS System" for officials and Specialists from electricity companies and industry-related institutions as OSINERGMIN and COES. Customer visits were conducted in order to publicize the improvement activities undertaken by REP, in order to provide better Customer service. Between November and December 2013 a survey was conducted to monitor the External Customer Satisfaction indicator, this time obtaining a satisfaction of 78.6%.

Service quality index.

The availability rate of the grid for 2013 was 99.60%, value exceeding the goal established (99.55%), in spite of the disconnections made for the execution of projects for Expansion of the transmission system.

## Customer practices

Number of effective complaints addressed through the Ethics Line.  
Or point out the indicator associated to the Ethics Line management

In 2013, eight complaints were reported through the Ethics Line, of which seven have been effective and duly managed.

Percentage and total number of significant investment agreements that include clauses incorporating Human Rights concerns or that have undergone Human Rights screening (HR1).

During 2013, the Company entered into 108 agreements for purchase of goods and services for USD 30,000 with 61 suppliers. Those agreements exceeding the amount of USD 30,000 are considered "significant processes".

It has been verified that contractors regarding those 108 significant processes are in line with the statements under oath declaring that the signatory complies with Procurement Rules whereby the freedom of association of workers is explicit. In order to have a portfolio of approved suppliers for the purchase of goods and services, REP made the first step for approval of three contracting categories in: Consulting and supervision, support services and goods and services for operation and maintenance.

From 30 suppliers initially assessed, 18 received their certificate of approval. Subsequently, the Company retained the services of Bureau Veritas to continue with the approval process. On October, 69 companies were invited to participate in the process. 44 companies are in the certification process, and 16 companies were approved at the end of 2013.

The Company also has in place specification AL-E-01: "Safety, Occupational Health, Environment and Social Responsibility Specifications for Suppliers - STSOMARS" which is part of the Integrated Management System, and includes the specifications of respect for the principles of the Global Compact and relationship with communities. On the other hand, it has a Corporate Social Responsibility Committee to coordinate and articulate CSR in order to identify and monitor practices developed for each stakeholder and verify their conformity with the commitments and policies, seeking synergies between groups and continuously improve performance, expand the impact and communicate.

Regarding service agreements involving labor as job placement, maintenance, cleaning and security, it is expressly provided that workers assigned by supplier must be of age; as a complementary measure, this is checked when joining the Company to work.

Additionally, the Company by the nature of its business has no activities which could include the risk that its contracts employ minors.

COMPANY	CTEEP
Website for business reports	<a href="http://www.cteep.com.br">www.cteep.com.br</a>
Indicator	Resultados
Company Information	
	<p>O projeto de prevenção de riscos e relacionamento com a comunidade Amigos da Energia conquistou público superior a 11 mil pessoas, entre alunos e professores, com 242 palestras realizadas em 57 escolas de 27 municípios do estado de São Paulo. Se somado aos resultados do ano anterior, o público do projeto ultrapassa 20 mil.</p> <p><b>Desempenho Financeiro</b></p> <p>Sucesso no alongamento do perfil da dívida com a renovação de Debêntures com 5 anos e contratação de financiamento de longo prazo com o BNDES.</p>
Relevant issues	<p>Desempenho Operacional</p> <ul style="list-style-type: none"> <li>▪ Energização de 50 projetos que representaram aproximadamente R\$ 225 MM em investimento e RAP estimada de R\$ 18,5 MM. Em 2013, a CTEEP atingiu o menor Índice de ENES (Energia Não Suprida) desde 2005. Além disso, o desconto da Parcela Variável atingiu 0,8% da RAP da Companhia, 3º menor desconto dentre as empresas do setor.</li> <li>▪ Entrada em operação da linha de transmissão da Interligação Elétrica do Madeira em agosto de 2013. Esta é a maior linha em corrente contínua do Brasil.</li> </ul> <p>Institucional</p> <p>A CTEEP conquistou o 2º lugar no prêmio As Melhores Empresas para Estagiar 2012. A companhia foi reconhecida como uma das 50 Empresas do Bem em 2013 pela Revista IstoÉ Dinheiro, na categoria Educação, com o Projeto Circuito Cultural.</p> <p>Foram lançados dois documentários patrocinados pela empresa em 2012 (por meio de leis de incentivo fiscal): Na Trilha da Energia, que explica a trajetória da energia desde a geração até chegar aos consumidores, e Fragmentos de Paixão, que trata dos raios e seus impactos na vida das pessoas e na história. A produção sobre raios representa o primeiro documentário científico brasileiro a ingressar em uma rede comercial de cinema. Obteve destaque em divulgação e cobertura de imprensa, com mais de 100 reportagens.</p>

**Company Information**

## Awards and honors

Em 2013, a CTEEP conquistou o 2º lugar no prêmio Melhores Empresas para Estagiar 2012, promovido por CIEE (Centro de Integração Empresa- Escola), Toledo & Associados Pesquisa de Mercado e Opinião Pública e Associação Brasileira de Recursos Humanos – Seccional São Paulo – ABRH – SP. Além disso, foi reconhecida como uma das 50 empresas do Bem 2013, da Revista Isto É Dinheiro, na categoria “Educação”, com o Projeto Circuito Cultural. O levantamento, elaborado anualmente, faz uma seleção das iniciativas e projetos que aliam sustentabilidade ambiental, econômica e social.

**Environmental matters**

## EN1 Materials used by weight or volume

Os materiais reportados a seguir foram adquiridos pela organização em 2013, para atender às demandas relacionadas à atividade de transmissão de energia.

## Environmental matters

Material		Volume/ Quantidade	Unidade de medida
Buchas		124	unidade
Cabos de comando e controle		358.773	kg
		776.140	metro linear
Conectores		5204	unidade
Disjuntores		121	unidade
Estruturas		3.356	tonelada
Gases	SF6	120	kg
	Freon	245	kg
	R407C	95	kg
	Suva	204,3	kg
Isoladores		9.240	unidade
Óleo isolante		-	-
Para-raios		130	unidade
Reatores de potência		10	unidade
Relés		2.615	unidade
Retificadores		3	unidade
Seccionadores		249	unidade
Transformadores de potência, corrente e potencial		435	unidade

## Environmental matters

## Materiais renováveis

Em relação aos materiais renováveis, foram comprados 152 pacotes de papel A4 reciclados (com 500 folhas cada um), volume menor do que em 2012, quando foram adquiridos 3.209 pacotes. Essa diminuição ocorreu por conta da substituição pelo papel comum, que é comprado com o critério de possuir o selo FSC, uma certificação florestal que garante que o papel é oriundo de um processo produtivo manejado de forma sustentável

## EN3 Direct energy consumption by primary source.

Combustíveis		
	Consumo em litros	Emissões diretas em tonelada de CO <sub>2</sub> e
Gasolina	476.641 litros	875,59 t CO <sub>2</sub> e
Etanol	22.482 litros	0,30 t CO <sub>2</sub> e
Diesel	368.779 litros	939,75 t CO <sub>2</sub> e
Subtotal	867.902 litros	1.815,64 t CO <sub>2</sub> e
Eletricidade		
	Consumo em kWh	Emissões indiretas em tonelada de CO <sub>2</sub> e
Sede	522.090 kWh	15,35 t CO <sub>2</sub> e
65 Subestações	25.933.791 kWh	762,45 t CO <sub>2</sub> e
Subtotal	26.455.881 kWh	777,80 t CO <sub>2</sub> e

O consumo de energia elétrica das subestações é gerido atualmente pelo Departamento de Manutenção, por meio do Sistema de Gestão Ambiental (SGA) que, em 2013, passou a considerar 65 subestações (20 a mais do que em 2012).

O Departamento de Suprimentos, por sua vez, é responsável pela gestão do consumo do combustível utilizado pela frota de veículos própria e locada, e também pelo consumo da energia elétrica da Sede.

Cabe acrescentar que em situações de interrupções no fornecimento de energia elétrica nas subestações, são acionados grupos auxiliares de emergência (GAE) que usam energia não renovável (diesel), mas que o consumo deste material não possui rotina de registro específica – com exceção dos registros de aquisição, que não representam o volume efetivamente consumido nos equipamentos durante o ano.

## Environmental matters

EN16 Total direct and indirect greenhouse gas emissions by weight.

As emissões de gases de efeito estufa reportadas são referentes ao consumo de combustível da frota de veículos própria e locada e pelo consumo de eletricidade na Sede e nas subestações.

Não estão reportadas as emissões provenientes do gás SF6 (Hexafluoreto de Enxofre), utilizado como isolante em equipamentos elétricos, e do gás refrigerante (Freon), usado no sistema de ar condicionado da empresa, embora sejam as mais representativas da CTEEP em volume de CO2 equivalente.

A não inclusão desses dados se deve ao fato de que, em 2013, novos procedimentos para o uso e o controle de SF6 e Freon foram elaborados, em resposta à identificação de demandas por melhorias no monitoramento de emissões de gases de efeito estufa.

Para a implantação definitiva dos procedimentos em 2014, a empresa também revisou os formulários de preenchimento e requisitou a pesagem dos volumes em estoque em todas as localidades da empresa, a fim de uniformizar dados registrados anteriormente e eliminar eventuais discrepâncias.

Esse trabalho integra um Plano de Ação relacionado à ISO 26000 – Diretrizes de Responsabilidade Social, e está em fase de consolidação pela empresa. Além do SF6 e do Freon, a empresa pretende incorporar outras fontes de emissão (provavelmente do Escopo 3) ao relatório de 2014, depois de um período de monitoramento estruturado e padronizado.

EN22 Total weight of waste, by type and disposal method.

A CTEEP possui cinco centrais de armazenamento temporário de resíduos em operação, uma em cada Departamento Regional, o que possibilita a formação de lotes econômicos para a destinação final dos resíduos, a separação e segregação dos resíduos, além de garantir o adequado armazenamento até a destinação por meio de empresa especializada e homologada. Em 2013, a CTEEP destinou resíduos que estavam armazenados nesses ambientes de triagem e armazenamento, conforme volumes informados a seguir:

## Environmental matters

Resíduos	Peso (kg)	Método de disposição
Materiais contaminados com óleo e tinta	8.209	coprocessamento
Óleo lubrificante e isolante	2.651	coprocessamento
Amianto (material composto de cimento amianto)	1.795	aterro classe I
Sucata de borracha de pneus	407	coprocessamento
Sucata de espuma de polipropileno	0	coprocessamento
Bateria de níquel cádmio	12	incineração
Baterias secas (pilhas não recicláveis)	140	incineração
Reator de lâmpadas	349	coprocessamento
Lâmpadas de descarga (vapor metálico, de sódio, de luz mista, de mercúrio e fluorescente)	2.570	reciclagem
Amianto	5.180	aterro classe I
Cartucho de impressora	104	incineração
Vidro	61	coprocessamento
Produtos químicos para limpeza de peças (com água)	16.130	incineração
Destinação de PCB	198.255	incineração

Os resíduos reportados acima são aqueles provenientes da atividade de transmissão de energia e/ou que apresentam impacto ambiental significativo na avaliação da empresa. Os métodos de disposição consideraram o potencial de degradação ambiental de cada item, a legislação vigente (que demandou, por exemplo, análises e laudos para caracterização dos resíduos e autorizações para movimentação de resíduos perigosos), as técnicas disponíveis no mercado e o custo. Cabe acrescentar que, em 2013, a empresa realizou a regeneração de 636.300 litros de óleo mineral isolante, insumo usado para a refrigeração e isolamento dielétrico de equipamentos como transformadores e disjuntores. Isso reduziu a demanda pela aquisição desse material, gerando economia e menor impacto ambiental. Além disso, a sede administrativa da empresa gerou 11.160 kg de resíduos potencialmente recicláveis, separados por meio da coleta seletiva. Após processamento e triagem, foram aproveitados 4.465 kg de resíduos recicláveis, incluindo plásticos, papéis, metais e vidros.

## Environmental matters

EN28 Cost of significant fines and number of non-monetary sanctions by breach of environmental regulations.

Em 2013, foram registrados dois autos de infração e um auto de notificação relacionados a questões ambientais, conforme descrito abaixo:

- Auto de Infração 1868/13, de maio de 2013, da Prefeitura Municipal de Campinas, referente à limpeza de terreno na cidade. A CTEEP recorreu solicitando a nulidade da multa, no valor de R\$ 22,20, por ausência de procedimento administrativo prévio.
- Auto de Notificação 13.633, de agosto 2013, da Prefeitura Municipal de Osasco, referente à limpeza de terreno localizado na Rod. Anhanguera. A empresa realizou a limpeza e apresentou um relatório comprobatório.
- Auto de Infração 2013/203, de outubro de 2013, no valor de R\$ 4.000,00, da Prefeitura Municipal de São Paulo, referente à limpeza de terreno localizado no bairro do Jaguaré. A empresa apresentou defesa, informando que o auto não era procedente, pois o terreno estava limpo.

## Labor matters

LA1 Breakdown of workforce by type of employment, contract and region

Total de empregados próprios: 1.503

#### Colaboradores por trabalho em tempo integral ou meio período

Tempo integral ou meio período	Contrato por prazo indeterminado ou permanente	Contrato por prazo determinado ou temporário	Subtotais
Tempo integral	1.428	24	1.452
Meio período	0	51	51
Subtotais	1.428	75	1.503

#### Colaboradores por gênero

Gênero	Contrato por prazo indeterminado ou permanente	Contrato por prazo determinado ou temporário	Subtotais
Masculino	1.299	52	1.351
Feminino	129	23	152
Subtotais	1.428	75	1.503

## Labor matters

Colaboradores por faixa etária			
Faixa etária	Contrato por prazo indeterminado ou permanente	Contrato por prazo determinado ou temporário	Subtotais
> 50	248	19	267
30 a 50	993	5	998
< 30	187	51	238
Subtotais	1.428	75	1.503

LA7 Rates of absenteeism, occupational diseases, lost days and number of work-related fatalities by region

Lesões	
Taxa de lesões/ frequência (TL)	1,72%
Número de lesões	6
Doenças ocupacionais	
Taxa de doenças ocupacionais (TDO)	-
Número de doenças ocupacionais	0
Dias perdidos	
Taxa de dias perdidos/ gravidade (TDP)	24,06%
Número de dias perdidos	84
Absentéismo (de janeiro a novembro)	
Taxa de absentéismo (TA)	0,91%
Horas programadas para trabalhar	3.383.580
Óbitos	
Número de óbitos	0

## Labor matters

Considerando a média dos três anos anteriores (2010 a 2012), foi observada redução da taxa de lesão e da taxa de dias perdidos, o que representa uma melhora na quantidade de incidências e gravidade das lesões. Uma ação importante para o alcance desse resultado foi a implantação de uma rotina de registro e análise de quase-acidentes de trabalho (ocorrências que não acarretaram lesões), com divulgação das causas e das medidas de control e nas reuniões das Comissões Internas de Prevenção de Acidentes (Cipas).

LA13 Composition of governance, corporate bodies, broken down by gender, age, minority group membership and other diversity indicators.

Colaboradores por categoria funcional							
Categoria funcional	Subtotais	Faixa etária			Gênero		Pessoas com deficiência
		> 50	30 a 50	< 30	Masc.	Fem.	
Conselheiros	20	16	4	0	17	3	0
Presidente	1	0	1	0	1	0	0
Diretores	3	3	0	0	3	0	0
Gerentes	25	11	13	1	20	5	0
Coordenadores	73	23	50	0	65	8	0
Administrativos	247	38	162	47	142	105	59
Técnicos operacionais	1.083	176	768	139	1.072	11	5
Estagiários	41	0	0	41	27	14	0
Aprendizes	10	0	0	10	4	6	0
Subtotais	1.503	267	998	238	1.351	152	64

**Labor matters**

LA14 Ratio of basic salary of women to men by employee category.

Para valorizar, promover e gerir a diversidade, a CTEEP mantém o Programa de Diversidade voltado para pessoas com deficiência, que vai além do mero cumprimento à legislação e segue no desafio de respeitar, acolher e valorizar as diferenças, incluindo o tema como parte dos valores do Grupo ISA. Em 2013, o programa teve 64 integrantes.

A companhia também adota o princípio de igualdade na remuneração para posições de mesmo valor, sem distinções entre homens e mulheres. Em 2013 observou-se uma média salarial geral de R\$ 5.885,00 para mulheres e R\$ 5.045,00 para homens. Na categoria funcional "Administrativos", onde há um melhor equilíbrio na quantidade de colaboradores, a média salarial de 2013 foi de R\$ 4.532,00 para mulheres e R\$ 4.848,00 para homens. Na categoria funcional "Técnicos", a média salarial de 2013 foi de R\$ 6.217,00 para mulheres e R\$ 4.315,00 para homens. A diferença ocorre, pois o quadro operacional atual é ocupado majoritariamente por homens (99%).

**Regulatory compliance**

SO8 Monetary value of sanctions and fines and total number of non-monetary sanctions for infringement of laws and regulations

Em 2013, o recurso administrativo interposto pela empresa em 27/02/13 contra Auto de Infração lavrado pela Secretaria da Receita Federal, para cobrança de contribuições sociais em razão da não cumulatividade do PIS e da Cofins relativas aos anos 2009 e 2010, foi julgado em favor da CTEEP no Conselho Administrativo de Recursos Fiscais (Carf).

Além disso, a empresa apresentou impugnação em face do Auto de Infração lavrado pela Receita Federal do Brasil em 09/05/13, decorrente do Mandado de Procedimento Fiscal nº 08.1.85.00- 2012-00052-2, que objetiva cobrar supostos débitos de IRPJ/CSLL, relativos ao ano-calendário de 2008, decorrentes da amortização do ágio advindo da incorporação da ISA Participações Ltda.

## Human Rights

## HR3 Training of employees on Human Rights

O Programa Educação para a Sustentabilidade promove treinamentos, palestras e eventos relacionados à Responsabilidade Social Empresarial. O principal objetivo é garantir a elevação do nível de compreensão da estratégia empresarial da CTEEP sobre o tema, com foco na incorporação dos compromissos da Companhia no dia a dia dos colaboradores.

Dentro do programa, a companhia oferece treinamento na modalidade e-learning, tratando de assuntos como o panorama da sustentabilidade no Brasil e no mundo; combate ao trabalho infantil, forçado e análogo ao escravo; combate à corrupção; equidade e distribuição de renda; erradicação da pobreza; diversidade; violência; gestão ambiental; sustentabilidade empresarial no setor de transmissão de energia e a visão da empresa sobre o tema. Todo conteúdo é apresentado de forma interativa, audiovisual, lúdica, com movimentos e jogos.

Destinado a todos os níveis hierárquicos e áreas de atuação da empresa, o treinamento, em 2013, contou com a participação de 205 colaboradores (14% do quadro total de profissionais próprios da empresa), em 410 horas de capacitação. Somando os resultados de 2012, o treinamento conquistou um total de 825 colaboradores – um número muito positivo, uma vez que a participação é voluntária.

## HR5 Company's activities in which the right to freedom of association and collective bargaining might be at significant risk, and measures adopted to support these rights

A CTEEP observa o preceito constitucional da livre associação profissional ou sindical e o reconhecimento dos acordos coletivos de trabalho, o que garante que toda a cadeia de valor da empresa adote esses procedimentos. Esse posicionamento está consolidado em instrumentos como o Código de Ética, a Política de Gestão Humana e o Acordo Coletivo de Trabalho. Os acordos de negociação coletiva abrangeram 100% dos profissionais contratados pela Consolidação das Leis do Trabalho.

## Customer practices

## PR3 Type of information of products and services required by standing procedures and regulations, and percentage of products and services subject to such informative requirements.

As informações relacionadas à CTEEP estão disponíveis em diferentes canais de comunicação, acessíveis a todos os públicos. As informações corporativas podem ser encontradas no site da companhia na internet ([www.cteep.com.br](http://www.cteep.com.br)); os dados financeiros estão disponíveis nas demonstrações financeiras publicadas anualmente; os conteúdos relacionados à governança corporativa, performance econômico-financeira, desempenho operacional, iniciativas de responsabilidade social empresarial e desempenho ambiental são apresentadas no Relatório Anual e de Sustentabilidade, também disponível no site da empresa.

No site da Aneel (Agência Nacional de Energia Elétrica) – [www.aneel.gov.br](http://www.aneel.gov.br) –, a sociedade pode acessar o Contrato de Concessão de Serviço Público de Transmissão de Energia Elétrica, em que constam os procedimentos, direitos e responsabilidades das partes (a União, por intermédio da ANEEL, e a transmissora).



## Customer practices

	<p>Além disso, por conta da vasta extensão das linhas de transmissão, a CTEEP possui uma série de procedimentos e iniciativas voltadas para inspeção das faixas de segurança das linhas de transmissão, para sinalizações e restrições de segurança nessas áreas e para orientação dos moradores do entorno sobre como conviver de forma segura com as atividades de transmissão de energia (exemplo: Amigos da Energia, campanha de prevenção e combate a queimadas irregulares e incêndios acidentais).</p>
<p>PR4 Total number of infringements of regulations and voluntary codes concerning information and labeling of products and services, by type of result of such incidents</p>	<p>A CTEEP não recebeu nenhuma notificação referente a sinalizações de segurança de suas linhas de transmissão em 2013. O único caso relacionado à sinalização foi um Termo de Notificação expedido pela Aneel, questionando a existência de um equipamento com data anterior a de que sua instalação foi autorizada. No entanto, a CTEEP esclareceu que a instalação ocorreu dentro do período autorizado e que o fato de o equipamento ter data anterior não compromete sua condição operativa, uma vez que foram respeitadas as especificações relacionadas à vida útil e à confiabilidade do equipamento. A resposta está em análise pela Aneel.</p>
<p>PR5 Practices for customer satisfaction, including satisfaction surveys</p>	<p>Para contribuir para a qualidade da transmissão de energia realizada pela CTEEP: a Pesquisa de Satisfação de Clientes. A partir dessa ferramenta, a empresa apura a percepção dos clientes em relação a diversos fatores como a confiabilidade do sistema, a qualidade dos serviços, a competitividade dos custos e a rapidez no atendimento, apontando quais são as questões com demandas e oportunidades de melhoria.</p> <p>A última pesquisa foi realizada em 2010. Depois de sua aplicação, entre 2011 e 2013, a Empresa trabalhou na consolidação e análise dos resultados; na elaboração de planos de ação em sinergia com áreas que afetam direta ou indiretamente a satisfação dos clientes; e na implantação de ações de melhoria. Embora a periodicidade da pesquisa seja variável (de acordo com fatores internos e de mercado), a Empresa já prevê um novo ciclo para 2014.</p>
<p>Service quality index.</p>	<p>Para promover a excelência na qualidade da prestação de serviços de transmissão de energia elétrica, a CTEEP mantém um Sistema de Gestão de Qualidade que segue as diretrizes do padrão normativo ISO 9001:2008. A empresa possui três escopos certificados: “operar”, “manter” e “gerir empreendimentos” do sistema elétrico de transmissão.</p>

## Customer practices

Cada um dos escopos certificados possui um conjunto de indicadores de qualidade. O monitoramento desses indicadores é realizado pela Divisão de Gestão da Manutenção (OMM), enquanto a gestão efetiva é feita pelas áreas responsáveis – envolvendo essencialmente os departamentos de Operação e de Manutenção da Diretoria de Operação e a Diretoria de Empreendimentos. Sempre que necessário, a OMM fornece subsídios para a implementação de ações preventivas e corretivas, zelando pelo cumprimento das metas estabelecidas. Em 2013, considerando os meses analisados (janeiro a outubro), a empresa cumpriu as metas estabelecidas, que envolvem diversas medidas como a minimização de falhas, a execução do planejamento de manutenção, a realização de reuniões com clientes, entre outras ações

Number of effective complaints addressed through the Ethics Line.  
Or point out the indicator associated to the Ethics Line management

Em caso de violações éticas e relacionadas aos direitos humanos, a empresa disponibiliza a Linha Ética, uma ferramenta para o encaminhamento de dúvidas, críticas e denúncias, disponível a todos os grupos de interesse da companhia: [www.canalconfidencial.com.br/linhaeticacteep](http://www.canalconfidencial.com.br/linhaeticacteep). Telefone 0800 777 0775. Em 2013, a Linha Ética recebeu 14 encaminhamentos a respeito de temas variados. Quem registra uma solicitação não precisa se identificar e pode acompanhar o status de seu encaminhamento por meio de um número de protocolo. Todas as informações são analisadas e acompanhadas pelo Comitê de Ética e tratadas de maneira sigilosa.

Percentage and total number of significant investment agreements that include clauses incorporating Human Rights concerns or that have undergone Human Rights screening

A preocupação com os direitos humanos pode ser demonstrada por uma série de iniciativas: ações voltadas à segurança dos colaboradores; a promoção da saúde e da qualidade de vida; políticas e procedimentos que garantam tratamento igualitário para seus trabalhadores e o reconhecimento baseado em mérito; o combate à discriminação de qualquer natureza (baseadas em idade, gênero, etnia, religião, orientação sexual etc.); processos de compras transparentes; medidas que demandem o alinhamento dos fornecedores às premissas de atuação da organização; a proteção do meio ambiente; projetos educativos que orientem a população para a convivência segura com as linhas de transmissão; entre outras práticas.

Dessa maneira, todas as operações da CTEEP estão submetidas a avaliações de impactos relacionados a direitos humanos, seja por meio de processos estruturados ou pela disponibilização de canais para denúncias e questionamentos relacionados ao tema. Um dos exemplos relacionados a processos é o modelo dos contratos de fornecimento de produtos e serviços, que desde 2012 contam com cláusulas relacionadas aos direitos humanos e ao meio ambiente. Em 2013, a empresa trabalhou na revisão dessas cláusulas, que deverão ser implantadas em 2014. Além disso, todos os fornecedores que efetuam cadastro no site da empresa têm acesso a um Termo de Responsabilidade, que contempla compromissos éticos e socioambientais, que precisam ser aceitos por aqueles que desejam ser parceiros da Empresa.

## GRI SPECIFIC INDICATORS

Chapter	Company relevant issue	GRI Aspect	GRI Indicators	Page / Answer	Omission	External Assurance
<b>Economic Management</b>	Compensation and remuneration of employees	Presence in the market Equal remuneration for men and women	EC5. Ratio of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Economic management / Compensation and remuneration of employees    <b>P. 37</b>	The ratio of minimum wage by gender is not reported.	See verification report pages 186-187
			LA13. Ratio of base salary of men compared to women's, broken down by professional category.			
			* ISA's indicator: 2013 payroll amount paid.			
			* ISA's indicator: Share by component in total pay.			
	Economic management in the supply chain	Purchase practices	* EC9. Ratio of expenses in local suppliers at significant places of operation.	Economic management / Economic management in the supply chain   <b>P. 40</b>		See verification report pages 186-187
			* ISA's indicator: Number of suppliers retained and number of contracts signed.			
			* ISA's indicator: Total value of contracts.			
	Management with shareholders	Not applicable	* ISA's indicator: Number of contracts received in ISA's shareholders assistance center.	Economic management / Management with shareholders  <b>P. 43</b>		
			* ISA's indicator: Percentage of average service level of shareholders' assistance.			



Chapter	Company relevant issue	GRI Aspect	GRI Indicators	Page / Answer	Omission	External Assurance
Environmental management	Environmental impacts	Energy Water Waste and disposals Mechanisms for environmental complaints	EN3. Energy consumption in the organization.	Environmental management / Environmental impacts	Volume of incidents is not reported	See verification report pages 186-187
			ISA's Indicator: Managed PCB contaminated oil			
			Isa's Indicator: Managed industrial remainder			
			Isa's Indicator: Paper consumed per employee – Medellín Head Office			
			EN8. Total water consumption by source.			
			EN23. Total weight of waste, by type and disposal method.			
			EN24. Total number and volume of significant spills			
			EN34. Number of complaints on environmental impacts, reported, revised and solved through formal reporting mechanisms			
			Isa's Indicator: Affected vegetation.			
				P.52		
	Protection of ecosystems	Biodiversity	EN13. Protected or restored habitats.	Environmental management / Protection of ecosystems / Communicate to Stakeholders		See verification report pages 186-187
				P.54		



Chapter	Company relevant issue	GRI Aspect	GRI Indicators	Page / Answer	Omission	External Assurance	
Environmental management	Climate change	Emissions	EN15. Greenhouse gases (Scope1).	Environmental management / Climate change			
			EN16. Greenhouse gas indirect energy (Scope 2).				
			EN17. Other Greenhouse gas indirect emissions (Scope 3).				
			EN19. Reduction of Greenhouse gases				
	Environmental legal compliance	Compliance	EN29. Cost of significant fines and number of non-monetary sanctions by breach of environmental regulations.	Environmental management / Environmental legal compliance	P.57		See verification report pages 186-187
			ISA's indicator: % of compliance with environmental legal guidelines by affiliate				
				P.59			



Chapter	Company relevant issue	GRI Aspect	GRI Indicators	Page / Answer	Omission	External Assurance
Management with our employees	Attraction and retention of human talent	Not applicable	* ISA's indicator: Number of promotions.	Management with our employees / Attraction and retention of talent  <b>P.64</b>		
			* ISA's indicator: Number of salary movements.			
	Training and development of employees	Training and education	LA9. Average of annual hours of training by employee, by gender and broken down by employee category.	Management with our employees / Training and development of employees  <b>P.65</b>		See verification report pages 186-187
			* ISA's indicator: Total hours of training.			
			* ISA's indicator: Investment in training			
			* ISA's indicator: Description of training programs.			
	Health and safety protection of employees and generate welfare	Occupational health and safety	* ISA's indicator: Investment in management of occupational risk and keep employees under proper health conditions.	Management with our employees / Welfare, health and safety activities <b>P. 70</b>		
			LA5. Percentage of all workers represented in health and safety executive-employee committees, organized to provide assistance in control and advise on health and safety programs	Management with our employees / Welfare, health and safety activities / Joint Occupational Health Committee (Comité Paritario de Salud Ocupacional -COPASO-) <b>P. 70</b>		See verification report pages 186-187
			LA6. Rates of absenteeism, occupational diseases, lost days and number of work-related fatalities by region and by gender	Management with our employees / Welfare, health and safety activities / Labor Accidents and Absenteeism <b>P. 70</b>	There is no report on any possible fatalities	
	Ensure welfare of employees and their families	Employment	LA2. Social benefits for full-time employees not offered to temporary or mid-time employees, broken down by main activity.	Management with our employees / Ensure welfare of employees and their families <b>P. 73</b>	There is no report on whether benefits are offered to temporary or mid-time employees	See verification report pages 186-187



Chapter	Company relevant issue	GRI Aspect	GRI Indicators	Page / Answer	Omission	External Assurance
Management with our employees	Participation mechanisms	Freedom of association and collective bargaining	HR4. Company's and suppliers' activities in which the right to freedom of association and collective bargaining might be at significant risk, and measures adopted to support these rights.	Management with our employees / Participation mechanisms <b>P. 74</b>	Limitations to freedom of association at ISA's suppliers is not reported	See verification report pages 186-187
			LA11. Percentage of employees that receive regular assessments on performance and professional development, by gender.	Management with our employees / Participation mechanisms / Performance management <b>P. 78</b>		See verification report pages 186-187
			* ISA's indicator: Results on Organizational Climate measurement.	Management with our employees / Participation mechanisms / Organizational climate <b>P. 76</b>		



Chapter	Company relevant issue	GRI Aspect	GRI Indicators	Page / Answer	Omission	External Assurance	
Management of suppliers	Transparency in contracting suppliers and contractors	Not applicable	* ISA's indicator: Number of contracting processes above 100SMLV.	Management of suppliers / Transparency in contracting suppliers and contractors P. 41			
	Development of and advice to suppliers	Not applicable	* ISA's indicator: Description of actions to improve competitiveness and quality of services provided by its suppliers.	Management of suppliers / Development and advice to suppliers P. 104			
	Assessment of suppliers: how is management and performance measured	Not applicable	* ISA's indicator: Description of guide to define criteria and methodology for performance management of suppliers and contractors during retention, performance and termination of contracts.				
	Advice of suppliers and contractors for Health, Safety and environmental management	Indirect economic impacts		EC8. Significant indirect economic impacts, including the extent of impacts.	Management of suppliers / Advice to suppliers and contractors for Health, Safety and Environmental Management / Amount of jobs and wages generated by contractors P. 108		See verification report pages 186-187
				ISA's indicator: Amount of chemicals used by contractors.	Management of suppliers / Advice to suppliers and contractors for Health, Safety and Environmental Management/ Amount of chemicals used by contractors. P. 110		
				ISA's indicator: Amount of hazardous waste generated by contractors.	Management of suppliers / Advice to suppliers and contractors for Health, Safety and Environmental Management / Amount of hazardous waste generated by contractors P. 108		
				* ISA's indicator: Number of suppliers advised on Health and Safety and environmental management.	Management of suppliers / Advice to suppliers and contractors for Health, Safety and Environmental Management P. 109		
			* ISA's indicator: Number of contracts subject to field monitoring.	Management of suppliers / Advice to suppliers and contractors for Health, Safety and Environmental Management			

Chapter	Company relevant issue	GRI Aspect	GRI Indicators	Page / Answer	Omission	External Assurance
Management with customers	Internal and external customer's satisfaction	Labeling of products and services	PR5. Results of surveys measuring customer's satisfaction.	Management with customers / Internal and external customer's satisfaction  P. 113		See verification report pages 186-187
	Provide service with high levels of reliability, availability and safety	Not applicable	* ISA's indicator: Results of indicators related with high levels of reliability, availability and safety	Management with customers / Provide service with high levels of reliability, availability and safety  P. 113		
	Keep reliable, prompt and timely communication	Not applicable	* ISA's indicator: Description of mechanisms for relations with customers.	Management with customers / Keep reliable, prompt and timely communication  P. 116		
	Promote operational excellence	Not applicable	* ISA's indicator: Description of national and international procedures and standards to implement best practices to secure the provision of services with rigor and excellence	Management with customers / Promote operational excellence  P. 116		





Chapter	Company relevant issue	GRI Aspect	GRI Indicators	Page / Answer	Omission	External Assurance
Management with communities	Contribute to social welfare of communities where there is presence	Indirect economic impacts	EC8. Significant indirect economic impacts, including the extent of those impacts.	Management with communities / Contribute to social welfare of communities where there is presence <b>P. 85</b>	% of operations is not reported, but the number of municipalities and departments with social programs is reported.	
	Development of public and private partnerships	Not applicable	ISA's own. Description of public-private partnerships.	Management with communities / Development of public and private partnerships		
	Social management in the lifecycle of assets	Not applicable	ISA's indicator: Description of programs for social management in the lifecycle of assets.	Management with communities / Social management in the lifecycle of assets		
	Management of Social Risk and Human Rights	Not applicable	ISA's indicator: Number of events reported by the Territorial Observatory	Management with communities / Management of social risk and Human Rights <b>P.100</b>		
	Presence with investment in area of influence of business	Local communities	SO1. Percentage of operations with implementation of local participation mechanisms, impact assessments and development programs.	Management with communities / Presence with investment in area of influence of business <b>P.84</b>		See verification report pages 186-187
			ISA's own. % of coverage of social management in other areas outside the direct influence areas.			
			ISA's indicator: Number of alliances.			
			* ISA's indicator: Money invested in the area of influence of the business.			



## GRI GENERAL INDICATORS

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Strategy and analysis</b>			
G4.1 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization	* CEO's Letter	Not applicable	
G4.2 Description of key impacts, risks, and opportunities.	* CEO's Letter * Strategy and analysis"	Not applicable	
<b>Organizational Profile</b>			
G4.3 Report the name of the organization.	* Interconexión Eléctrica S.A.	Not applicable	
G4.4 Report primary brands, products and/or services.	* Organization's profile / Multilatina leader	Not applicable	
G4.5 Report location of the organization's headquarters.	* Calle 12 Sur 18 -168. Medellín, Colombia	Not applicable	
G4.6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	* Organization's profile / Multilatina leader	Not applicable	
G4.7 Nature of ownership and legal form.	* Organization's profile	Not applicable	
G4.8 Markets served (including geographic breakdown, sectors served, and types of customers).	* Organization's profile / Multilatina leader	Not applicable	
G4.9 Report scale of organization, including: <ul style="list-style-type: none"> <li>▪ Number of employees</li> <li>▪ Total number of operations</li> <li>▪ Net sales or revenues</li> <li>▪ quantity of products or services offered</li> </ul>	* Organization's profile	Not applicable	
G4.10 Report the following employment information: <ul style="list-style-type: none"> <li>▪ Report the total number of employees by employment type and gender.</li> <li>▪ Report the total workforce by region and gender.</li> </ul>	* Management with our employees / Employment	Not applicable	

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Organizational profile</b>			
G4.11 Report the percentage of employees covered by collective bargaining agreements.	* Management with our employees / Participation mechanisms / Participation of workers in union organizations	Not applicable	
G4.12 Describe the organization's supply chain.	Economic management / Economic management in the supply chain	Not applicable	
G4.13 Significant changed during the reporting period regarding the organization's size, structure, ownership or its supply chain.	* 2013 is the year of transition of the company, giving rise to INTERCOLOMBIA and ISA as new parent company of the business group. This process will be consolidated in 2014.	Not applicable	See verification report pages 186-187
G4.14 Description of how the precautionary approach or principle is addressed by the organization.	* Governance / Risk management	Not applicable	
G4.15 Externally developed economic, environmental and social principles or programs, or other initiatives to which the organization subscribes or which it endorses.	* Management with communities / Contribute to social welfare of communities where there is presence	Not applicable	
G4.16 Memberships of associations (such as industry associations) and/or national and international organizations supported by the organization.	* Organizational profile	Not applicable	

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Identified material aspects and boundaries</b>			
G4.17 List all entities included in the organization's consolidated financial statements and report whether any of these entities is not covered in the sustainability report.	* See annual report (specify page)	Not applicable	See verification report pages 186-187
G4.18 Explain the process for defining the report content and the aspects to be reported.	* Material aspects and coverage	Not applicable	
G4.19 List all material Aspects identified in the process for defining the report content.		Not applicable	
G4.20 For each material Aspect, report whether it is material for the whole organization. Otherwise, report which aspect is not material for any of the entities of the organization.		Not applicable	
G4.21 For each material Aspect, report whether it is material outside the organization.		Not applicable	
G4.22 Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	* In year 2012 there was an error in the SF6 measurement.	Not applicable	
G4.23 Significant changes from previous reporting periods in the scope, coverage or appraisal methods applicable to the report.	* New indicators are considered according to that suggested by guide GRI G4.	Not applicable	

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Stakeholders</b>			
G4.24 Provide a list of stakeholder groups engaged by the organization.	* Stakeholders' participation	Not applicable	See verification report pages 186-187
G4.25 Report the basis for identification and selection of stakeholders with whom to engage by the organization.	* Stakeholders' participation	Not applicable	
G4.26 Approach to dialogue with stakeholders, including frequency of their participation by type of stakeholder group, and an indication of whether any of the dialogues was made as part of the report preparation process.	* Stakeholders' participation / Approach on dialogues	Not applicable	
G4.27 Key topics and concerns that have been raised through the dialogues with stakeholders and how the organization has responded to those key topics through its reporting. Report the stakeholder groups that raised each of the key topics.	* Stakeholders' participation / Frequency and improvement of the dialogue ability	Not applicable	

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
Report profile			
G4.28 Reporting period for information provided.	* Report profile	Not applicable	See verification report pages 186-187
G4.29 Date of most recent previous report.	* Report profile	Not applicable	
G4.30 Reporting cycle (annual, biennial)	* Report profile	Not applicable	
G4.31 Contact point for questions regarding the report or its contents.	* Report profile	Not applicable	
G4.32 Report the “in accordance” GRI option the organization has chosen (Core-Comprehensive). Report the GRI Content Index.	* Report profile	Not applicable	
G4.33 Report the policy or approach of the company for external assurance of the report.	* Report profile	Not applicable	

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Governance</b>			
G4.34 Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for monitoring economic, social and environmental matters.	* Governance <a href="#">See link here</a>	Not applicable	
G4.35 Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	* Governance		
G4.36 Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	* Governance		See verification report pages 186-187
G4.37 Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	* Governance		
G4.38 Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> <li>▪ Executive and non-executive</li> <li>▪ Independence</li> <li>▪ Tenure on the governance body</li> <li>▪ Gender</li> <li>▪ Membership of minorities</li> <li>▪ Competencies relating to economic, environmental and social impacts.</li> </ul>	<a href="#">See link here</a>		

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Governance</b>			
G4.39 Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization and the reasons for this arrangement).	* Chairman of the Board Santiago Montenegro Trujillo, is an independent member and does not hold any executive position.		
G4.40 Report the nomination and selection processes for the highest governance body and its committees and the criteria used for the selection, including: <ul style="list-style-type: none"> <li>▪ Whether and how is diversity considered</li> <li>▪ Whether and how independence is considered</li> <li>▪ Whether and how Experience relating to economic, environmental and social topics is considered.</li> <li>▪ Whether and how stakeholders are involved.</li> </ul>	<a href="#">See link here</a>		See verification report pages 186-187
G4.41 Processes for the highest governance body to ensure conflicts of interest are avoided.			
G4.42 Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.			
G4.43 Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.			
G4.44 Procedures for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency.			

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Governance</b>			
G4.45 Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.			
G4.46 Report the highest governance body's role in reviewing the effectiveness of the risk management processes for economic, environmental and social topics.			
G4.47 Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.			
G4.48 Report the highest committee or position that formally reviews and approves the sustainability report and ensures that all material aspects are covered.	* Governance		
G4.49 Report the process for communicating critical concerns to the highest governance body.			
G4.50 Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.			
G4.51 Report the remuneration policies for the highest governance body and senior executives: <ul style="list-style-type: none"> <li>▪ Performance-based pay</li> <li>▪ Equity-based pay</li> <li>▪ Bonuses</li> </ul>	* Fees for assistance to each meeting of the board or board committee consist in four and a half legal minimum monthly salaries in effect.		

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Governance</b>			
<ul style="list-style-type: none"> <li>▪ Termination payments</li> <li>▪ Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives</li> </ul>			
G4.52 Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration.	* Governance	There are no consultants involved in determining the remuneration.	
G4.53 Report how stakeholders' views are taken into account regarding remuneration, including the results of votes on remuneration policies and proposals.			See verification report pages 186-187
G4.54 Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees			
G4.55 Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual compensation for all employees.			

GENERAL ASPECTS OF REPORT	PAGE / ANSWER	OMISSION	EXTERNAL ASSURANCE
<b>Ética e integridad</b>			
G4.56 Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	* Ethics	Not applicable	
G4.57 Report the internal and external mechanisms for seeking advice on ethical behavior and organizational integrity, such as help lines or advice lines.	* Ethics		
G4.58 Report internal and external mechanisms for reporting concerns about unethical or unlawful behavior, such as escalation through line management, whistle blowing mechanisms or hotlines.	* Ethics		See verification report pages 186-187

## INDEPENDENT REVIEW REPORT

Independent review on ISA's 2013 Sustainability Report.

### Scope of our work

We conducted our review on the compliance of the contents of the 2013 Sustainability Report with the Guidelines for the preparation of Sustainability Reports under the Global Reporting Initiative (GRI) version 4.0 (G4).

### Standards and verification processes

We have performed our work according to the ISAE 3000 standard

- International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC).

Our review work has comprised formulating questions to the Management, as well as to diverse areas from ISA participating in the preparation of the sustainability report, and the implementation of certain analytical procedures and screening tests by sampling as described below:

- Interviews with ISA's staff about principles, systems and management approaches applied to prepare the report.

- Analysis of how are defined the contents, structure and indicators of the report, based on the materiality exercise, as suggested by the GRI G4 methodology.

- Participation in the engagement processes with stakeholder groups, ensuring transparency of dialogues and revising that those topics addressed are included in the exercise of materiality of the company.

- Analysis of processes to collect and validate data disclosed in the Report.

- Checking through screening tests based on the selection of a sample of quantitative and qualitative information corresponding to GRI and ISA's own indicators included in the Sustainability Report and their proper compilation from the data supplied by ISA's information sources.

### Confirmation that the Sustainability Report is prepared in accordance with GRI G4 version

#### General aspects

It was confirmed that the report meets the requirements of essential option of the general aspects under the GRI G4 version.

#### Specific aspects

We reviewed the management approach and GRI indicators of the following material topics

**Deloitte.**

**Deloitte.**



## Responsibility of ISA's Management and Deloitte

- The preparation of the Sustainability Report and its contents are the responsibility of the organization, which is also responsible to define, adapt and keep the management and internal control systems from which information is collected.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- This report has been prepared solely in the interests of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the company's management.
- We have conducted our work in accordance with the standards of independence required by the Code of Ethics of the International Federation of Accountants (IFAC).
- The Scope of a limited review is substantially less than an audit. Therefore, we will not provide our audit opinion on the Sustainability Report.

DELOITTE & TOUCHE LTDA.  
Jorge Enrique Múnera D.  
Socio

Bogotá, Marzo 2014

Material aspects	GRI Indicator
Compensation and remuneration of employees	EC5, LA13
Economic management in the supply chain	EC9
Management with shareholders	There is no related GRI indicator
Environmental impacts	EN3, EN8, EN23, EN24, EN34
Protection of ecosystems	EN13
Climate change	EN15, EN16, EN17, EN19
Environmental legal compliance	EN29
Attraction and retention of human talent	There is no related GRI indicator
Training and development of employees	LA9
Health and safety protection of employees and generate welfare	LA5, LA6,
Ensure welfare of employees and their families	LA2
Participation mechanisms	LA11, HR4
Transparency in contracting suppliers and contractors	There is no related GRI indicator
Development of and advice to suppliers	There is no related GRI indicator
Assessment of suppliers: how is management and performance measured	There is no related GRI indicator
Advice of suppliers and contractors for Health, Safety and environmental management	EC8
Internal and external customer's satisfaction	PR5
Provide service with high levels of reliability, availability and safety	There is no related GRI indicator
Keep reliable, prompt and timely communication	There is no related GRI indicator
Promote operational excellence	There is no related GRI indicator
Monitoring of suppliers on ethics, human rights, security and environmental management	HR1,HR11, EN33, LA15
Promotion of ethical principles and Human Rights in suppliers	There is no related GRI indicator

Asuntos materiales	Indicador GRI
Management and promotion of Human Rights	There is no related GRI indicator
Contribute to social welfare of communities where there is presence	EC8
Development of public and private partnerships	There is no related GRI indicator
Social management in the lifecycle of assets	There is no related GRI indicator
Management of Social Risk and Human Rights	There is no related GRI indicator
Presence with investment in area of influence of business	SO1

## Conclusions

As a result of our review, no evident aspect has been found that would lead us to believe that the Sustainability Report contains significant errors or that it has not been prepared in accordance with the Guide for the preparation of Sustainability Reports under the Global Reporting Initiative (G4) in its Essential version.

## Recommendation

Additionally, we have submitted our recommendation to ISA concerning the areas for improvement to strengthen the processes, programs and systems related with the sustainability management. The most important recommendation relates to:

- Socialize to the internal and external stakeholder groups the material aspects identified that will ensure the medium and long-term sustainable management of the business.

**Deloitte.**





[www.isa.com.co](http://www.isa.com.co)