
Impact Valuation
2025
isa

Main Objetive

Have a quantitative measurement and analysis of the impacts of our businesses on society, which allows us to account for the creation of **SUSTAINABLE VALUE**, and give us inside information for our internal decision-making so that it leads to long-term value creation

Definition of "impact" considered for the analysis

"Positive or negative effects that businesses have on people and society through their operation, their supply chain and through the services they offer" (Social Capital Protocol)

Specific objectives

SPECIFIC OBJECTIVES	WHAT WAS ITS PURPOSE?	
Defining the scope	Identifying and prioritizing the main impacts of the company Group	Defining the scope (e.g. place in the value chain, businesses, and regions of operation)
Developing a conceptual model and capturing information	Setting up an impact valuation model for prioritized impacts	Compilation of available indicators for valuation
Monetizing impacts	Measuring environmental and social benefits in monetary terms	

This exercise began in 2019 under KPMG's "True Value" methodology and is updated year after year, taking official and verified company information as output metrics and using information from official sources such as the IMF, EPA, World Bank, Save Work Australia, among others, as Impact valuation

Work Route

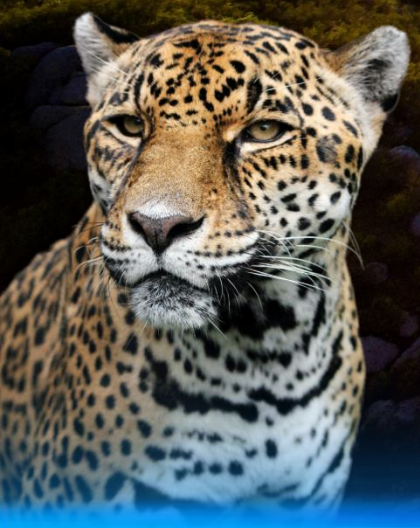
04 ANALYSIS AND REPORTING

IMPACT ASSESSMENT 03

02 DATA COLLECTION AND MONETIZATION

01 DEFINING SCOPE

START



Impact quantification approach - Metodology

Impact (Output metric

x

Context-adapted proxy (Impact valuation)

x

Shareholding Participation

=

Social impact in financial terms (Impact metric)

Impacts and output list

22 IMPACTS IDENTIFIED **13** PRIORITIZED

Environmental impacts	Social impacts	Economic impacts
Biodiversity	Access	Payment to suppliers
GHG scope 1,2,3 emissions and reductions	Health, Safety and Well-being: # Work-related accidents and illnesses by severity	Tax payment
Change in landscape visual appearance	Social investment	Salary and benefits payment
Waste generation	Human Capital Development/Training	Payment to capital suppliers
Air quality	Projects social impact	Innovation
Noise	Change in soil use and value	Economic development
Water resources	Infrastructure impact on users	Good fiscal management
	Institutional strengthening	

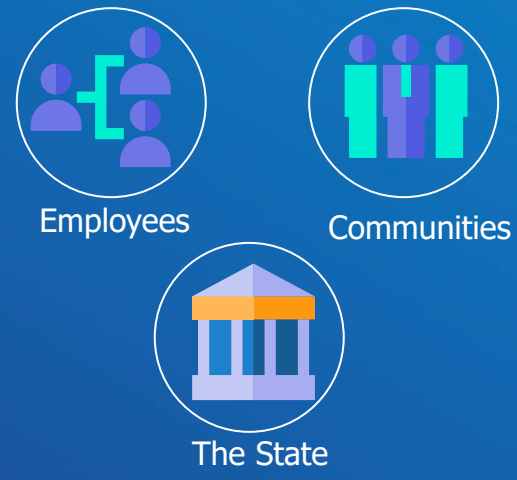
Health, Safety and Well-being

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

Change Theory

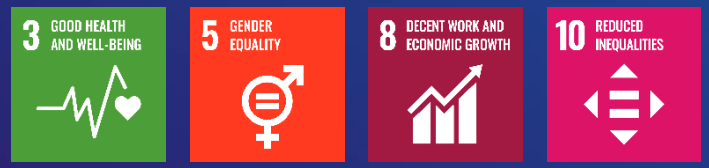
Activity	Product - Result	Cost - Benefit
Occupational injuries and diseases occurring in the construction, operation, maintenance and dismantling of infrastructure	Occupational accidents, diseases and deaths	Costs caused to employees and community impacted by occupational accidents and diseases
Training, information and dissemination of programs on health, safety and well-being.	Better care for health and well-being Reduction of occupational accidents, diseases and deaths	Costs avoided by employees and community by reducing occupational accidents and diseases through ISA's well-being programs

Stakeholders impacted



Related Reputation and Sustainability Areas

Related Sustainable Development Goals



Business units of the Group where impacts are reported

Health, Safety and Well-being

Output metric

Number of work-related accidents and illnesses by severity

Number of work-related accidents and illnesses by severity reduced

Impact valuation

Cost for society of occupational accidents / diseases by severity (COP millions)

Short absence:
Colombia: 4,4
Chile: 6,5
Brasil: 3,9
Bolivia: 2,1
Perú: 3,3

Long absence:
Colombia: 34,3
Chile: 51,2
Brasil: 30,2
Bolivia: 16,4
Perú: 25,5

Fatalities:
Colombia: 2.913
Chile: 4.338
Brasil: 2.559
Bolivia: 1.390
Perú: 2.161

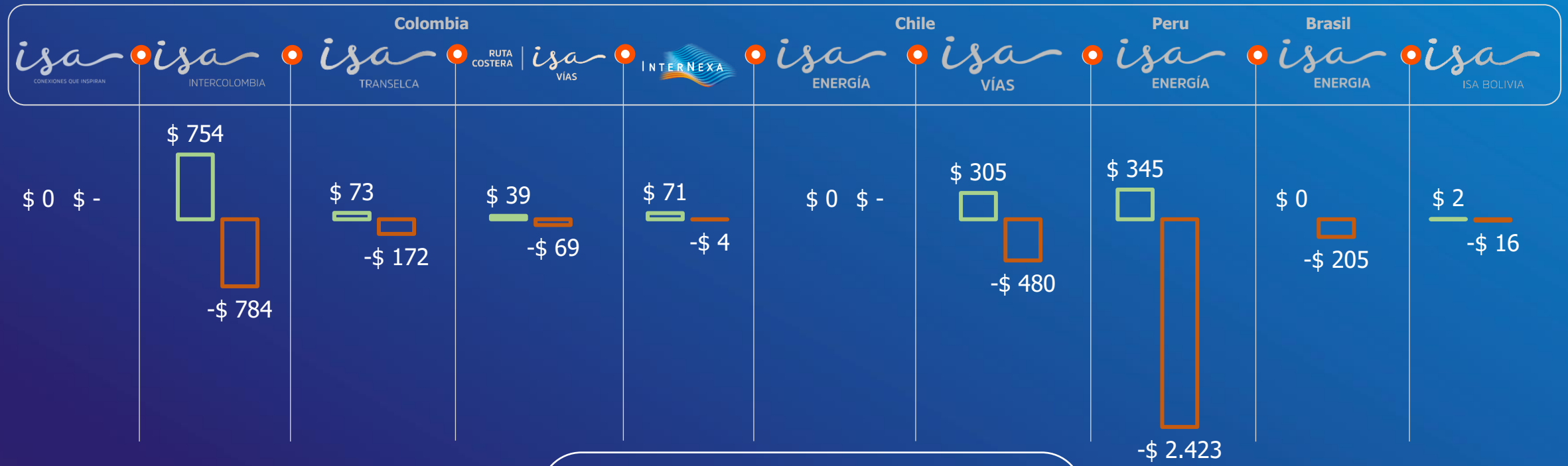
Impact metric

(Impact measured)

Total cost caused/avoided to society for work-related accidents and illness occurred and reduced affecting employees, contractors and third parties

*We annually conduct and evaluate the proxies' source to actualize them

Total cost caused/avoided to society for work-related accidents and illness occurred and reduced



Total Cost caused

-4.153 million COP

Total Cost avoided

1.588 million COP

RESULTS IN COP MILLIONS

Promoter of solutions to facilitate the energy transition and mitigate and adapt to climate change

Negative social impact caused by the generation of greenhouse gas (GHG) emissions and the **positive impact** of reducing, avoiding and/or compensating such emissions through eco-efficiency projects and other initiatives.

	Activity	Product - Result	Cost - Benefit	Stakeholders impacted
Change Theory	Construction and operation activities at ISA and its subsidiaries that require sources of energy, materials and other elements that generate GHG.	Affectation of the climate conditions due to GHG emissions	Social cost generated by GHG emissions and their effects on climate change (rise in sea level, extreme weather events, water scarcity or loss of biodiversity)	Society
	Clean practices, eco-efficiency and compensation, continuously seeking the reduction of emissions	Offsets, carbon capture and reduction of GHG emissions	Social cost avoided by reducing GHG emissions, therefore helping minimize the effects of climate-related events	

Related Reputation and Sustainability Areas

- Contribución proactiva a los desafíos ambientales globales
- Excelencia en el cumplimiento de su actividad
- Liderazgo articulador y capacidad de influencia
- Alianzas estratégicas para la transformación
- Anticipación e innovación
- Compromiso con el desarrollo socioeconómico

Related Sustainable Development Goals

- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 15 LIFE ON LAND
- 17 PARTNERSHIPS FOR THE GOALS

Business units of the Group where impacts are reported

Promoter of solutions to facilitate the energy transition and mitigate and adapt to climate change

CONEXIONES QUE INSPIRAN

Output metric

a) **GHG** Emissions scope 1,2 & 3

b) **GHG** Reduction

c) **GHG** compensated

Impact valuation

Anual Social cost of carbon

USD/TON
2024
45,15

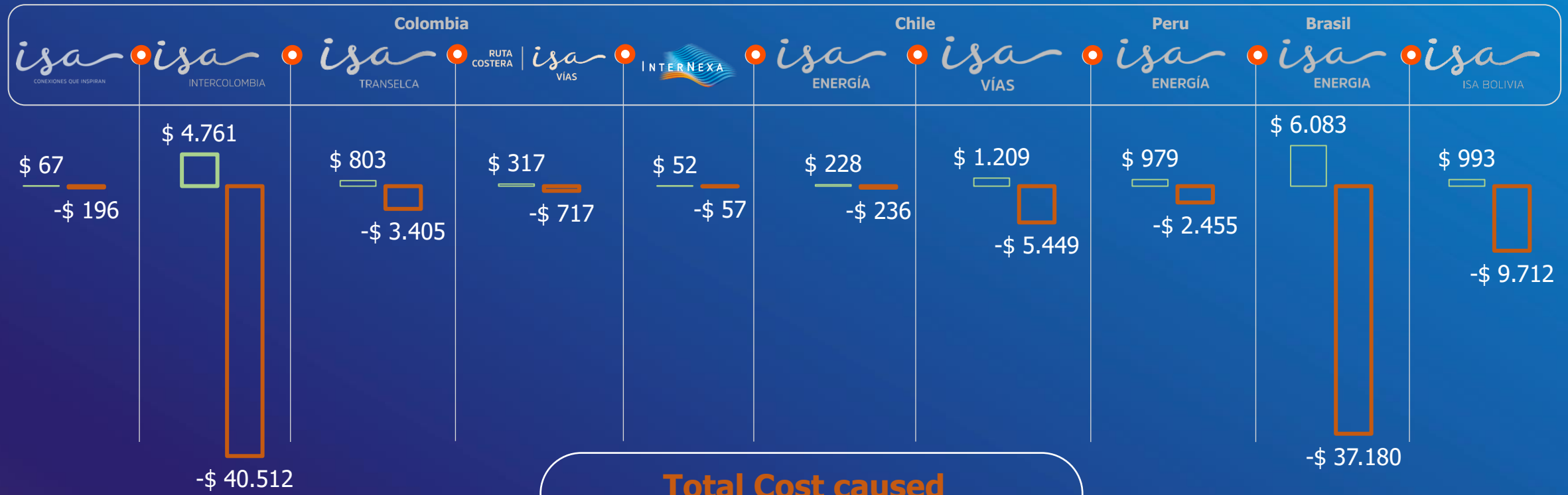
Impact metric

(Impact measured)

Total social cost **caused/avoided** by ISA's GHG emissions

Total social cost caused/avoided by ISA's GHG emissions

RESULTS IN COP MILLIONS



Total Cost caused

-99.918 million COP

Total Cost avoided

15.491 million COP

We use the results of the Impact Valuation for:

- Complement for the evaluation of projects and investments
- Argument for the decision-making process
- Risk management and assessment input
- Selection of suppliers, allies and partners

Thecnical Data Sheet

The impact metric measures the costs to the employees, to the community (including family), and to the government in terms of productivity and taxes losses, health care costs and administrative fees, in millions of Colombian Pesos (COP).

For the positive impact includes the cost avoided by the employees, state and community, thanks to the reduction of work-related accidents (injuries and fatalities) and illnesses for direct and non-direct employees, due to ISA's well-being programs, that includes training, evaluation and investigation of risk situation and dissemination of “learned lessons” and important information on health, safety and well-being, that in 2024 represented a reduction of 35,1% in the TRIF (Total Recordable Injury Frequency) indicator

In the costs (avoided or caused) for employees, the reduction in present and future income that the incident could generate, medical costs, transportation expenses for medical care, costs and procedures were considered. In the case of a fatality, even the costs of a funeral are also considered, for the community, the impacts of social security systems, investigations, transfer and rehabilitation costs that the State would incur are considered.

Thecnical Data Sheet

The impact of GHG emissions is monetized using the social cost of carbon (CSC), which reflects the cost of the damages generated by GHGs due to their incidence in global warming, among which are: changes in agricultural activity, impacts on human health, asset losses from flooding, and the value of ecosystem services due to climate change.

In this case we present impact valuation for the negative impact related to the GHG emissions, and the positive impact related to cost avoided for the reductions and compensation of the greenhouse gases.

The reference study (EPA, 2015) establishes different present value scenarios for future damages caused by climate change, considering different discount rates.