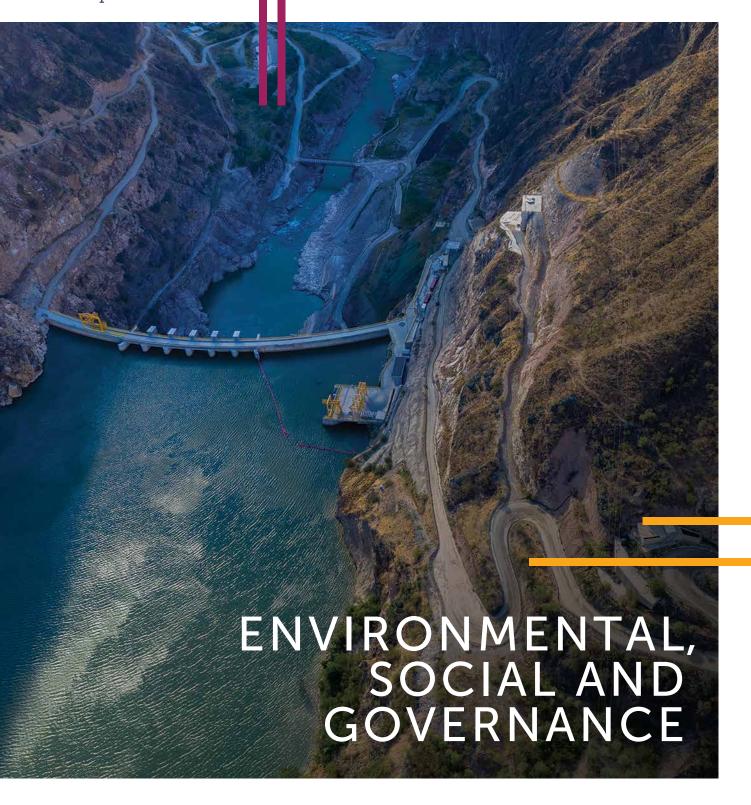


2019

Annual Sustainability Report



LETTER FROM THE CHIEF EXECUTIVE OFFICER



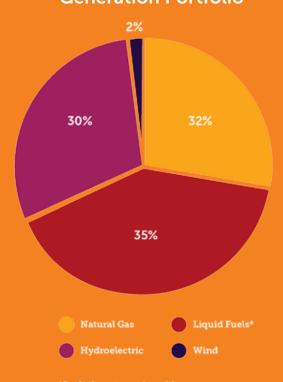
IN 2019 WE INVESTED
OVER 5 MILLION DOLLARS
IN PROGRAMS AND
INITIATIVES TO BENEFIT
THE COMMUNITIES
NEAR OUR OPERATIONS.
MANY IMPORTANT AWARDS
AND RECOGNITIONS FILL US
WITH PRIDE.

Inkia Energy is proud to offer its 2019 Sustainability Report on Environment Social and Governance, focusing on the sustainability performance of all merged assets.

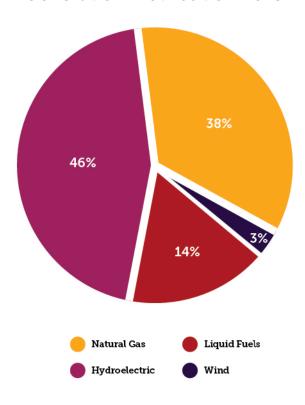
One of the largest private energy companies in Latin America dedicated to the generation, transmission and distribution of electrical energy, as well as the production of hydrocarbons, with more than 5400 MW of installed power generation, 1000 kilometers of transmission lines and 1.8 million customers in the electricity distribution business with presence in 9 Latin American countries, Argentina, Bolivia, Chile, Dominican Republic, El Salvador, Guatemala, Nicaragua, Panama and Peru.

Inkia Energy has diversified generation portfolio that allows us to ensure continuous and reliable electricity for the development of Latin America; 32% natural gas power, 35% liquid fuels, 30% hydroelectric power and 2% wind power. We manage our assets efficiently to generate innovative and sustainable energy solutions that allow us to create value to our stakeholders.

Generation Portfolio



Generation Distribution 2019



We are permanently looking for business opportunities to develop new solutions, suited to the needs of our current and future customers. As part of the company's strategy to continue growing and renewing our business portfolio, in 2019, completed construction and started operations of our Agua Clara wind farm in Dominican Republic (50 MW), started the construction of the Las Flores combined cycle and the upgrade of 2 turbines of Kallpa combine cycle power plant in Peru.

In terms of health and safety at work, the Lost Workday Case Incident Rate (LWDCIR) remained much lower than the industry standard (U.S. Department of Labor), both in the generation and distribution businesses.

Our operations in the generation business continued using low carbon technologies, representing 86% of Inkia Energy's total generation; while 47% of this generation came from hydroelectric and wind power plants. This has allowed us to keep our CO2 emissions at 0.27 tons of CO2/MWh below the standards of the Paris Agreement by 2030 (0.42 tons of CO2/MWh).

In 2019 we invested over 5 million dollars in programs and initiatives to benefit the communities near our operations. Many important awards and recognitions fill us with pride.

Low Carbon Generation



Our challenges for 2020 are to focus on greener generation, expand more in the distribution business and get closer to the end customers, promote energy trading throughout Latin America to develop industrial and commercial clients, boost innovation with new businesses and energy solutions in the Inkia Energy portfolio, enter new countries, implement and standardize new technological tools for our operational and administrative processes, strengthen our culture by defining and promoting behaviors aligned with our cultural principles.

We will continue driving innovation and sustainable growth of our company.

Sincerely,

Willem Van Twembeke Chief Executive Officer Inkia Energy



Safety Performance

Inkia Energy remains focused on attracting, developing and retaining a diverse set of talented individuals across Latin America to provide the reliable electricity our customers and communities need.

Our Safety Culture guides our approach to embedding safety into all areas of our operations. Maintaining safe and healthy working conditions for our employees and contractors is our priority. We seek to consolidate a safety culture based on prevention, with constant assessments of our risks.

Our training programs instruct everyone across each business unit to be accountable for each other's safety and to adopt a proactive approach to avoid hazardous situations. We conduct safety incident investigations and share lessons learned; implement policies and guidelines; and planned emergency responses.

In 2019 we leverage safety initiatives such as, Safety Leaders Program, that promotes the active participation of all employees and contractors by developing safety leadership skills to promote the participation of everyone in the development of a strong safety culture wherein each employee assumes an active role in safety management to protect their integrity, of their coworkers, contractors and our neighboring communities.

Through Inkia Energy safety programs and best practices, we have made significant progress toward reaching our goal of reducing employee injuries. In 2019, we achieved cero fatalities and reduced our Total Recordable Incidents Rate (TRCIR) from 0.75 to 0.43 for both employees and contractors for the

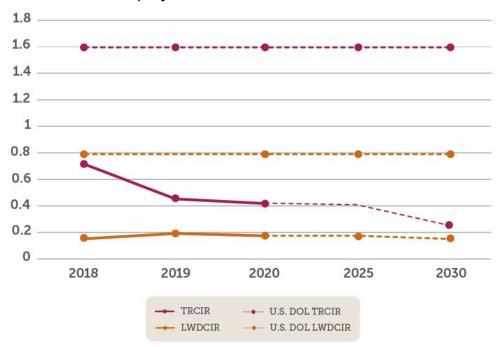
electric generation sector of the business. Our Lost Workday Case Incident Rate (LWDCIR) remained in 0.18. Both indicators are lower than the U.S. Department of Labor (DOL) benchmark of 1.6 for TRCIR and 0.8 for LWDCIR.

In the electric distribution sector, we also achieved cero fatalities and a reduction of our Lost Workday Case Incident Rate (LWDCIR) and Total Recordable Incidents Rate (TRCIR) from 0.39 to 0.12 and 1.59 to 0.78 respectively, for employees and contractors. A noticeable improvement on safety performance in our distribution business, compared with 2018.

Looking forward on progressing toward our medium and long term safety objectives, we will remain vigilant in the review and enhancement of our safety policies and guidelines, continually looking to improve processes to close potential gaps to prevent safety incidents, implementing programs and best safety practices to protect our employees and contractors and taking ownership of our safety processes that provide an organized approach to making decisions based on risks and opportunities across our company.

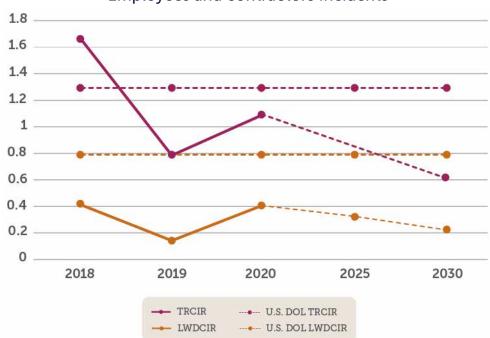
Generation Safety Performance

Employees and contractors Incidents

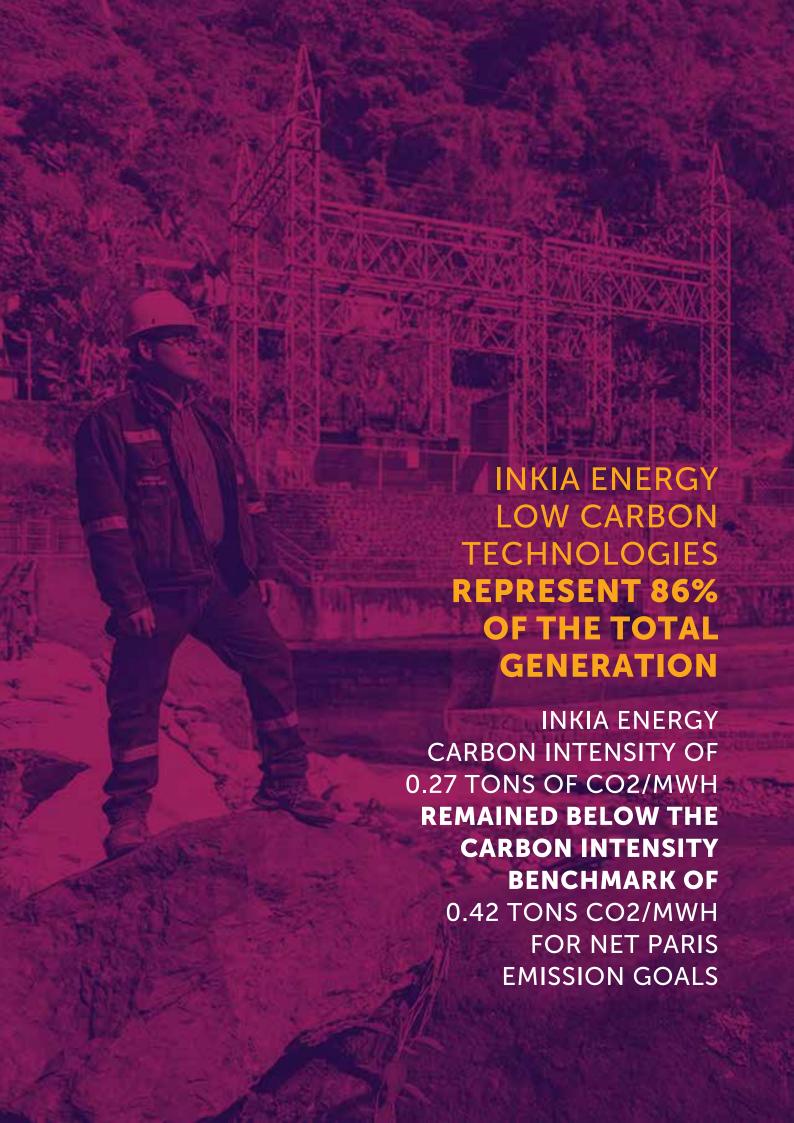


Distribution Safety Performance

Employees and contractors Incidents



REMAINED MUCH LOWER THAN THE INDUSTRY STANDARD (U.S. DEPARTMENT OF LABOR), BOTH IN THE GENERATION AND DISTRIBUTION BUSINESSES





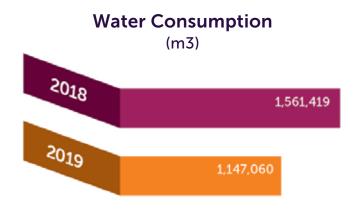
ENVIRONMENTAL STEWARSHIP

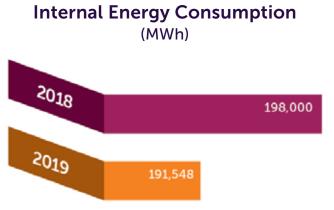
Inkia Energy effective compliance with applicable environmental laws and regulations allows us to maintain a sustainable balance with our environment.

We are continuously assessing our environmental sustainability objectives to establish new actions to reduce CO2 emissions, water consumption, internal energy consumption, industrial wastes, and pursuing partnerships with environmental organizations to maximize common interest with environmentally-sound practices.

In 2019, we properly managed more than 160 operations, environmental, health and safety permits, resulting in cero non-compliance events. We achieved a 27 % reduction in water consumption, 3 % reduction on our internal energy consumption, 31 % reduction on hazardous wastes, and 55 % reduction on non-hazardous wastes, all compared with our 2018 performance.

Water Intensity (m3/MWh) 2018 0.11



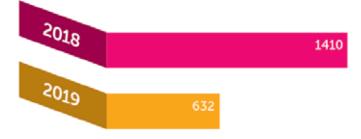


Industrial Solid Wastes (Tons)





Non - Hazardous Wastes (Tons)



One reportable spill was registered in our operations in 2019. The event was reported to the environmental authorities that confirmed proper response, completion of the clean-up actions and no impact to the environment.

Low-Carbon Footprint Strategy

Our ability to adapt to climate change and extreme weather events, such as extended periods of rain or drought, directly affects Inkia Energy long-term success. We pursue initiatives that reduce greenhouse gas (GHG) emissions at achievable rates over time, while also considering impacts to our customers' rates, the economies of our service territories and the reliability that our customers count on. Understanding these concerns, Inkia Energy encourages the efficient

and sustainable use of natural resources. We also promote environmental protection and minimizing our operational environmental footprint to benefit our stakeholders and Inkia Energy long-term success.

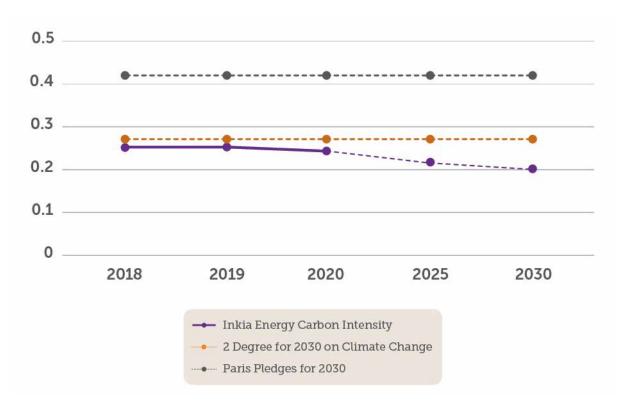
Inkia Energy takes an active approach to reduce our short- and long-term CO2 and other air emissions by adding renewable sources and low-carbon intensity technologies to our generation portfolio (started operations of Agua Clara 50 MW wind farm in Dominican Republic). We are decreasing our CO2 emissions by divesting and disconnecting coal and HFO inefficient thermoelectric power plants from the grid and increasing our renewable portfolio (sold JPPC in Jamaica and PQP in Guatemala, stopped operations in CEPP in Dominican Republic and Kenko in Bolivia).

Further, all our business units have completed CO2 emission inventories and defined targets, which will support future efforts to reduce the carbon footprint of our operations in Latin America. In 2019, our Carbon Intensity of 0.27 tons of CO2/MWh remained better than the carbon intensity benchmark of 0.42 tons CO2/MWh for Paris Pledges for 2030 and 0.28 tons of CO2/MWh for 2 Degree for 2030 on Climate Change.

Looking ahead, we will continue assessing our mediumand long-term environmental sustainability objectives to establish new actions that allow us to further reduce CO2 emissions, water and energy consumption and wastes. We will also remain firmly committed to abiding by all applicable environmental regulations and work diligently to uphold the highest standards of performance throughout all our operations.

Carbon Intensity Benchmark

(Tons CO2/MWh)



| Environmental Objective | 2020 ¹ | 2025 ² | 2030 ² |
|--|-------------------|-------------------|-------------------|
| Reduce Water Consumption | 5% | 15% | 20% |
| Reduce Internal Energy Consumption | 4% | 10% | 15% |
| Reduce Generation of Hazardous Wastes | 2% | 5% | 10% |
| Reduce Generation of Non-Hazardous Wastes | 5% | 20% | 25% |
| Reduce CO2 emissions | 3% | 10% | 15% |

¹⁾ Reduction percentage in relation to 2019 performance

²⁾ Reduction percentage in relation to 2020 performance





Social Responsibility and Community Engagement

Our social license to operate depends on developing positive relationships and strengthening the communities we serve.

We only ensure long-term success by contributing to the prosperity of the regions where we operate by helping our communities through initiatives to improve economic and social wellbeing and achieving a positive effect in the life of our neighbors.

We also promote sustainable social projects that contribute to the growth of neighboring communities and maintaining a relationship of respect and ongoing dialogue. We work closely with local authorities and municipalities to help build a safe and resilient infrastructure in developing areas that will enhance the quality of life of neighboring communities. We also foster a participatory environment that provide opportunities for communities to manage their own development.

We encourage each business unit to design its own community engagement initiatives to construct programs that are sensitive to local cultures, responsive to the needs of our stakeholders and aligned with our socially responsible investment policies, standards and strategic priorities. Our community engagement programs allow community members to articulate their needs and concerns regarding a variety of issues. In 2019, we responded to 95% of valid community concerns received.

Our Social Responsibility Investment guideline provides business units with a process to optimize funding for local social development programs and outlines approaches to social investment at the regional level. Our social investment focuses in the following categories: economic development and entrepreneurship, public safety and health, infrastructure, education and culture, environmental stewardship, strategic contributions and partnership. Some examples of our social investment initiatives by category are:



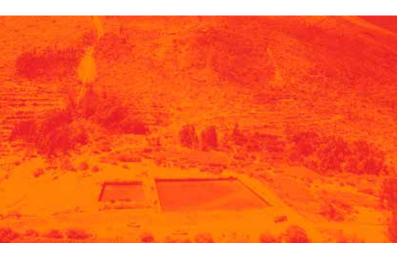
Economic development and entrepreneurship

- Provided opportunities to community microenterprises to participate in execution of civil work projects in the areas of influence of hydroelectric power plants benefiting over 720 families.
- Developed technical, organizational and leadership capabilities of about 550 families engaged in cattle raising, agricultural and fish farming activities.



Public safety and health

- Raised awareness among customers, students and communities regarding the electrical distribution and natural gas transportation process by providing information on the safe use of these services.
- Facilitated quality health care to our neighboring communities through the sponsorship of medical clinics and fire departments with the donation of medical and emergency equipment and supplies benefiting over 55 thousand community members.



Infrastructure

- Provided efficient lighting infrastructure by installing 2860 solar and LED lamps in public access roads and plazas improving security and life quality of over 100 thousand community members.
- Promoted the improvement of water infrastructure for agricultural and domestic purposes improving water availability, accessibility and efficient utilization.
- Contributed to maintaining safe public roads and improving schools and sport facilities through public-private partnerships.



Education and culture

- Provided support to rural and low-income schools to improve education quality and develop sport programs as a mechanism for violence prevention.
- Made available to community members and schools computer technology to improve accessibility to updated information and educational tools for over 330 thousand students.





Environmental stewardship

- Developed initiatives that promote education and advancement of environmental and social awareness and responsible use of natural resources.
- Contributed to the reforestation and preservation for recharge areas of local aquifers.

Strategic contributions and partnership

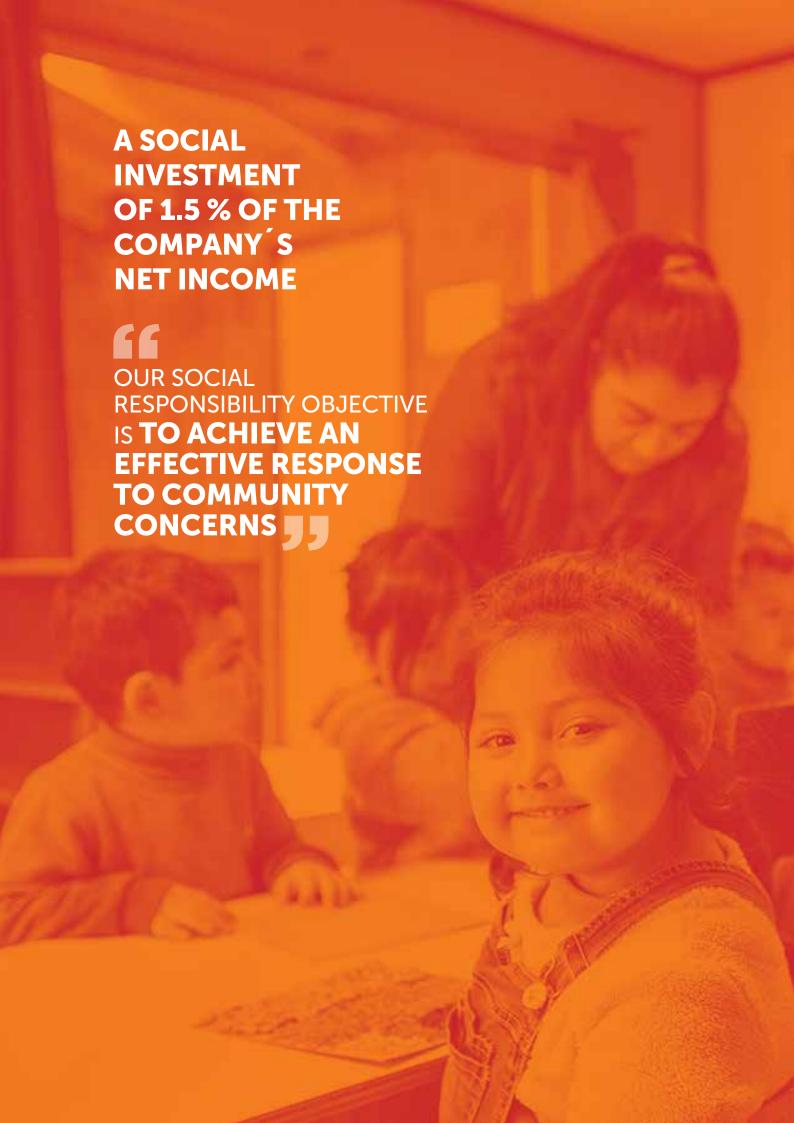
Invested in social programs to respond to the specific needs of the communities where we carry out our operations by identifying opportunities for partnerships with high positive social impact and synergies.

Our social responsibility and community engagement efforts in 2019 continue to benefit thousands of community members each year. More than 325 voluntary social investments and over 2500 community and other stakeholder engagement initiatives were achieved in the areas of direct influence of our operations, with a social investment of over 5 million dollars benefiting more than 1 million members of our communities in 9 Latin American countries.

Looking ahead we are exploring for synergies in the implementation of community development initiatives to create strategic alliances with credited non-governmental organizations, international assistance organizations, schools and universities, technical development and research institutions to ensure long-term success of the regions where we operate. We will continue looking forward to developing strategic alliances with those organizations and achieve our medium- and long-term social objectives.

Social Investment by Category







OPERATIONAL EXCELLENCE

The long-term success of our business and our environmental and social goals depend on our operational excellence that reflects Inkia Energy commitment to sustained high performance and strengthens our ability to provide safe, reliable and responsible energy, thereby enhancing the economic development of the communities we serve.

We enhance operational value through industrial management best practices, the execution of customized asset management strategies at each lifecycle stage, and by utilizing local talent and asset management resources. Our diversified energy matrix allows us to ensure continuous and reliable energy sources to drive the region's economic growth and development.

We are committed to creating sustainable value, where we can offer services suited to the needs of our customers, complying with the highest industry standards, and ensuring the well-being and integrity of our employees, the protection of our environment, and development of the communities in the area of influence of our operations.

We demonstrate this commitment by providing reliable electricity; controlling rising costs, delivering competitive rates to our customers; involving customers and their interests in our activities and decision-making process to the extent practicable; setting expectations and monitoring adherence to ethical corporate values and applicable laws and regulations; collaborating with suppliers to lessen the environmental and social impacts associated with sourcing, manufacturing and delivering products and services as well as the disposal or reuse of materials as they reach their end of life.

We plan our electricity generation to meet market demand and maximize our available resources such as water and fuel. In doing so, we attempt to account for external factors that could influence supply and demand for electricity, including regional economic activity, conservation, governmental regulations, weather and the addition of new generation capacities.

An effective measure of reliable electricity is system availability, which measures the amount of time facilities operate as planned. To achieve this, business units must work together and share best practices that minimize unexpected disruptions, maintenance delays and other mechanical problems. Exceeding our availability targets improves customer satisfaction and retention. In 2019 we achieved a reliability factor of 96.8% on average.

2019 was characterized by the following business and operational achievements that materializes our commitment of operational excellence:

- Started commercial operations of our Agua Clara wind farm (50 MW) in Dominican Republic.
- Las Flores (Peru) combined cycle coversion project began, which will allow the installed capacity to be expanded from 193 MW to 318 MW, improving the efficiency of the plant from 36.6% to 57.2%.
- Increase effective capacity of the Cerro del Águila hydroelectric power plant by 12MW to 567 MW.

We are excited about the opportunities that lie ahead with Inkia Energy as a company firmly dedicated to operational excellence. We will continue working diligently to align our programs and management approach with best industrial management practices socially responsible investment standards, remain focused on improving our industry-leading safety performance and build a more proactive culture of environmental stewardship and compliance to ensure the longterm success of our business.

WE ACHIEVED A RELIABILITY FACTOR OF 96.8% ON AVERAGE.

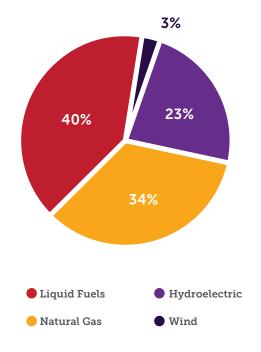




INKENE

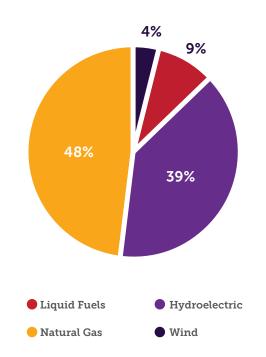
Generation Portfolio

(Installed Capacity)*



*Natural Gas includes Combined Cycle CC operation

Generation Distribution 2019*

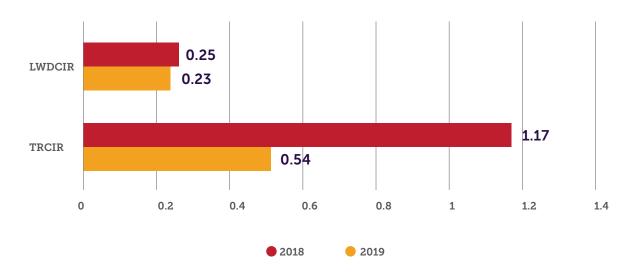


^{*}Natural Gas includes Combined Cycle CC operation

1. Safety Performance

Generation Safety Performance

Employee and Contractors Incidents

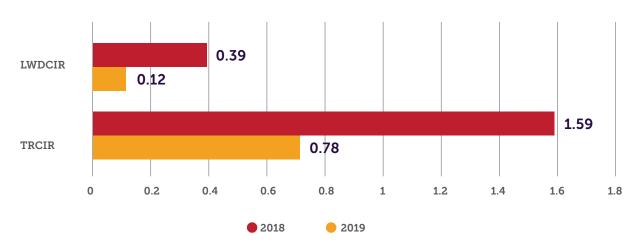


Lost Workday Case Incident Rate (LWDCIR)

Total Recordable Incidents Rate (TRCIR)

Distribution Safety Performance

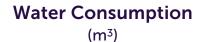
Employee and Contractors Incidents

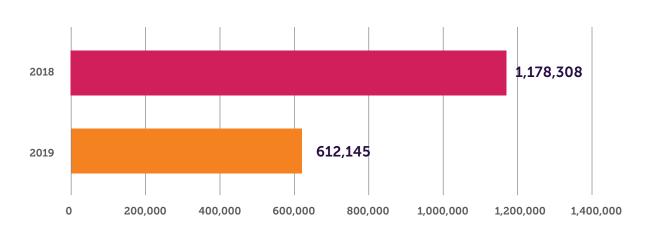


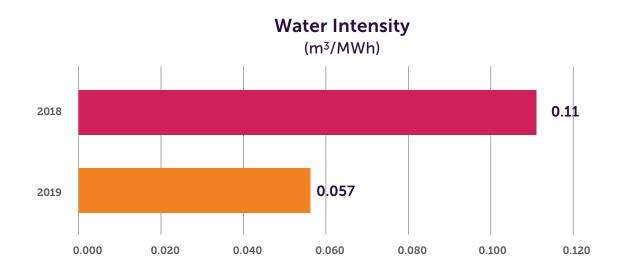
Lost Workday Case Incident Rate (LWDCIR)

Total Recordable Incidents Rate (TRCIR)

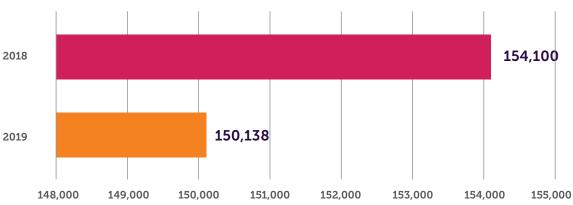
2. Environmental Stewarship





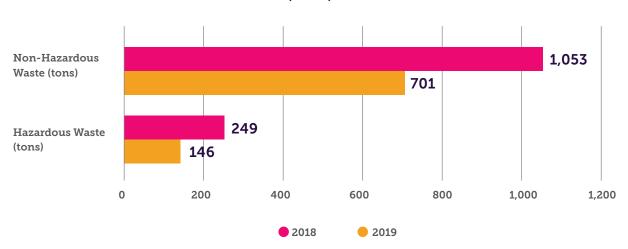


Internal Energy Consumption (MWh)

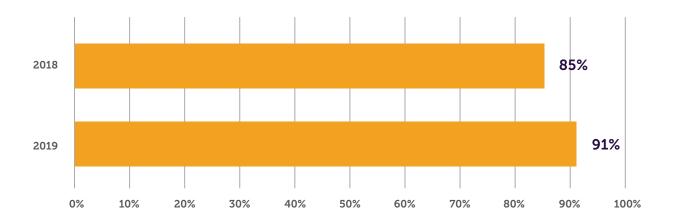


Industrial Solid Waste

(Tons)

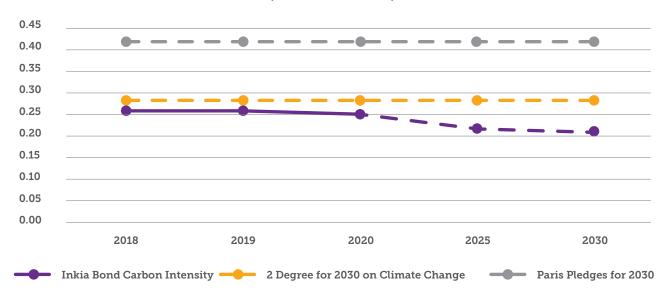


Low Carbon Generation



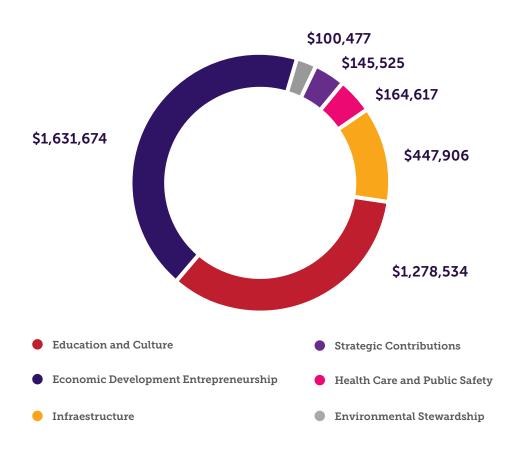
Carbon Intensity Benchmark

(Tons CO₂/MWh)



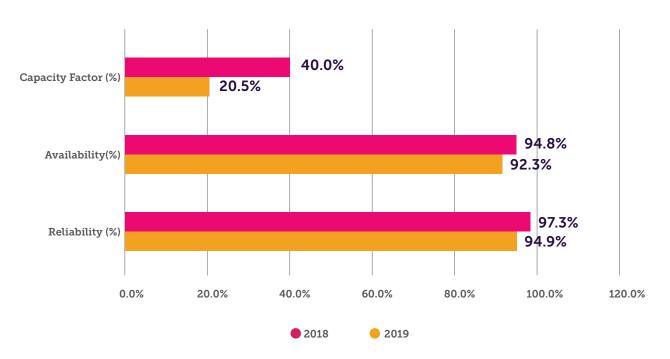
3. Social Responsibility and Community Engagement

Social Investment by Category (US\$)



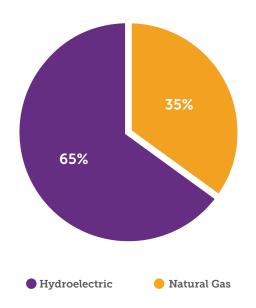
4. Operational Excellence

Operational Performance



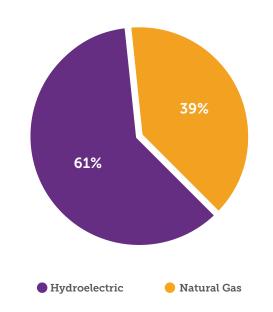
KALLPA

Generation Portfolio (Installed Capacity)*



*Natural Gas includes Combined Cycle CC operation

Generation Distribution 2019*

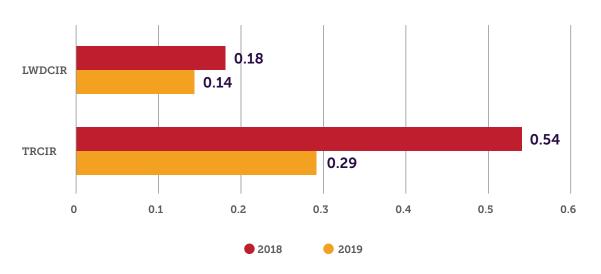


*Natural Gas includes Combined Cycle CC operation

1. Safety Performance

Generation Safety Performance

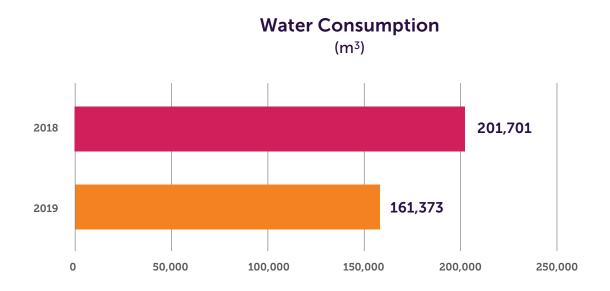
Employee and Contractors Incidents

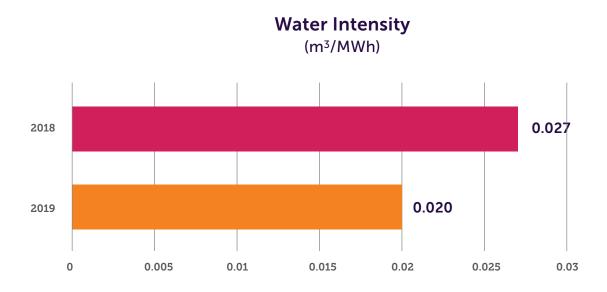


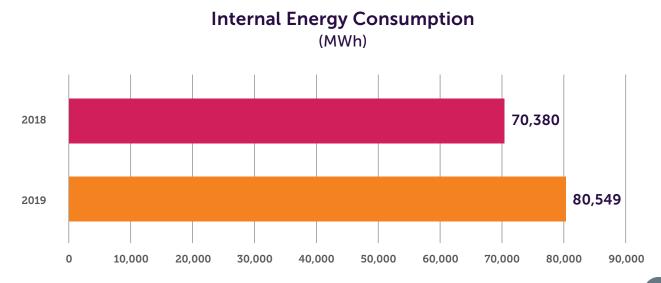
Lost Workday Case Incident Rate (LWDCIR)

Total Recordable Incidents Rate (TRCIR)

2. Environmental Stewarship

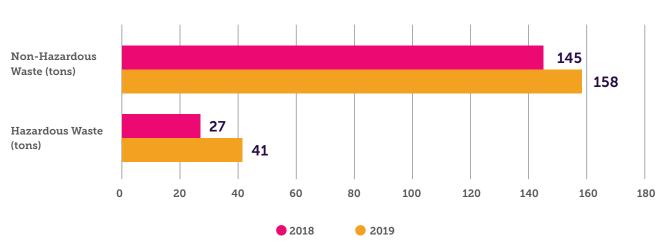




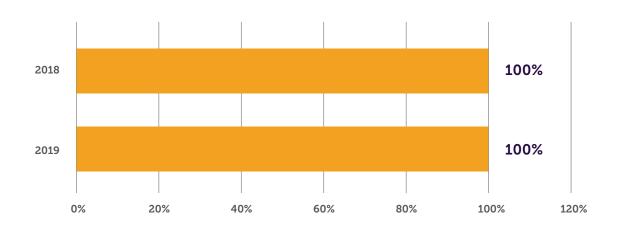


Industrial Solid Waste

(Tons)

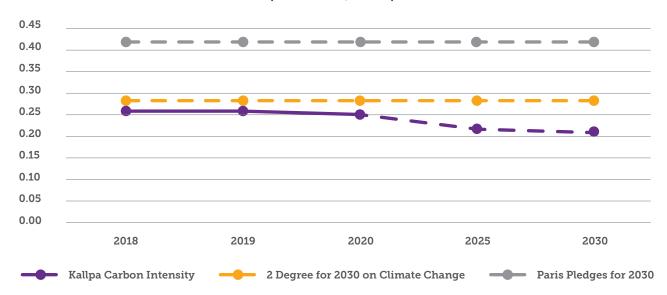


Low Carbon Generation



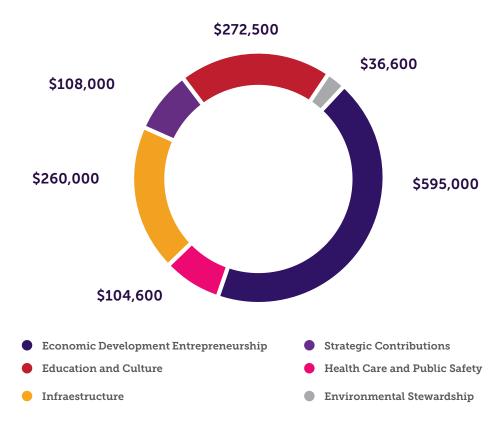
Carbon Intensity Benchmark

(Tons CO₂/MWh)



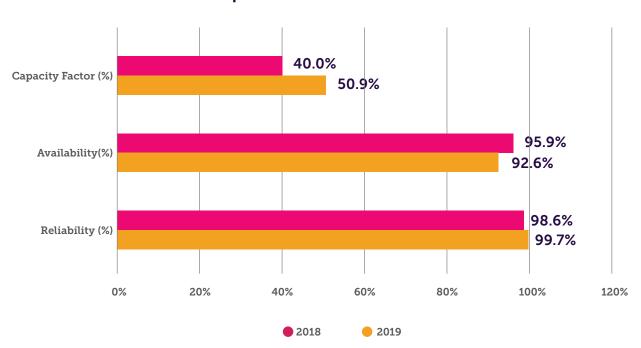
3. Social Responsibility and Community Engagement





4. Operational Excellence

Operational Performance

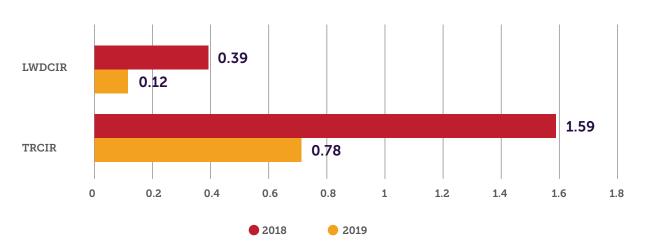


EGUATE

1. Safety Performance

Distribution Safety Performance

Employee and Contractors Incidents

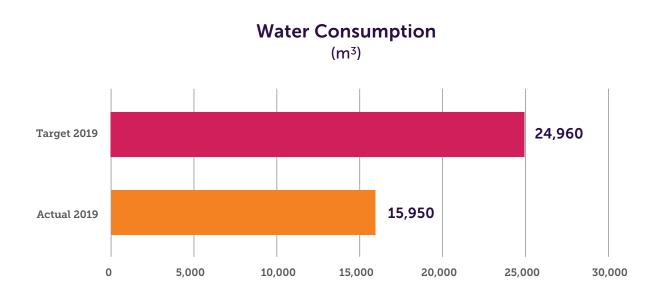


Lost Workday Case Incident Rate (LWDCIR)

Total Recordable Incidents Rate (TRCIR)

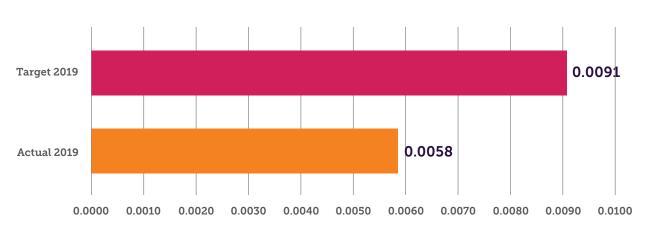
2. Environmental Stewarship

Note: Distribution 2019 Environmental KPIs are compared with set Target for 2019 and not with 2018 performance because these data was not previously recorded for distribution operations.



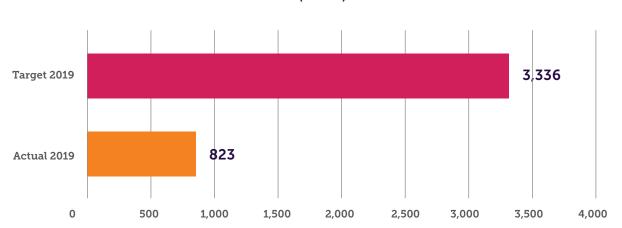
Water Intensity

(m³/MWh)



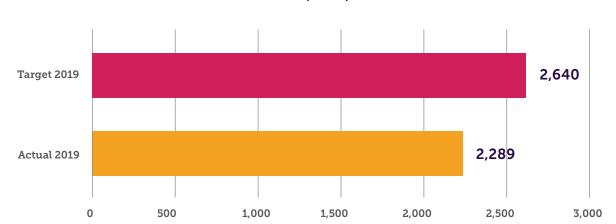
Internal Energy Consumption

(MWh)



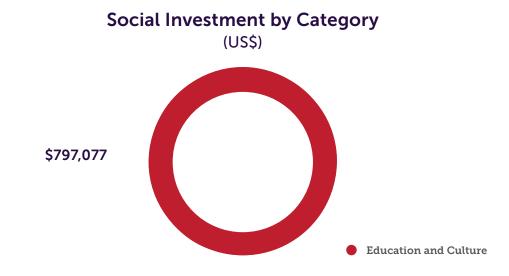


(Tons)

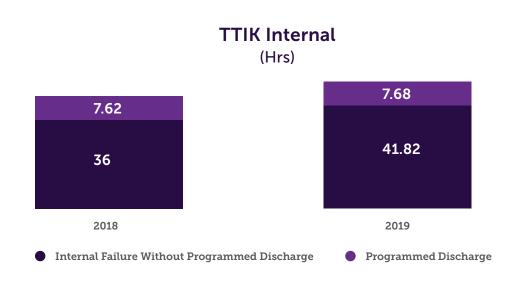


Industrial Solid Waste (Tons) Non-Hazardous 577 Waste (tons) 419 **Hazardous Waste** 24 100 200 300 400 500 600 700 Target 2019 Actual 2019

3. Social Responsibility and Community Engagement

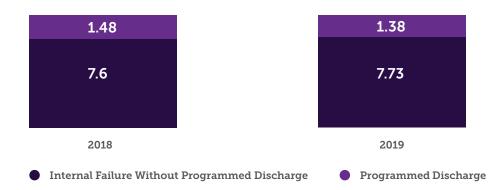


4. Operational Excellence

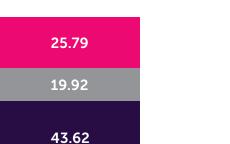


FMIK Internal

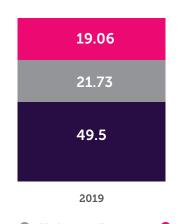
(Times)



TTIK Customer Perception (Hrs)

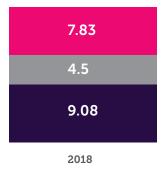


Internal Failure With Programmed Discharge



Unforseen Events
Transport

TTIK Customer Perception (Hrs)



2018

Internal Failure With Programmed Discharge

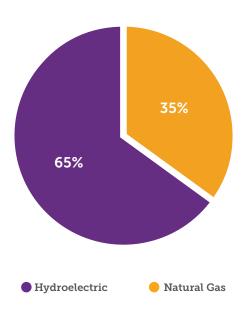


Unforseen Events

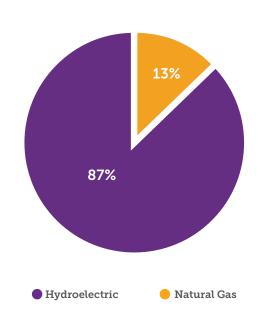
Transport

ORAZEN

Generation Portfolio (Installed Capacity)



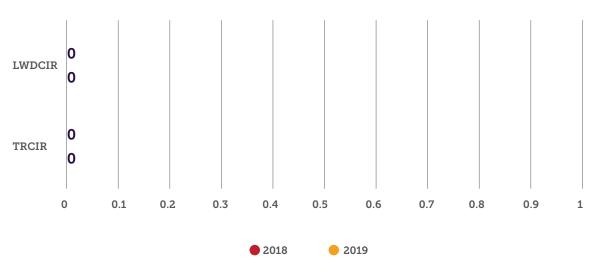
Generation Distribution 2019



1. Safety Performance

Generation Safety Performance

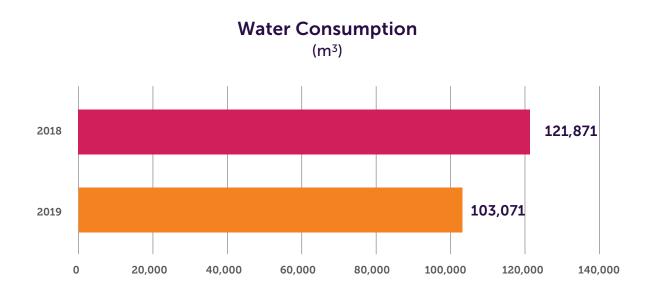
Employee and Contractors Incidents

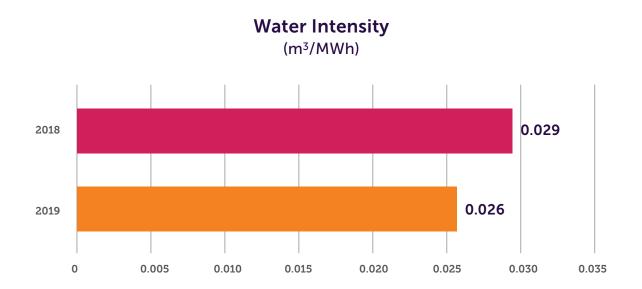


Lost Workday Case Incident Rate (LWDCIR)

Total Recordable Incidents Rate (TRCIR)

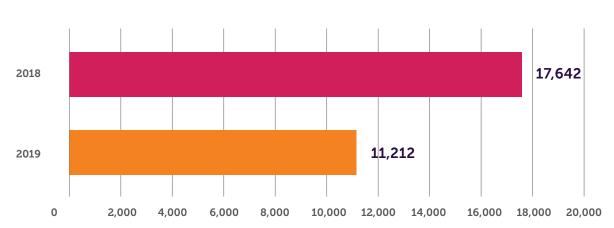
2. Environmental Stewarship



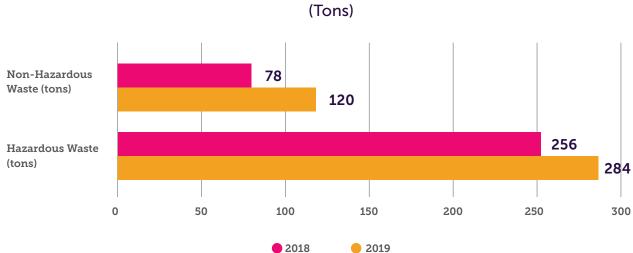


Internal Energy Consumption

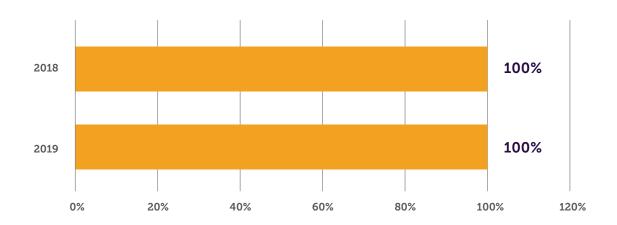
(MWh)



Industrial Solid Waste

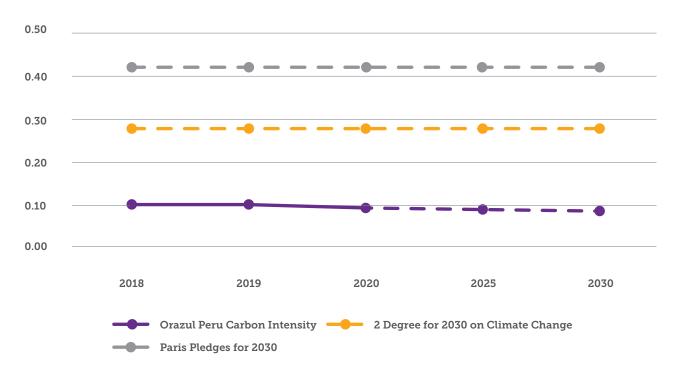


Low Carbon Generation



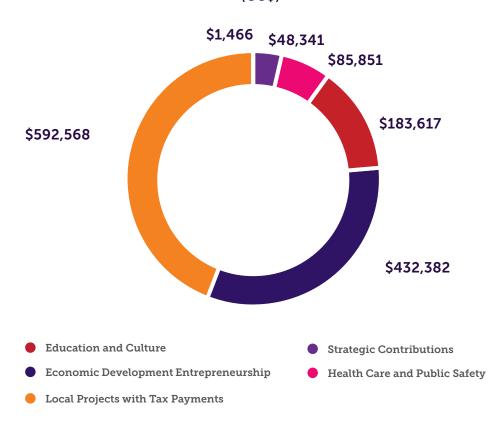
Carbon Intensity Benchmark

(Tons CO₂/MWh)



3. Social Responsibility and Community Engagement





4. Operational Excellence

Operational Performance

