



2021

ANNUAL
SUSTAINABILITY
REPORT

Environmental, Social and Governance



index

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Letter from the Chief Executive Officer

Willem Van Twembeke

• I N K I A E N E R G Y •



It is an honor to present our 2021 Sustainability Report on Environmental, Social and Governance (ESG), focusing on the sustainability performance of Inkia Energy.

2021 still presented COVID-19 challenges to our operating companies with constant changing regulations; however, Inkia Energy maintained a high level of availability by implementing plans that followed strict biosafety protocols, considering vaccination progress, in-country legislation, and industry best practices.

The pandemic has changed our way of working, however, the essence of being accountable and empowered professionals has not changed, but rather has been

strengthened. We are proud to say that our employees **“are the energy that makes the world never stop”**.

Sustainability remains at the core of all our business activities demonstrated by the integration of ESG in our daily decision processes, in our risk assessments, and in our interactions with counterparties.

In order to increase the accuracy and transparency of our operations, in 2021, we enhanced our ESG practices implementing a SASB-based ESG Management Framework; officially committed to set near-term CO₂ reduction targets using SBTi criteria; and initiated formal analysis of potential climate change impacts to our business.

We implemented various social and community development programs, representing an investment of US\$4.9 MM in social programs that benefited more than 1.4 million people in the 8 Latin American countries where we operate.

In terms of occupational health and safety, we continued to improve our performance for both Total Recordable Case Incident Rate (TRCIR) and Lost Workday Case Incident Rate (LWDCIR) which remained for four consecutive years, better than the industry standard (U.S. Department of Labor), both in the generation and distribution businesses.

Our operations in 2021 generated 87.5% of our energy from low carbon intensity technologies (hydro, wind, natural gas combined cycle) that allowed us to keep our CO₂ intensity, tonnes per megawatt-hour, better than the Paris Pledges targets for 2021.

During 2021, our ESG initiatives were honored with several distinctions: Sustainable Development Award (Peru) under the environmental and social management categories; the ProActivo Award (Peru) for educational technological innovation (Kipi robot); the Inclusive Companies Award innovation category; and the Ethics & Compliance Latin American Awards (Guatemala) for our internal programs. We also received several certificates of appreciation from the communities surrounding our wind energy operations Agua Clara, in the Dominican Republic for our community programs

focused on the development of children, youth, and adult women. These recognitions acknowledge Inkia Energy as a socially responsible company and good neighbor, committed to the well-being and sustainable development of our communities.

In 2022 we will continue to enhance the integration of ESG practices reinforcing our compliance and management standards; ensure optimal health and safety management to mitigate risks of incidents for both employees and contractors; continue our decarbonization path towards environmental and operational excellence; maintain our commitment to social responsibility and community engagement; and running our business in accordance with the highest ethical standards.

Our Operations



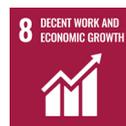
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Governance and Leadership

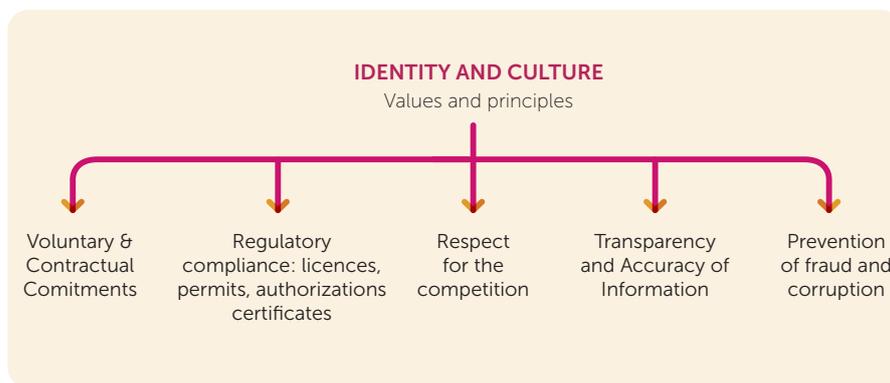


Inkia Energy's Corporate Governance system guides all activities at all levels of the Company. We follow the highest standards of transparency, professionalism, and efficiency to create sustainable value to guarantee the Company's compliance of legal, regulatory contractual and voluntary obligations.



LEADERSHIP

CORPORATE GOVERNANCE (POLICIES & PROCEDURES)



TRAINING & AWARENESS

PREVENTION

MONITORING & SUPERVISION

Inkia Energy fosters a Compliance Culture and implements mechanisms to prevent and mitigate risks to which the Company may be exposed in order

to prevent irregular practices, fraud and corruption, achieve business sustainability, safeguard Company's interests and preserve the integrity of our employees.

The Ethics and Compliance Office is responsible to conduct and oversee these activities and reports directly to the Company's Board of Directors. Performance metrics are presented and discussed at board meetings, and the Inkia Energy Executive Committee and Board of Directors periodically review the Company's Governance.

Corporate Policies & Procedures

Our Code of Conduct, cornerstone of our Corporate Governance, along with our policies, procedures and internal regulations establish the reference framework of our organizational conduct, contain mandatory principles and guidelines to assess and address situations that may arise during our daily responsibilities.

Inkia Energy's Code of Conduct, Suppliers Code of Conduct and Corporate Policies are dully disseminated among employees and available to all stakeholders through out the Company's website.

Our policies and procedures are reviewed on a regular basis to update and enhance them. 2021 new and updated policies include among others:

Human Rights Policy that promotes respect and compliance with the United Nations Guiding Principles on Business and Human Rights, putting the United Nations framework to "protect, respect and remedy" into practice.

Cybersecurity Program designed to protect networks, devices and digital data from attacks, damage or unauthorized access that may cause disruption to our business and operations.

Social and Community Investment Policy that supports our ESG Policy to establish corporate objectives and strategies related to Inkia Energy's social and community investment and engagement.

Risk Management Policy designed to identify, control and reduce our top risks through a mature, risk

intelligent culture that actively sheds unrewarded risks while capturing value from opportunities aligned with Company objectives.

Inkia Energy currently categorizes risk using a framework with three main categories managed by each functional and support area:

Operational Risk: The risk of loss resulting from inadequate or failed internal processes or from external events.

Financial and Transactional Risk: The risk inherent in financing activities, which may impair the ability of the Company to provide adequate return.

Project Risk: Risk of an uncertain event or condition that has a positive or negative effect on one or more project objectives.

Training and Awareness

A new corporate mandatory **onboarding process** was launched in 2021 as part of our training and awareness activities to facilitate insertion and adaptation process of new employees. The onboarding is focused on the Company's organization structure, culture, compliance standards and ESG management. Corporate Onboarding Process covers training, Code of Conduct, Policy Certification and employee Conflict of Interest declaration.

The **Training Program** is updated every year, incorporating new material and topics, considering the maturity of our compliance program, needs, and risk profile of our employees.

Training is complemented by **Communication and Awareness** material, disseminated throughout the year with the objective to bring Compliance concepts closer to employees and position our Compliance Culture in the daily behavior and activities of all employees.

Finally, all employees must annually attest Corporate Policies and update the electronic Conflict of Interest form which contributes to strengthening our culture of transparency, where all employees are responsible for providing relevant information to prevent and manage Conflict of Interest.

Report and Communication Channels

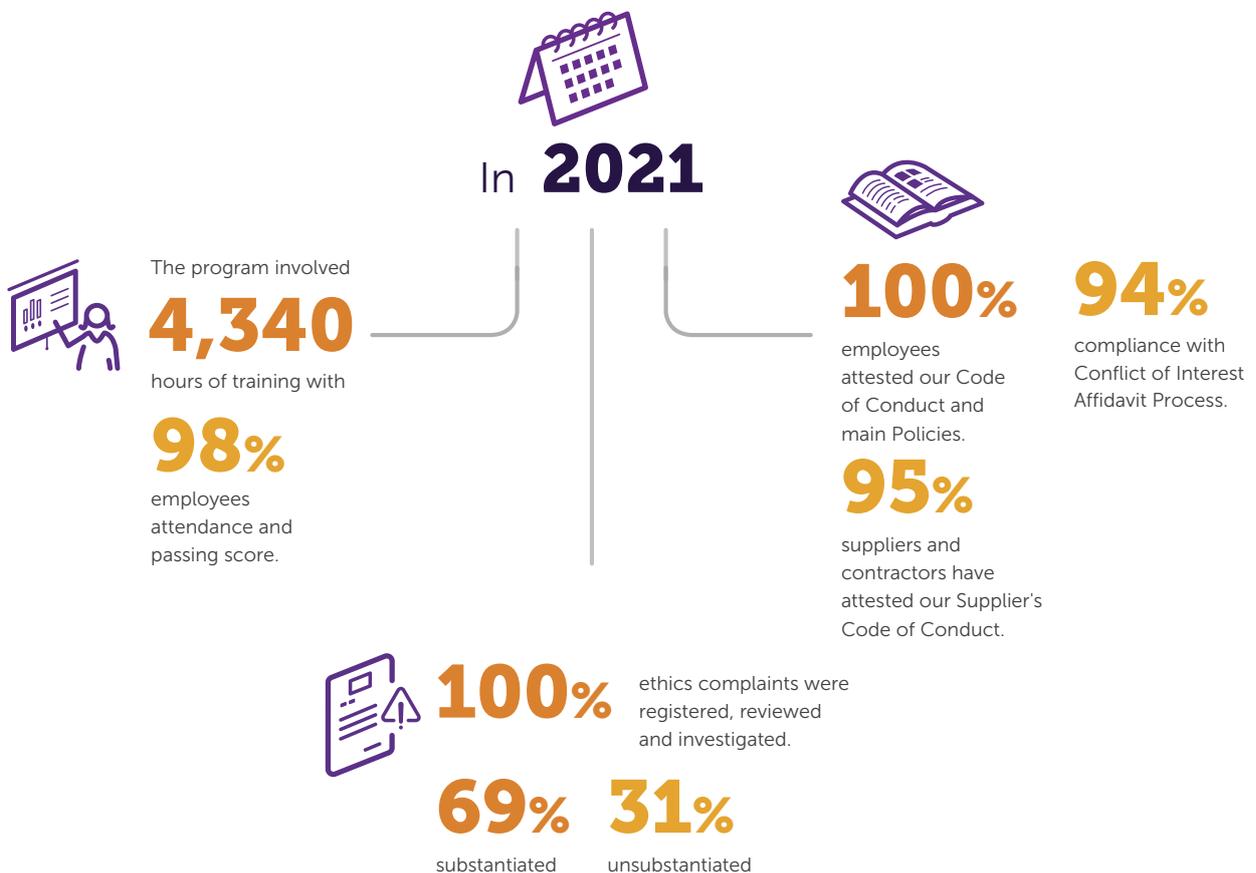
Inkia Energy's Diagnosis Activities promote an open environment where all parties can submit their doubts, complaints, irregularities, and policy breaches. Our communication channels include immediate supervisor, Management, Human Resources Department, Legal Department, Ethics and Compliance Department and **Ethics Line**.

As part of our Compliance Program Response Activities, we conduct breach management, investigations,

oversight and implementation of corrective measures. Actions taken in 2021 as corrective measures were feedback and coaching, training on labor law, awareness of Code of Conduct and conflict of interest, improvement of employment contracts, review of internal regulations and procedures, suppliers' penalties and contract termination, employee disciplinary measures and dismissal.

Third party Risk Management

Through our Due Diligence Process, we identify third parties with whom the Company relates, either occasionally or on a regular basis, by the collection and verification of information of their risk profiles. In 2021 we reviewed and updated our Human Resources and Donations Due Diligence Guidelines. We also launched controls for Human Rights Due Diligence process for our supply chain to guaranty the implementation of key aspects of our Human Rights Policy.



2



Safety Performance



inkia Energy's Corporate Occupational Health and Safety Policy establishes the principles to ensure the advancement of a culture of safety by managing risks that may cause unwanted events. This policy is supported by our Code of Conduct, Management System and corporate guidelines that address relevant operational hazards and specific training requirements to mitigate job specific risks.

We seek to consolidate a safety culture based on prevention, with constant assessment of risks and where each employee assumes an active role in safety management to protect their own integrity and that of their coworkers, contractors and our neighboring communities.

Ensuring the safety of our employees and of the people with whom we interact requires active engagement of our entire workforce since safety does not depend only on one area, but on the entire Inkia Energy team. All employees must be trained and prepared to identify risks and apply actions that allow us to stay safe by owning our tasks and responsibilities.



Employee Health & Safety IF-EU-320

Consistent with our path to consolidate our Safety Culture, based on prevention and assessment of risks, in 2021 we launched the following programs:

Safety Critical Task: This program highlights the importance of specific work activities defined as critical, as they are essential in our production process and intrinsically entail risks that may cause serious consequences. Knowing and clearly understanding the risks associated with our activities is key to keeping our employees, contractors, and our work environment safe.

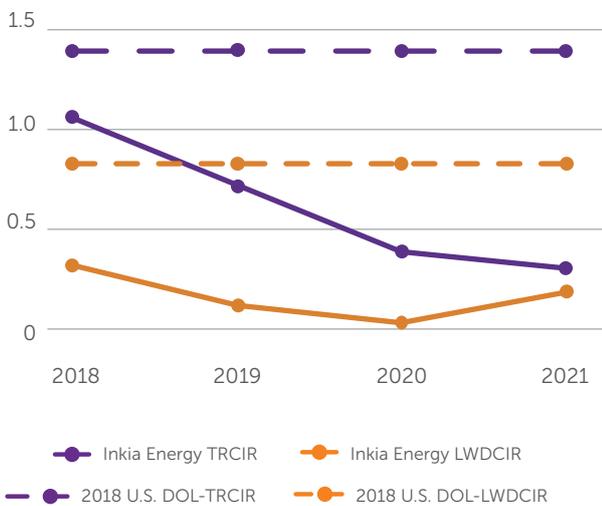
Safety is Everyone's Job: "Safety is everyone's job at Inkia Energy" sent a message that everyone has the responsibility to comply and ensure compliance with external and internal regulations (policies, guidelines and procedures) focused on safeguarding our safety and integrity.

Safety Performance KPIs

As a result of our safety programs and commitment, the combined 2021 generation and distribution safety performance for employees and contractors Lost Workday Case Incident Rate (LWDCIR) was 0.11, below the annual internal target of 0.30. The Total Recordable Incidents Rate (TRCIR) was 0.32, below the annual internal target of 0.78.

Historically, we achieved a 62% improvement in our LWDCIR and a 73% improvement in our TRCIR between 2018 and 2021, remaining, for four consecutive years, better than the U.S. Department of Labor industry standard, both in the generation and distribution businesses.

Generation and Distribution Safety Performance
Employee and Contractors



Unfortunately, and despite our safety prevention efforts, we experienced two separate events that resulted in five fatalities. A traffic accident resulted in 4 fatalities and a distribution lineman touched an energized circuit. Both events occurred in our Guatemala distribution operations. We immediately deployed an investigation team to conduct root cause analysis, identifying and implementing action plans to prevent the recurrence

“KNOWING AND CLEARLY UNDERSTANDING THE RISKS ASSOCIATED WITH OUR ACTIVITIES IS KEY TO KEEPING OUR EMPLOYEES, CONTRACTORS, AND OUR WORK ENVIRONMENT SAFE”.

of events like these throughout our operations. Learnt lessons were shared with each operating company to develop and implement country specific preventive actions. The action plans consisted of reviewing and updating safety procedures, reinforcing supervision and training of employees and contractors.

At Inkia Energy we will continue to consolidate our safety culture, where we are all responsible and play an active role. We count on the commitment of all our employees to comply with the Company’s safety policy guidelines and procedures to properly manage the risks associated with our work activities.



3



Environmental Stewardship



inkia Energy promotes the reduction of our operational environmental footprint and the efficient and sustainable use of natural resources.

Our Environmental Policy and management stems from our purpose of providing innovative and sustainable energy solutions, generating value through operational excellence, and implementing effective compliance programs with applicable environmental laws and regulations. Our Environmental Policy is translated into action by our ESG Management System and corporate environmental guidelines.

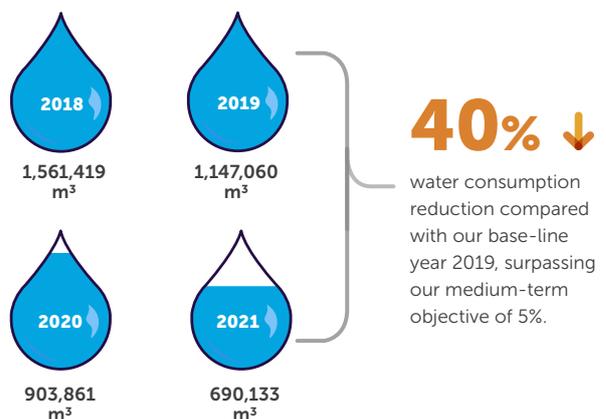
Our operating companies implement our corporate sustainability objectives by investing in new technologies, enhancing existing operations and through partnerships with environmental organizations to maximize common interest with environmentally-sound practices.

In order to enhance our environmental management practices, we seek to understand the needs of our stakeholders to continuously assess new ways of reaching our goals to reduce emissions, water consumption, energy and waste.



Environmental Performance KPIs

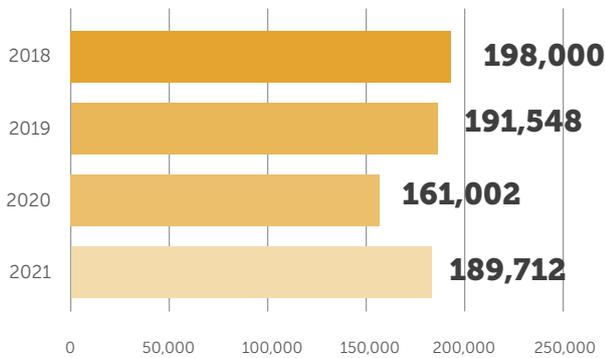
We have steadily reduced our water consumption by implementing several water conservation initiatives and upgrading equipment for more efficient alternatives where possible.



We have also improved our water consumption intensity, measured in cubic meters of water per megawatt-hour to 0.045, better than the average water intensity reference value of 0.075 m³/MWh (Water Use of Electricity Technologies: A global meta-analysis, Renewable and Sustainable Energy Reviews, 2019).

We made progress optimizing our internal energy consumption by operating our facilities in accordance with best industry practices, implementing energy conservation and energy efficiency opportunities.

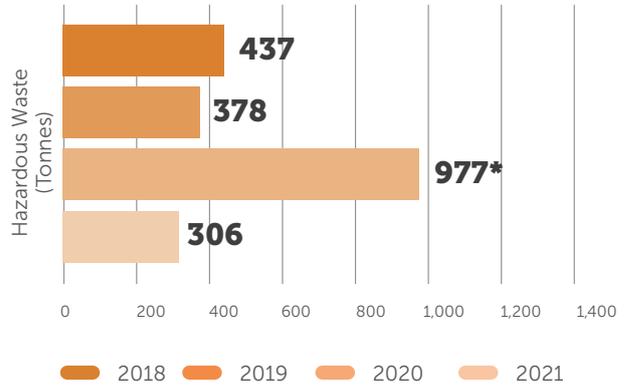
Internal Energy Consumption (MWh)



Note: We have achieved, on average, a 4% reduction of our internal annual energy consumption measured in megawatt-hour. In 2021 we experienced an increase in internal consumption compared to 2020 due to higher demand of our thermoelectric generation, resulting in additional internal energy consumption by auxiliary and other systems.

We have improved our waste and hazardous materials management practices, in compliance with in-country regulations and our commitment for waste reduction.

Industrial Solid Waste (Tonnes)



Note: These practices have helped us achieve a 36% reduction in total solid waste in the last two years, outperforming our medium-term objective of 5%.

*Note: Increase of hazardous waste due to clean up of several attempts of theft in our natural gas liquids pipeline resulting in product release.



Decarbonization Strategy

Inkia Energy's active approach to reduce short and long-term air emissions is based on increasing efficiency, adding renewable sources and low-carbon intensity technologies, and divesting completely from coal and largely from inefficient heavy fuel oil power plants. This approach is supported by the accurate measurement of CO₂ emissions, to set targets, to improve over time and to work with customers and suppliers who support our efforts to reduce our operations' carbon footprint.

In the last years, Inkia Energy has prioritized a carbon divesting commitment closing its coal plant (Las Palmas II 83 MW power plant) and divesting or closing its heavy fuel oil power plants (JPPC 64 MW, CEPP 67 MW, PQP 55 MW, Kanan 124 MW, Arizona 165 MW and Las Palmas 65 MW).

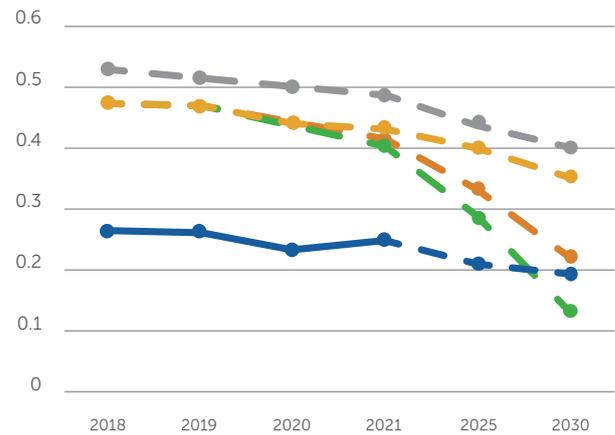
Recently, Inkia Energy officially committed to setting near-term science-based emissions reductions targets (SBTi) for 2030 for its operating companies, by implementing its decarbonization strategy by increasing efficiency in our existing facilities (upgrade of Kallpa's units, upgrade of Cerro del Aguila's hydroelectric turbines, completion of a solar park at Agua Clara, initiated development a 34 MW BESS and 0.5 MW solar park projects at Kallpa), low-carbon intensity technologies (convert Las Flores thermal power plant to combined cycle) and strengthening a development portfolio of new renewable capacity.

In 2021, the carbon intensity of our portfolio was 0.25 tonnes of CO₂ equivalent per megawatt-hour (tCO₂e/MWh), above our internal target of 0.19, due to higher demand of our thermoelectric generation. However, compared to our 2019 base-line year carbon intensity of 0.27 tCO₂e/MWh, we achieved a 7% reduction, doubling our medium-term objective of 3%.

In general, our carbon intensity remains significantly better than the intensity modelled for utilities against Paris-Pledges targets for 2021. Our actual carbon

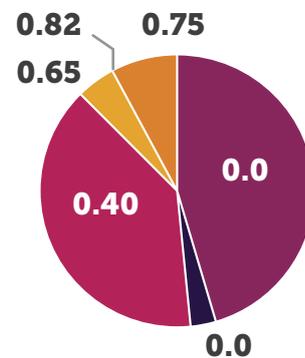
intensity target of 0.20 tCO₂e/MWh for 2030 is aligned with "Below 2 Degrees" scenario of 0.22 tCO₂e/MWh. However, we are evaluating our projections and efforts to achieve the more ambitious "1.5 degrees" pathway scenario for 2030 of 0.138 tCO₂e/MWh.

Carbon Intensity Reduction Pathway
(Tonnes CO₂e/MWh)



- Inkia Holding Carbon Intensity Target
- 1.5 Degrees for 2030 on Climate Change
- Paris Pledges for 2030
- Below 2 Degree for 2030 on Climate Change
- National Pledges for 2030

Carbon Intensity
(Tonnes CO₂e/MWh) per Technology



- Hydro
- Wind
- Turbines CC (Natural Gas)
- Turbines OC (Natural Gas)
- Turbines OC (Fuel Oil)
- Engines (Fuel Oil)



Climate change resilience initiatives

We started Climate change vulnerability assessments (CCVA) of our facilities located in areas of high-risk Vulnerability Index to Climate Change. In 2021 we conducted pilot CCVA in the Cerro del Aguila and Cañon del Pato hydroelectric plants in Peru, and in the Zongo Valley hydroelectric complex in Bolivia.

While our CCVA results did not identify significant impacts, they help us assess existing mitigation measures and identify additional climate change mitigation initiatives aimed at improving the resilience and adaptation of Inkia Energy's operations.



Electric mobility

Electric mobility pilot project at Agua Clara wind farm is reducing greenhouse emissions in 5,000 kg of CO₂e per year.



Certifying our renewable energy sources in Peru

The International Renewable Energy Certificate (I-REC), certified the renewable origin of the energy generated by Inkia Energy hydroelectric plants in Peru. The I-REC certificate was delivered to customers in Peru that supplied their operations with renewable energy from Kallpa.



Landscaping and CO₂ offsetting

In 2021 we planted 347,150 native species of trees and shrubs. This initiative also contributes to offset 9,370 tonnes of CO₂e per year.

At Inkia Energy we will continue to assess our medium- and long-term environmental sustainability objectives to establish actions that allow us to further reduce CO₂ emissions, water, energy consumption and industrial waste.

4



Social Responsibility and Community Engagement



inkia Energy cultivates long-term success by contributing to the prosperity of the regions where we operate by enabling our communities through initiatives that improve economic and social wellbeing achieving a positive effect in their lives.

We promote sustainable projects that support local economic development and maintain a relationship of respect, transparency and ongoing dialogue. By working closely with local authorities and municipalities we help build a safe and resilient infrastructure that enhances and fosters a participatory environment that provides opportunities for communities to manage their own development.

Each business unit is empowered to design its own community engagement initiatives based on local knowledge to construct programs that are sensitive to local cultures, responsive to the needs of our stakeholders and aligned with our socially responsible investment policy, standards, and strategic priorities.



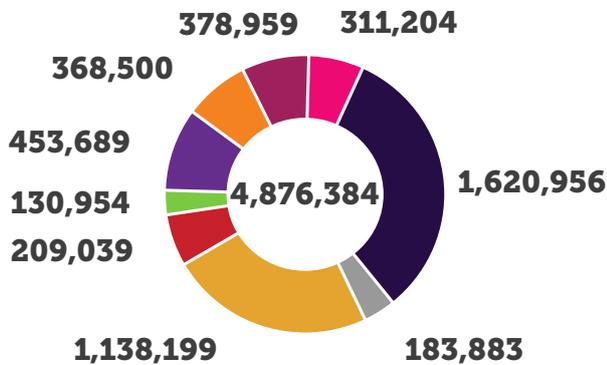
Sustainable Development Goals

The review of our social and community development strategy in 2021 included an analysis of the Sustainable Development Goals (SDGs). The result of the analysis identified priority SDGs with specific metrics to measure our progress and demonstrates more directly how our environmental management, social and community responsibility programs contribute to the countries where we operate.

Stakeholders and community engagement

In 2021, through the implementation of social commitments and engagement events, Inkia Energy achieved close to US\$5 million in voluntary social and community investment, benefiting more than 1.4 million community members.

Social Investment (US\$)



- Education and Culture (US\$)
- Economic Development and Entrepreneurship (US\$)
- Health Care (US\$)
- Infrastructure (US\$)
- Strategic Contributions (US\$)
- Partnership Contributions (US\$)
- Environmental Stewardship (US\$)
- Local Projects with Tax Payments (US\$)
- COVID-19 Contributions (US\$)

The over 4,000 community engagement events allow us to comprehend the communities' needs and priorities, as well as the potential solutions.

As a result, our corporate Social and Community Investment Policy established objectives and strategies for social and community investment, articulated through collaborative initiatives, contributions, volunteering, and strategic partnerships programs, integrated into one or more of the following investment priorities in 2021:



Economic Development and Entrepreneurship

Facilitate training programs for families engaged in cattle raising, agriculture and fish farming, and open job opportunities in civil work projects, benefiting over 245 thousand community members.



Environmental Stewardship

Invested in programs that promote environmental protection, education, and responsible use of natural resources, contributing to the planting of 347,150 native species of trees and shrubs for the rehabilitation of deforested areas.



Education and Culture

Provided support particularly to rural and low-income schools to improve quality and continuity of education, benefiting over 430 thousand community members.



Strategic Contributions and Partnerships

Social and community development investments enhanced by strategic partnership opportunities based on real needs, merit and good reputation, benefiting more than 208 thousand community members.



Infrastructure

Rural electrification of communities located outside the regulatory scope through additional voluntary investment in 29 communities in Guatemala to support access to electricity service, benefiting more than 195 thousand families.

Assisted in the improvement of basic infrastructure (electricity, drinking water, safe roads, etc.), providing efficient lighting infrastructure installing solar and LED lamps in public roads, plazas and streets, improving security and quality-of-life, benefiting over 167 thousand community members.



Public Health and Safety

Facilitated access to quality services in public health and safety, raising awareness among customers, students and communities regarding electrical distribution and natural gas transportation, supporting vulnerable communities and health centers with biosafety and personal protective equipment, oxygen, portable ventilators, supplies and materials during the COVID-19 health crisis and vaccination campaigns, benefiting over 145 thousand community members.

5



Labor practices



Our employees and contractors are key assets to delivering long-term value. We work with a decentralized management model, under corporate standardized people focused processes indicators, guided by our Code of Conduct, Human Rights Policies and key cultural principles.



Each partner is valued

Focus in value creation



Empowered and accountable team

We promote change



Ethics guide our acts

2021 was a year of constant professional and personal challenges that led us to explore new ways of doing things to continue to outperform. The increase in virtual



Labor Practices

work and the need to stay connected only accelerated, and we therefore had to transform our processes to make them more agile, efficient, standard and in compliance with our policies. This is why, in recent years, we implemented various initiatives and technological platforms that support this positive change.

One of these initiatives is a corporate platform for enhanced management of Human Resources processes, allowing us to improve the interaction with employees, promoting growth and professional development as well as consolidating our Company culture, while keeping relevant information updated, such as organizational charts, employee data and vaccination progress; remuneration plans and incentives employee performance evaluation process with objectives and organizational competencies.

Competencies are key to our human resource development. Competencies are attitudes, skills and knowledge that allow us to achieve goals and solve problems. We have identified skills that are essential to grow and demonstrate employee full potential, organizational skills and hierarchical competencies.

We promote a world with equal opportunities by strengthening an equitable work environment, where ideas and opinions can be expressed with respect, promoting spaces for collaboration and participation between all ethnicities and genders. Our organization has a diverse, and inclusive work environment. We are a melting pot in terms of ethnicity, cultures and preferences, generating better and more robust ideas and results.

We are a diverse team and there is no doubt that well balanced teams are more dynamic, creative, and effective. This is how we have learnt that the route to succeed in any challenge begins with the correct selection of teams, where every person is an integral part, has the same value and can contribute freely.

Energuate Recognized as an Inclusive Company

Over the years, we have seen the great contribution of women to society, but we are aware that there is still a long way to go. For this reason, it is important to ask ourselves "how can I promote a world with equal opportunities?" Bearing this in mind, we can ensure that each decision we make and each action we take allows us to reduce gender gaps.

One example is "Playing Big", a program sponsored by Energuate focused on promoting female collaborators professional career plans. A support network was also organized to encourage ongoing creativity, leadership, initiative and teamwork.

This program received the "Inclusive Company" award, "Innovation" category, during the third edition of Inclusive Companies Recognition from the Center for the Action of Corporate Social Responsibility in Guatemala (CentraRSE).

Inkia Energy Recognition Program

Our corporate recognition program was established to foster in employees an innovative spirit aimed at generating value, promoting change, and recognizing responsible teamwork. All Inkia Energy operating companies participate in this program that annually recognizes the work carried out by employees in the following categories, and the 2021 award winners are:



Environmental Excellence

ENERGUATE



Social Excellence

BU PERU



Operational Excellence

COBEE BOLIVIA



Safety Excellence

BU PERU



Continuous Improvement

COBEE BOLIVIA

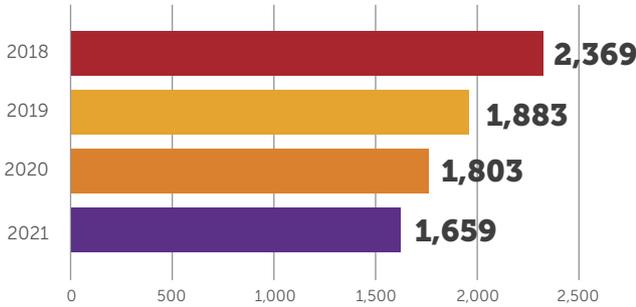


Exceptional Achievement

"Las Flores Combined Cycle and Kallpa Upgrade" in Peru

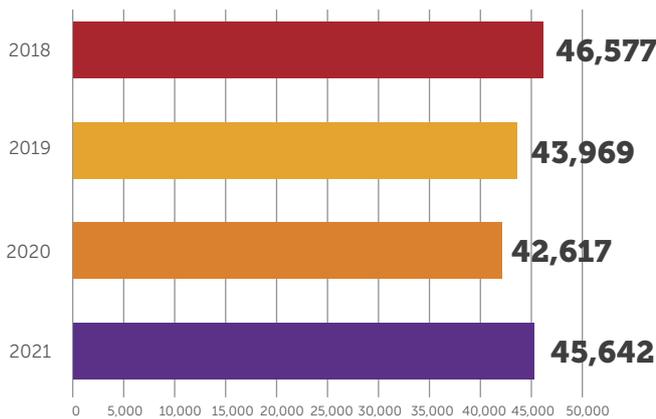
Workforce KPIs

Workforce (# employees)



Note: Year end 2021 workforce presented a reduction trend compared with previous years due to integration synergies and divestment in the generation business.

Training Hours (#)



Note: A total of 45,642 hours of training was achieved, representing 24 hour of training per employee per year on average.

31% of our employees are unionized. All collective negotiations are cordial and productive with high level of trust.

In terms of average compensation by gender, our gender pay gap is -21% [(avg male salary – avg female salary)/ avg male salary]. However, there are opportunities to reduce inequality in a few units by establishing objectives to enhance/promote female inclusion in different roles across categories.

In 2022 we will continue updating our policies, programs, promoting a more diverse and inclusive organization.

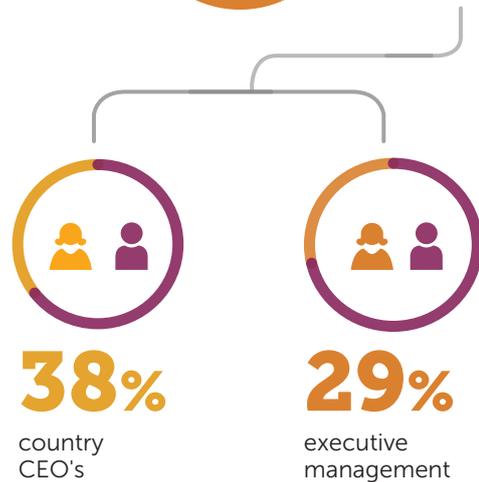
Flexible Work

Employees at year 2021 were organized:

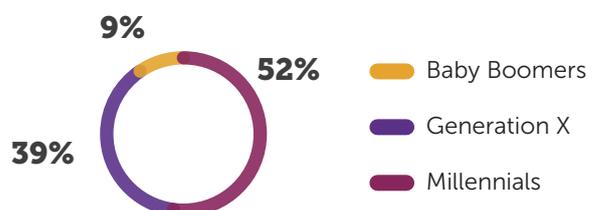


We have rapidly adapted to new ways of working while keeping productivity and delivering our objectives for 2021.

Our Demographics



Generational



6



Operational Excellence



the long-term success of our business depends on our operational commitment to sustain efficient, safe, reliable, and responsible energy generation and distribution, enhancing the economic development of the countries we serve.

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, ensuring the well-being and integrity of our employees and contractors.

We enhance operational value through the execution of customized asset management strategies at each lifecycle stage, with the support from local talent and management resources, controlling rising costs, delivering competitive rates, involving customers and their interests in our activities and decision-making process to the extent practicable.

We set high expectations and provide monitoring adherence to ethical corporate values and applicable laws and regulations.

Keeping focus on operational excellence allows us to ensure the reliable operation of our generation and distribution facilities. For this purpose, we annually



Business Model Resilience IF-EU-420

design and execute maintenance and operation plans focused on efficiency and continuous improvement. These are some examples in 2021:



Autonomous operation of the Amayo wind farms:

Independent operations and maintenance of Amayo I and II wind farms in Nicaragua was achieved with local trained and qualified technical staff.



Turbine repowering at Cerro del Águila:

A power increase of 6 MW x 2 turbine was achieved, bringing the total capacity to 568 MW. With marginal investment, in 2022 the power plant capacity could be increased by an additional 14 MW.



Battery energy storage system (BESS):

Started development plans of a BESS project at Kallpa's natural gas combined cycle power plant.



WE ARE COMMITTED TO CREATING SUSTAINABLE VALUE, WE CAN OFFER SERVICES SUITED TO THE NEEDS OF OUR CUSTOMERS, COMPLYING WITH THE HIGHEST INDUSTRY STANDARDS".

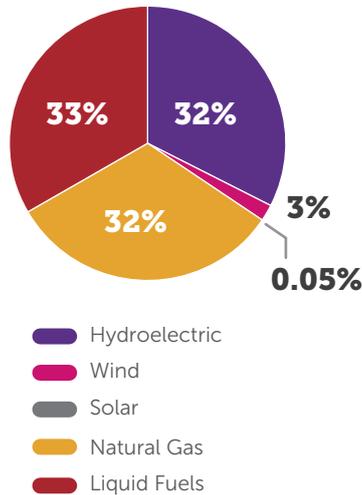


Conversion of Las Flores power plant to combined cycle:

Increasing its power capacity from 193 MW to 325 MW, and improving efficiency from 36.6% to 57.2%, making Las Flores one of the most efficient power plants in Latin America.

Operations Performance KPIs

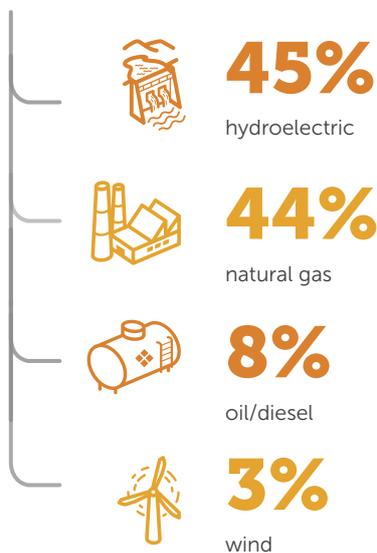
Installed Generation Capacity



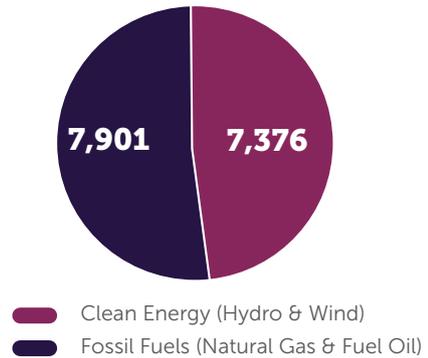
Note: Total electricity produced in 2021 was higher than expected due to system demand and because of our facilities' high efficiency and low cost. Most of the additional generation was from our natural gas combined cycle plants. Low seasonal hydrology in 2021 resulted in lower generation than planned from our hydroelectric plants.

In **2021** Inkia Energy generated over

15,000 GWh

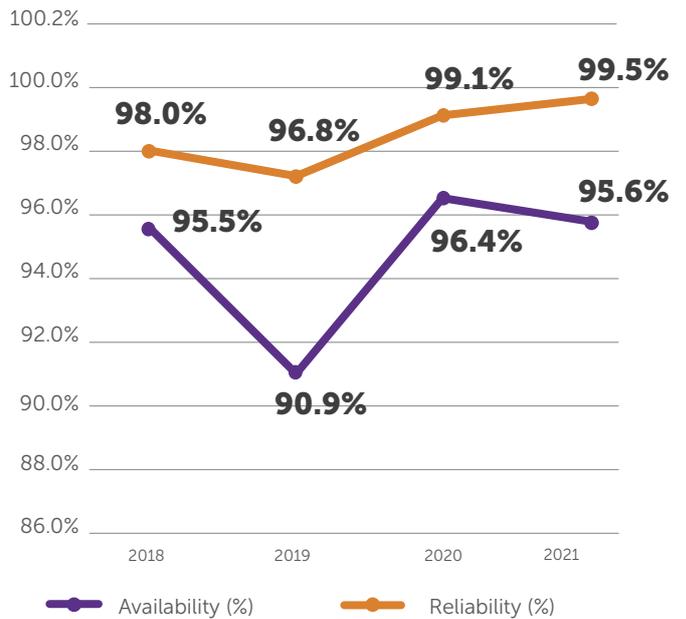


Total Energy Generated (GWh) per Technology



An effective measure of reliable electricity is system availability. To achieve this, business units must work together and share best practices that minimize unexpected disruptions, maintenance times and other challenges.

Overall Availability and Reliability



Note: Lower 2019 results due to high level of planned maintenance.

Inkia Energy is firmly dedicated to operational excellence and will continue working diligently to align our programs and management systems with industry best practices and socially responsible investment standards. We will remain focused on integrating ESG practices, improving our industry-leading safety performance, building a more proactive culture of environmental stewardship and compliance to ensure a sustainable long-term success of our operating businesses.



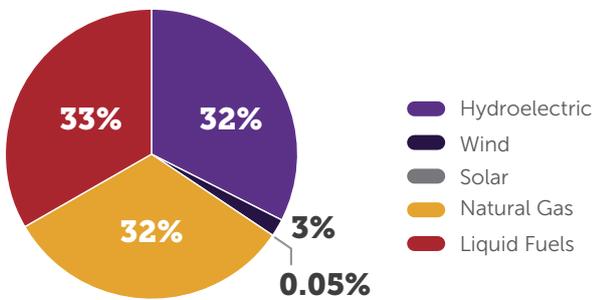
Appendix Annual Sustainability Report



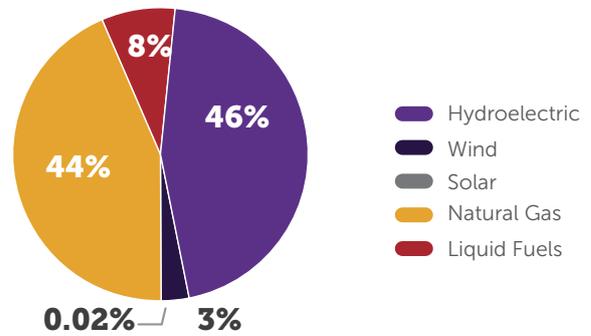
Holdings

Alto Valle, Planicie Banderita, COBEE, Colmito, Cardones, Yungay, Agua Clara, Nejapa, Acajutla Diesel, Acajutla steam & Gas, Soyapango, Cenergica, Energuate, RECSA, Guatemel, Corinto, Tipitapa, Amayo I, Amayo II, Kallpa, Las Flores, Aguaytia, Samay/Puerto Bravo, Cerro del Aguila, Cañon del Pato, Carhuaquero, Aguaytia Energy Gas Operations.

2021 Generation Installed Capacity

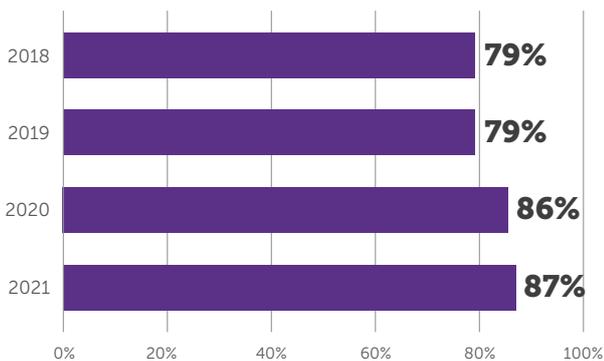


2021 Generation Distribution*

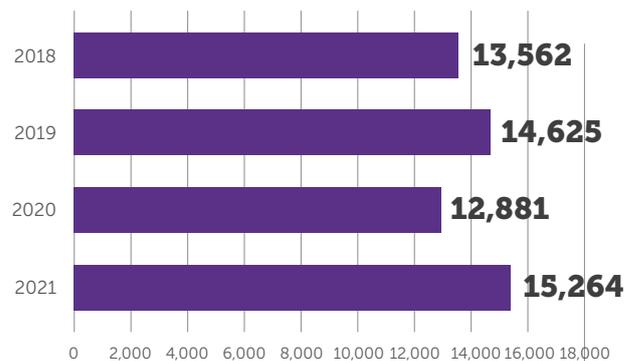


*Natural Gas includes both Combined Cycle CC and Open Cycle OC operations.

Low Carbon Generation



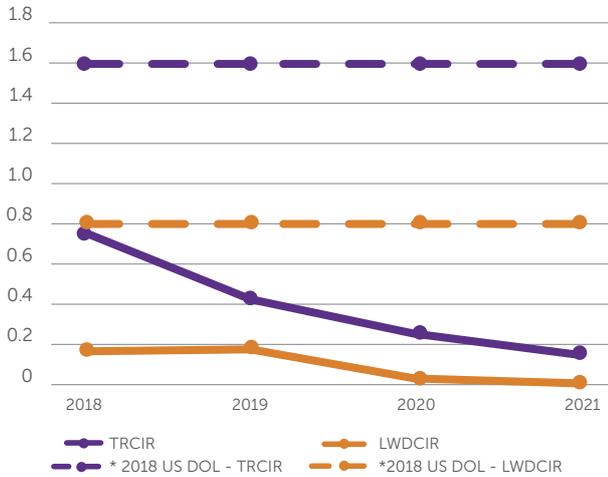
Electricity Generated (GWh)



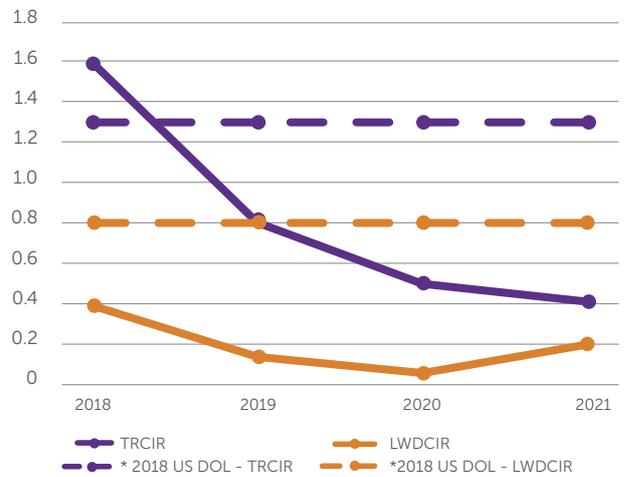
Note: Reduction in generation in 2020 due to lower demand of electricity as a result of COVID-19 pandemic.

1. Safety Performance

Generation Safety Performance Employee and Contractors

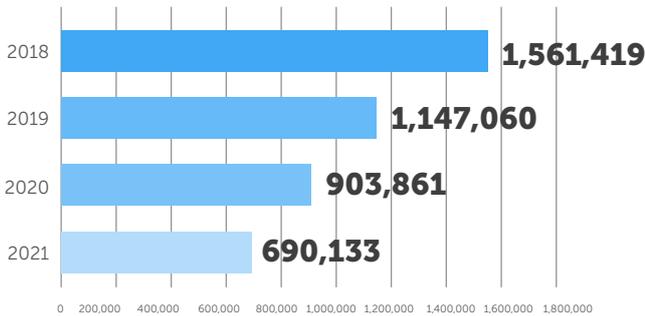


Distribution Safety Performance Employee and Contractors

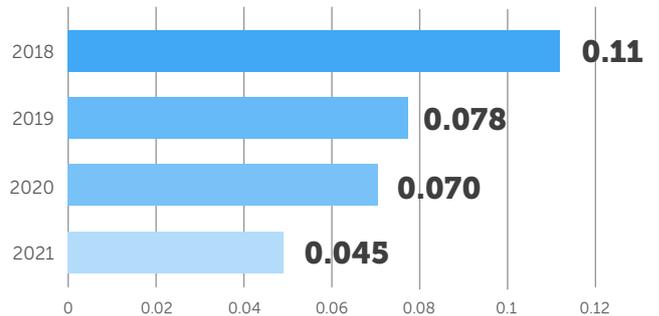


2. Environmental Stewardship

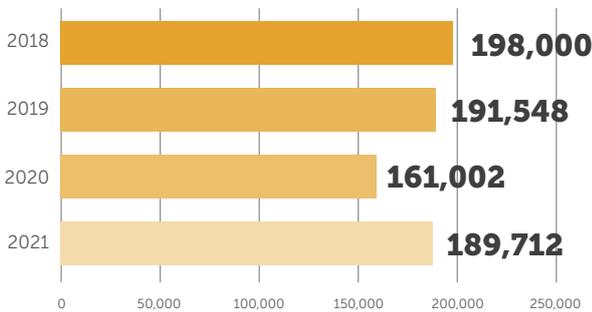
Water Consumption (m³)



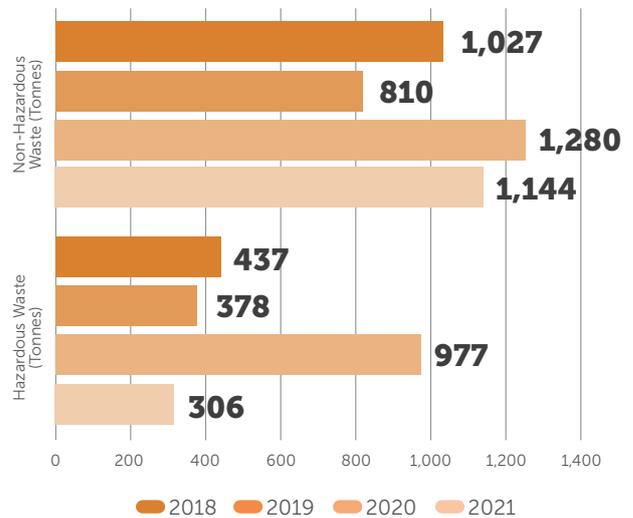
Water Intensity (m³/MWh)



Internal Energy Consumption (MWh)

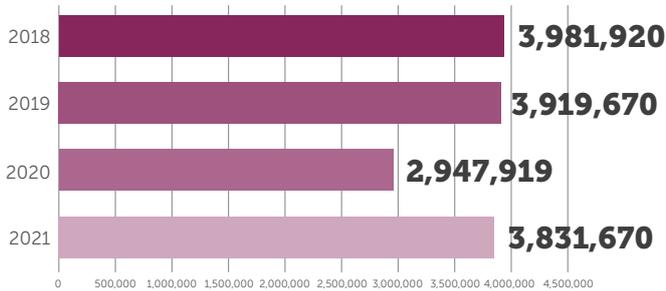


Industrial Solid Waste (Tonnes)

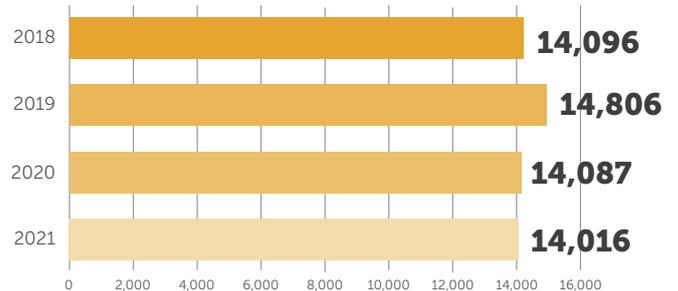


Note: Increase of hazardous waste in 2020 due to clean up of several attempts of theft in our natural gas liquids pipeline resulting in product release.

Scope 1 CO₂ Emissions* (Tonnes CO₂e)

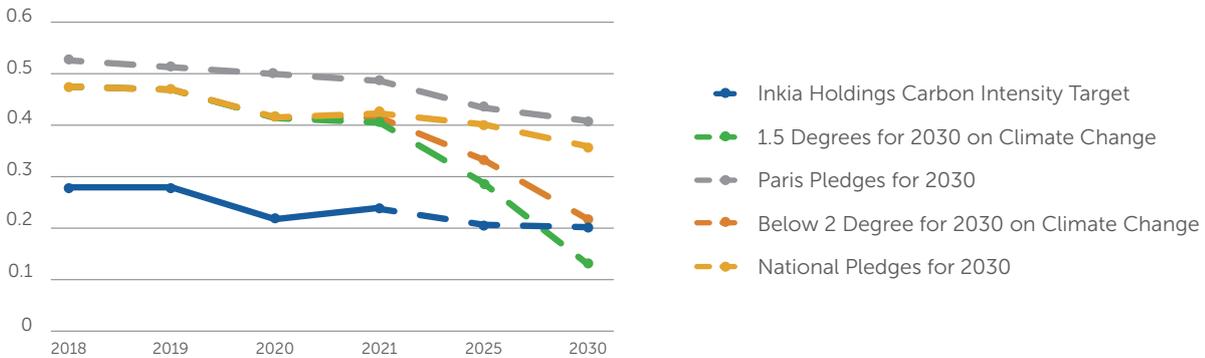


Scope 2 CO₂ Emissions from Purchased Electricity for Own Use (Tonnes CO₂e)



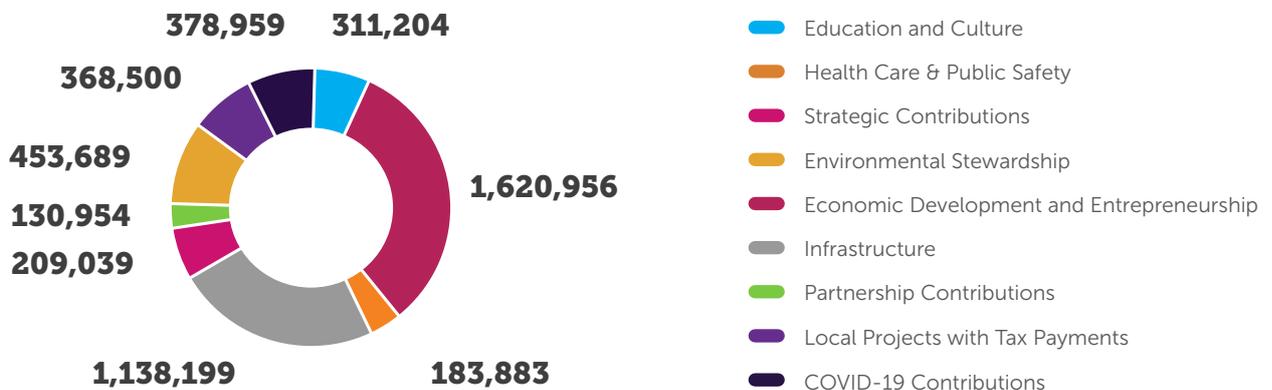
*Note: Scope 1 CO₂ emissions (generation + distribution + gas operations)

Carbon Intensity Reduction Pathway (Tonnes CO₂e/MWh)

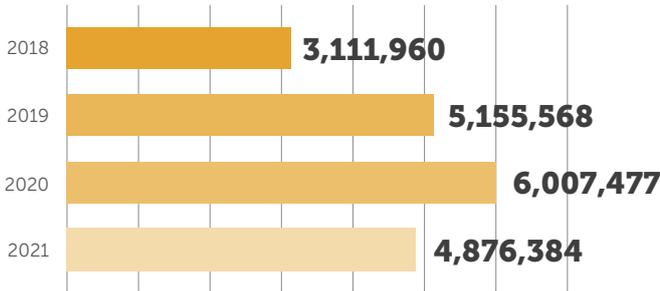


3. Social Responsibility and Community Engagement

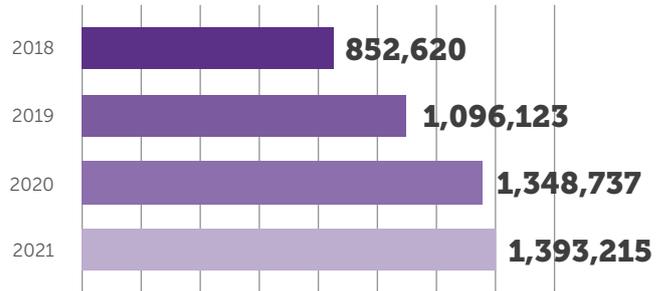
2021 Social and Community Investment by Category (US\$)



Social and Community Investment (US\$)

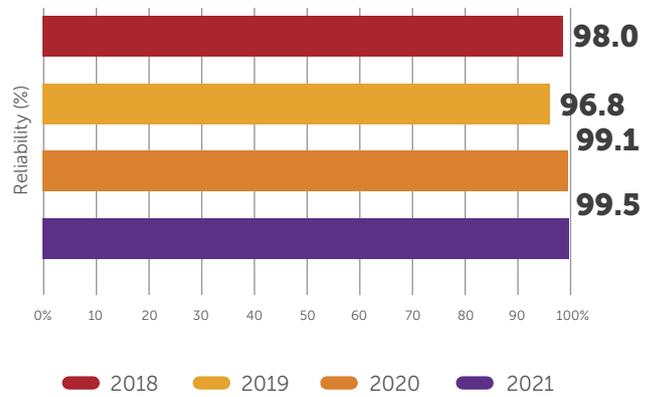
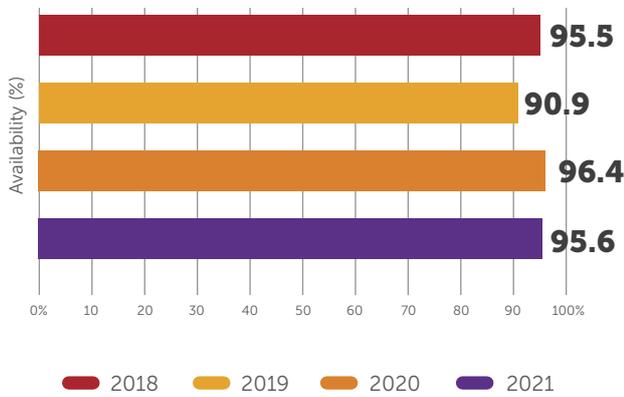


Number of Individuals Benefited (#)



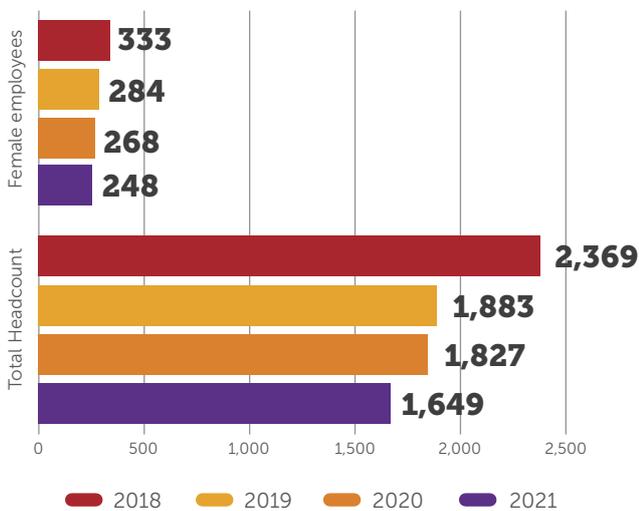
4. Operational Excellence

Operational Performance (%)

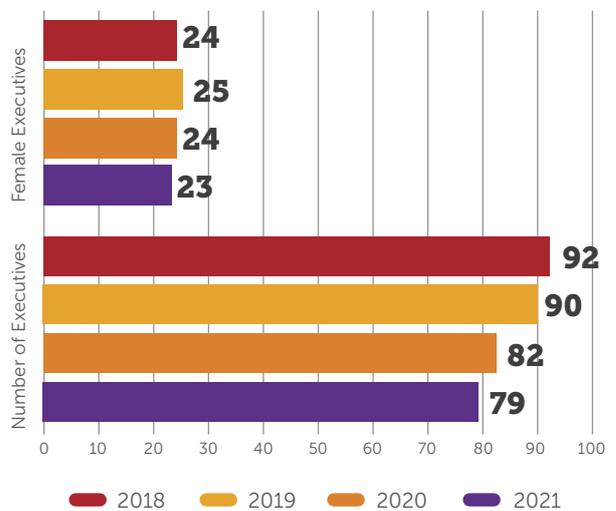


5. Workforce

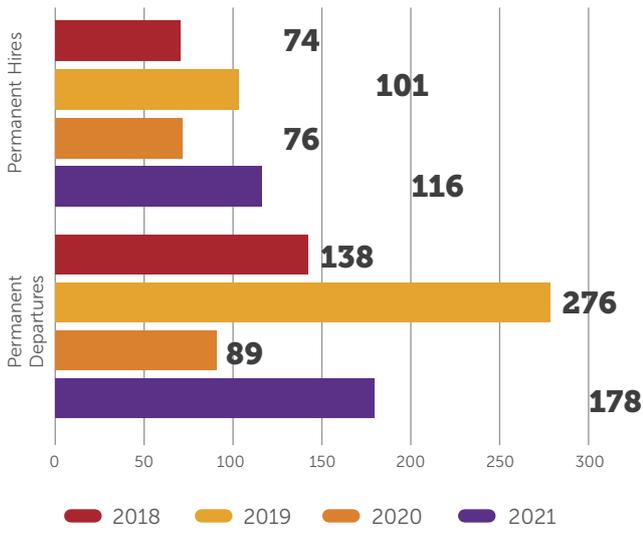
Workforce (#)



Executives (#)

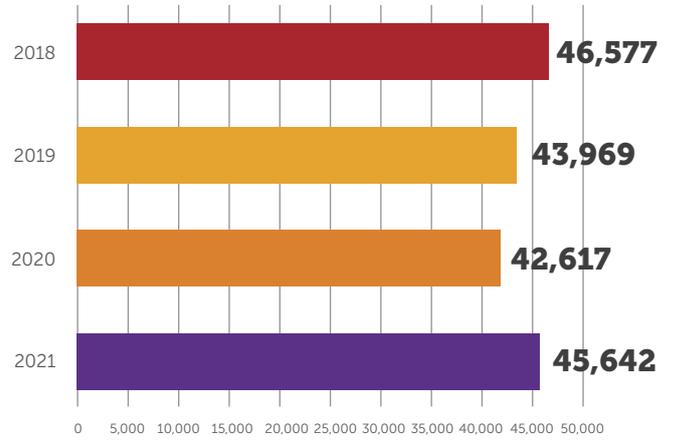


Hires and Departures(#)



Note: Increase in permanent departures in 2019 due to staff optimization in our Distribution business Energuate.

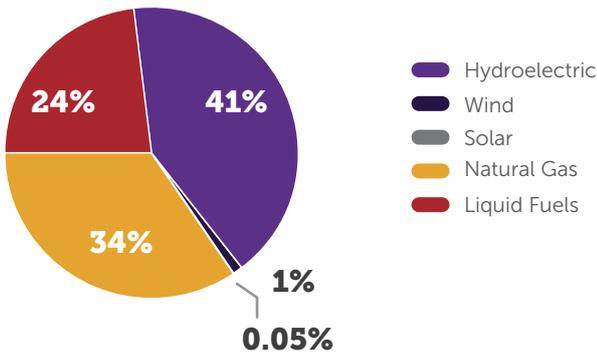
Training Hours (#)



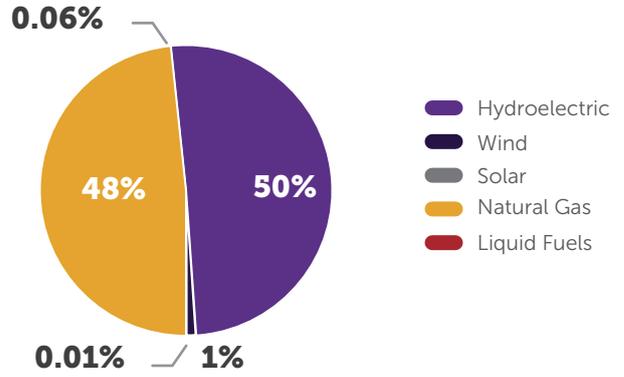
Partners

Alto Valle, Planicie Banderita, COBEE, Yungay, Agua Clara, Energuate, RECSA, Guatemel, Kallpa, Las Flores, Aguaytia, Cerro del Aguila, Cañon del Pato, Carhuaquero, Aguaytia Energy Gas Operations.

2021 Generation Installed Capacity

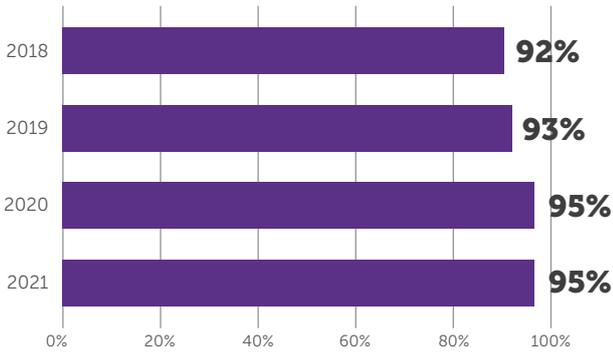


2021 Generation Distribution*

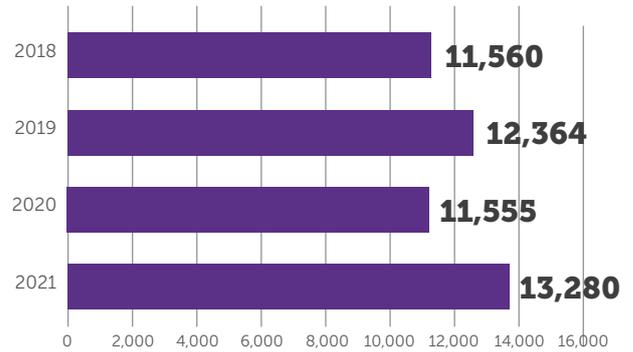


*Natural Gas includes both Combined Cycle CC and Open Cycle OC operations.

Low Carbon Generation



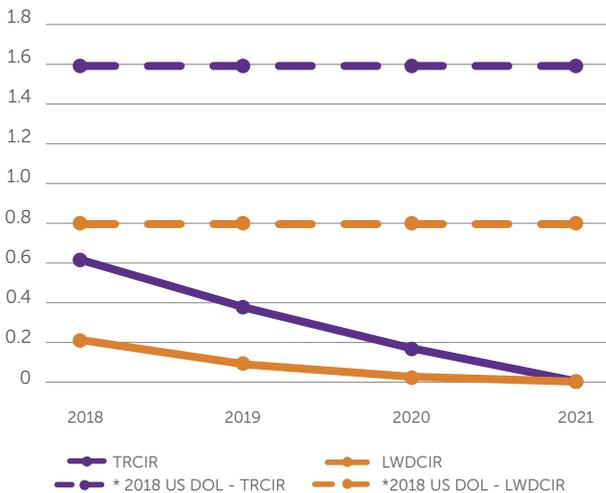
Electricity Generated (GWh)



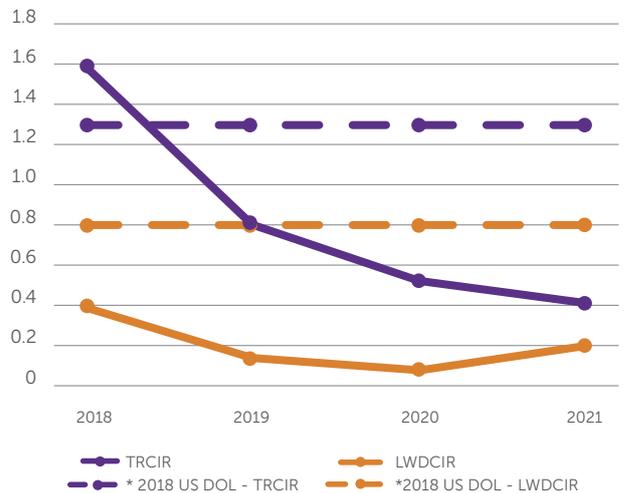
Note: Reduction in generation in 2020 due to lower demand of electricity as a result of COVID-19 pandemic.

1. Safety Performance

Generation Safety Performance Employee and Contractors

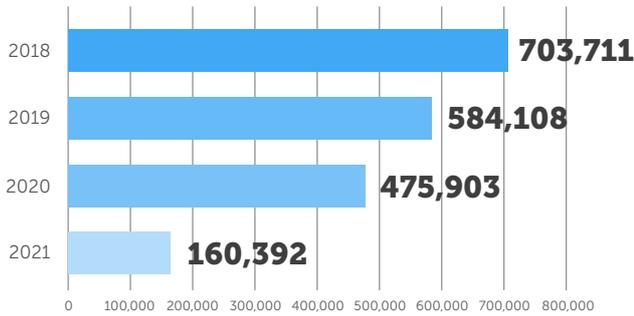


Distribution Safety Performance Employee and Contractors

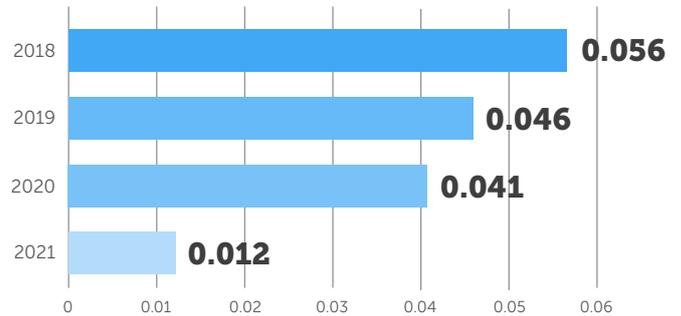


2. Environmental Stewardship

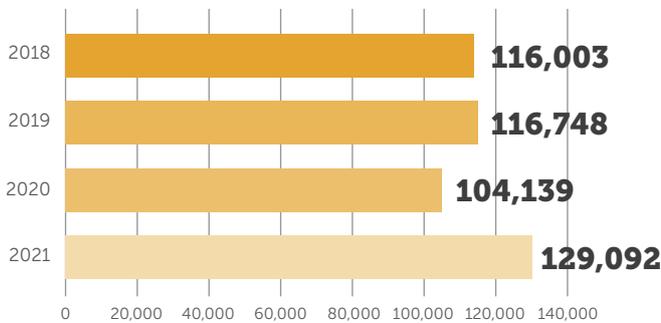
Water Consumption (m³)



Water Intensity (m³/MWh)

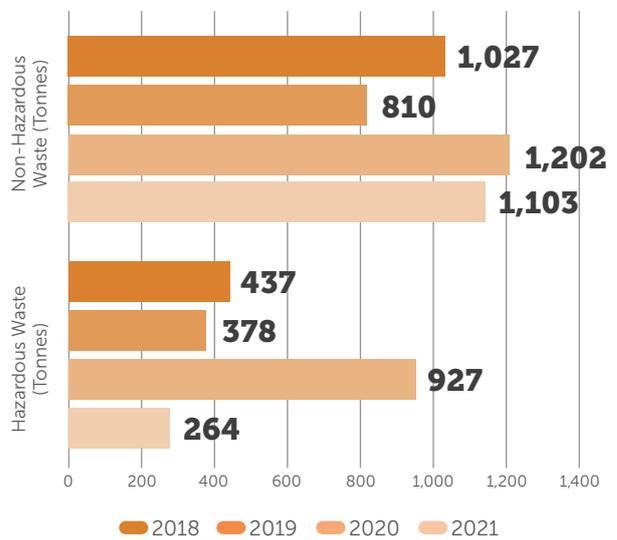


Internal Energy Consumption (MWh)



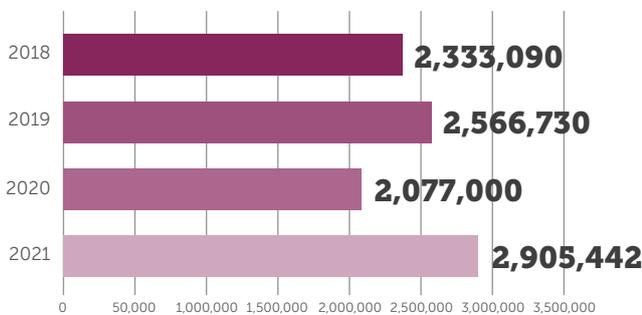
Note: Increase of internal energy consumption in 2021 due to higher demand of our thermoelectric generation, resulting in additional internal energy consumption by auxiliary and other systems.

Industrial Solid Waste (Tonnes)



Note: Increase of hazardous waste in 2020 due to clean up of several attempts of theft in our natural gas liquids pipeline resulting in product release.

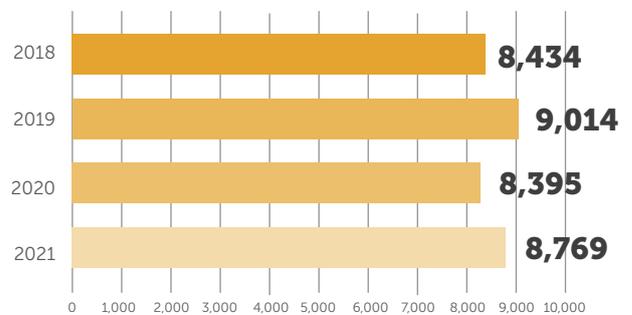
Scope 1 CO₂ Emissions* (Tonnes CO₂e)



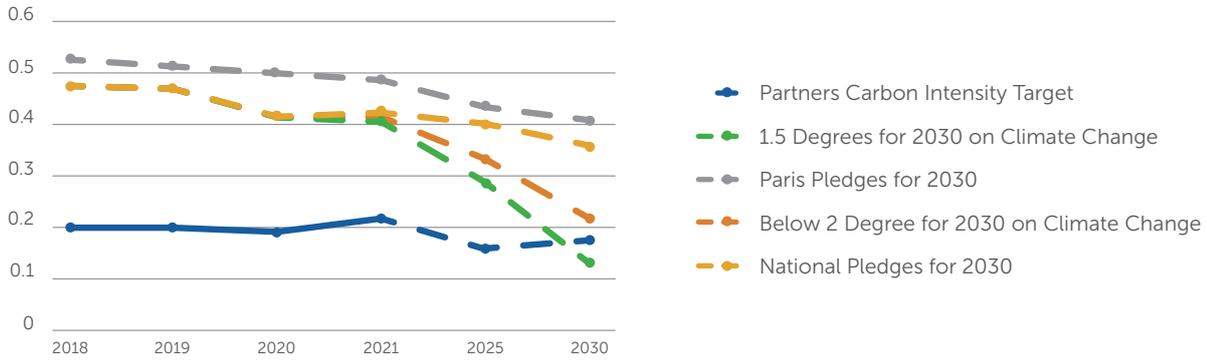
*Note: Scope 1 CO₂ emissions (generation + distribution + gas operations)

Note: Increase of CO₂ emissions in 2021 due to higher demand of our thermoelectric generation.

Scope 2 CO₂ Emissions from Purchased Electricity for Own Use (Tonnes CO₂e)

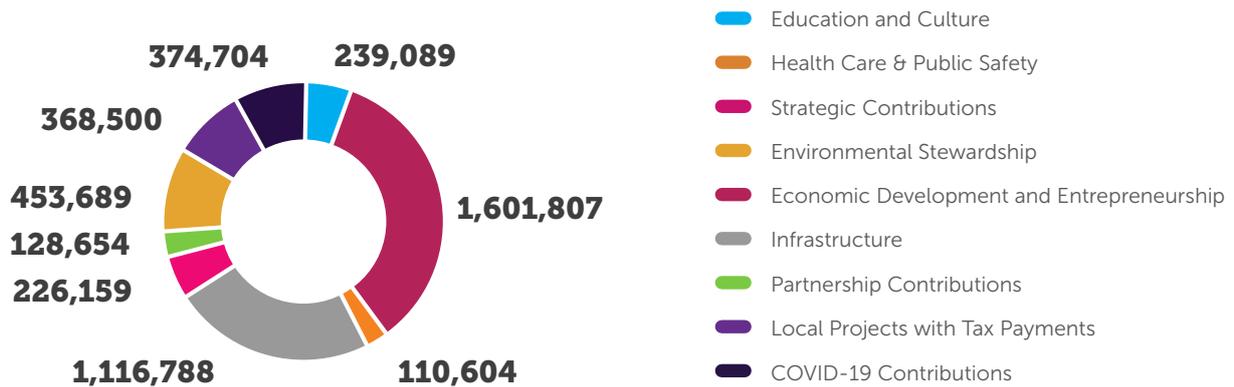


Carbon Intensity Reduction Pathway
(Tonnes CO₂e/MWh)

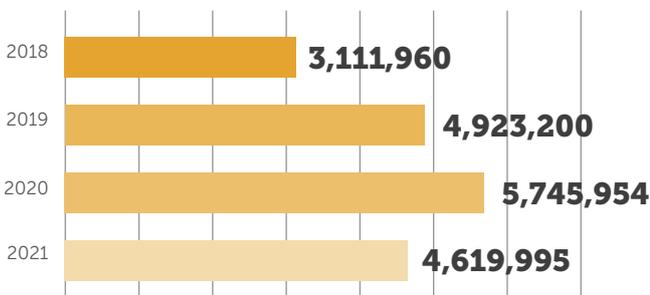


3. Social Responsibility and Community Engagement

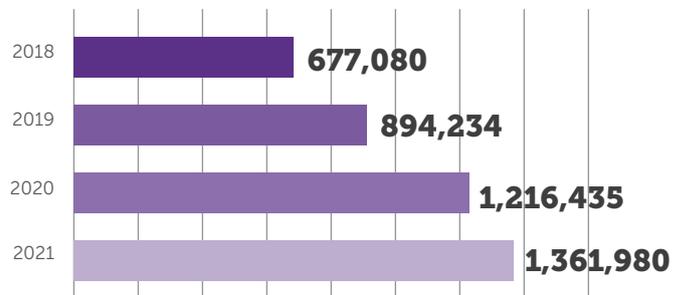
2021 Social and Community Investment by Category (US\$)



Social and Community Investment (US\$)

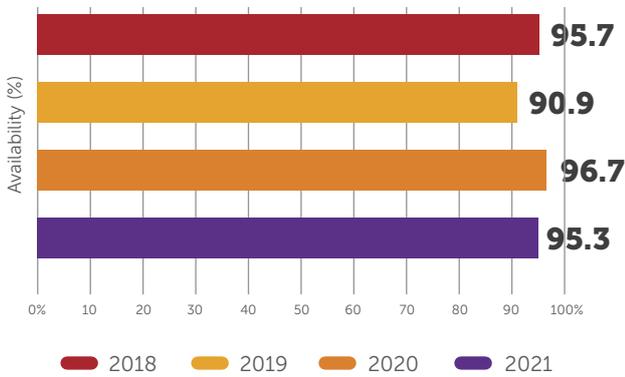


Number of Individuals Benefited (#)

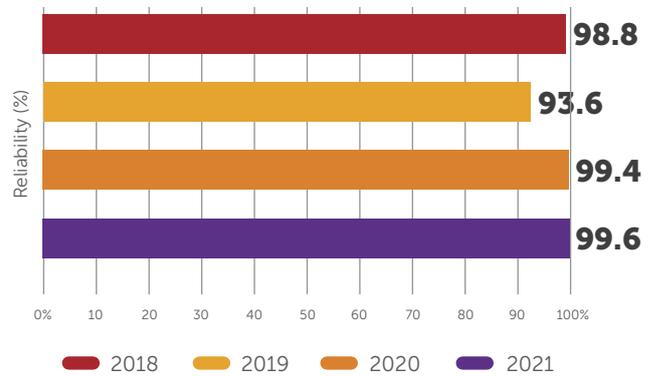


4. Operational Excellence

Operational Performance (%)



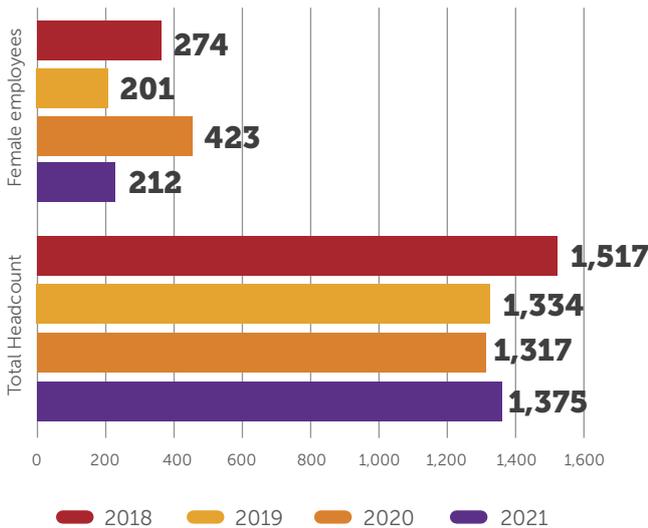
Note: Lower 2019 results due to high level of planned maintenance.



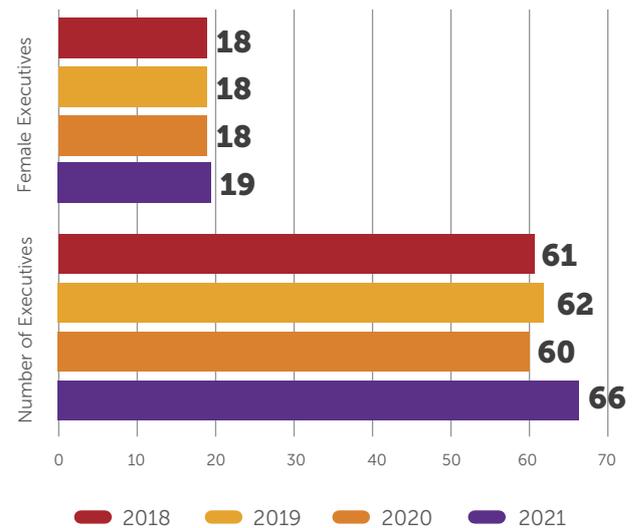
Note: Lower 2019 results due to high level of planned maintenance.

5. Workforce

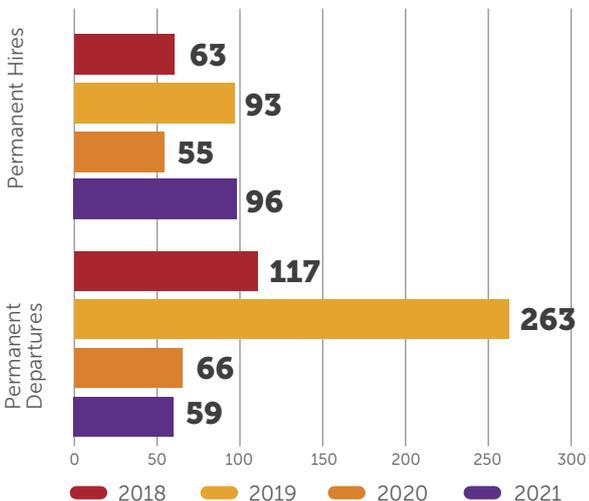
Workforce (#)



Executives (#)

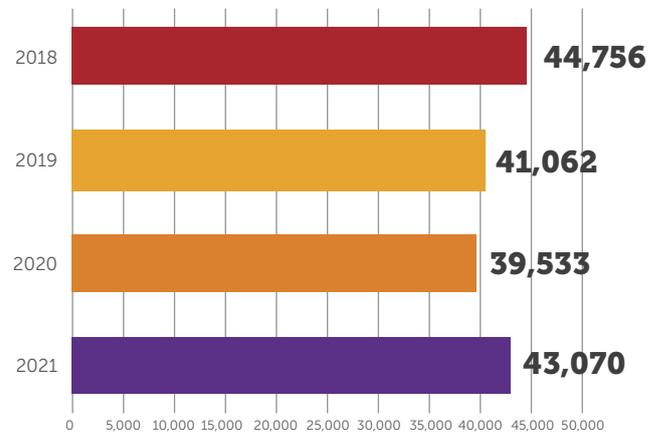


Hires and Departures(#)



Note: Increase in permanent departures in 2019 due to staff optimization in our Distribution business.

Training Hours (#)

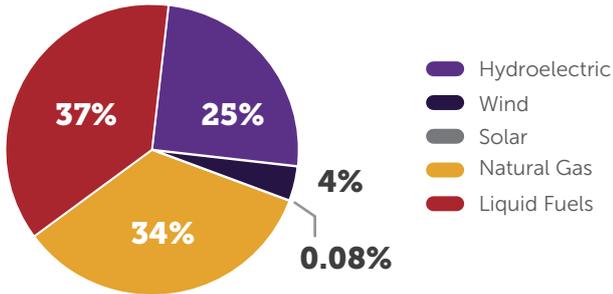


Inkia Bond (INKENE)

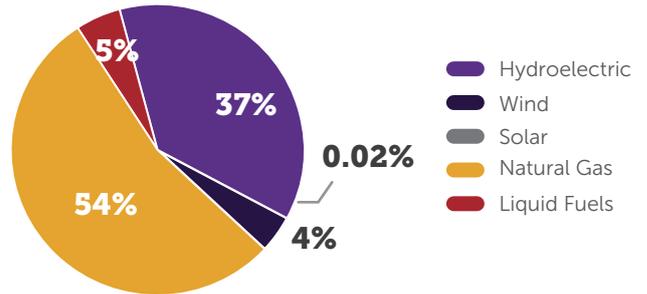
Nautilus Inkia Holdings SCS (Kallpa, Las Flores, Cerro del Aguila, Samay/Puerto Bravo), Nautilus Distribution Holdings LLC (Reca, Guatemala, Energuate, Cobee, Agua Clara), Nautilus Isthmus Holdings LLC (Nejapa, Cenergica, Cardones, Colmito, Amayo, Tipitapa, Corinto)

Note: Samay/Puerto Bravo was part of this bond until April 2021.

2021 Generation Installed Capacity

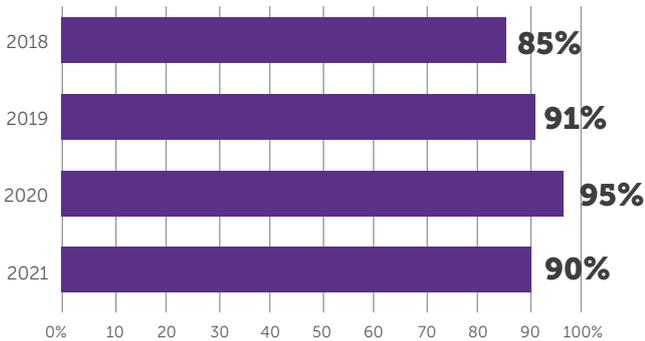


2021 Generation Distribution*

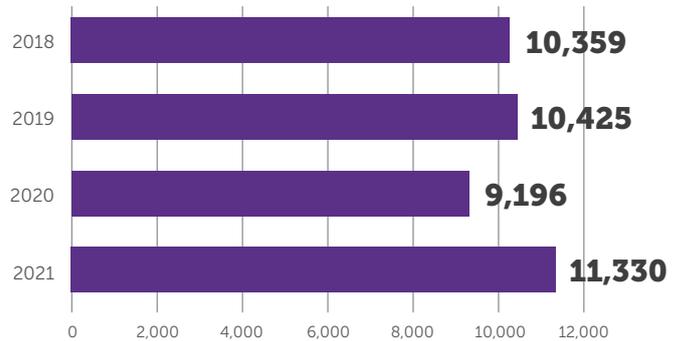


*Natural Gas includes both Combined Cycle CC and Open Cycle OC operations.

Low Carbon Generation



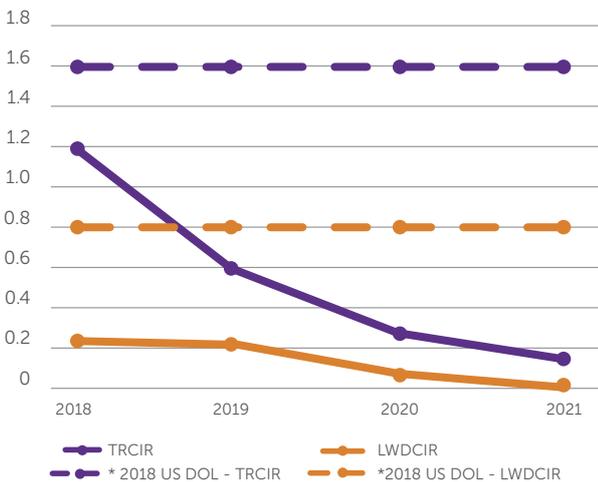
Electricity Generated (GWh)



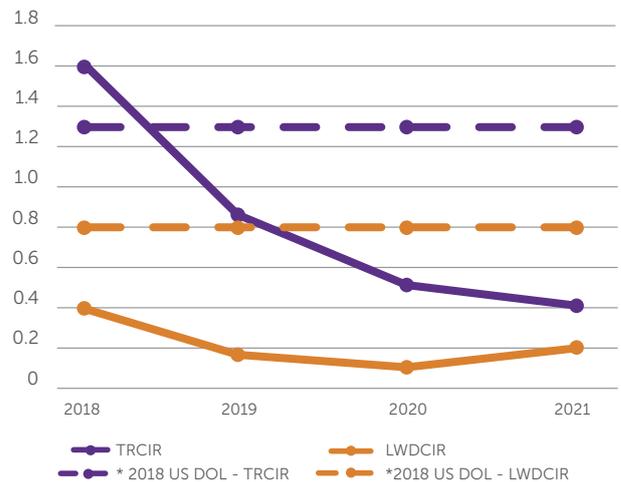
Note: Reduction in generation in 2020 due to lower demand of electricity as a result of COVID-19 pandemic.

1. Safety Performance

Generation Safety Performance Employee and Contractors

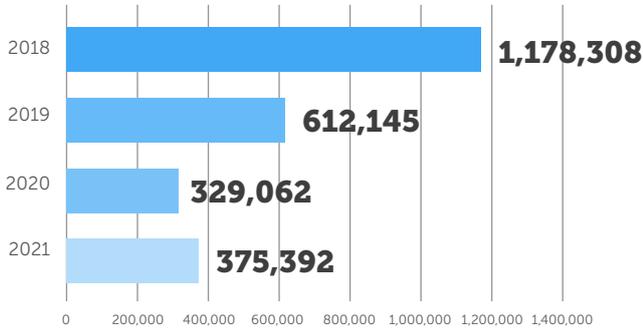


Distribution Safety Performance Employee and Contractors

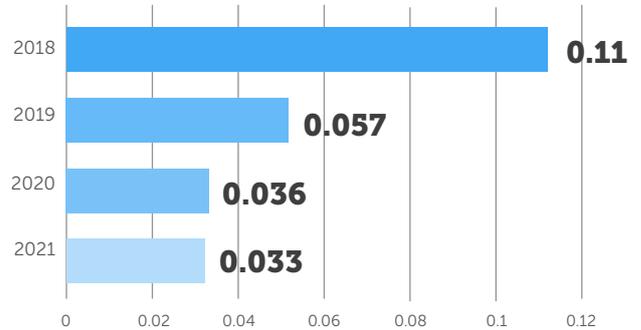


2. Environmental Stewardship

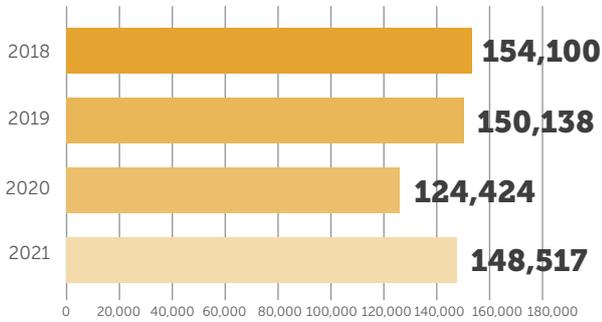
Water Consumption (m³)



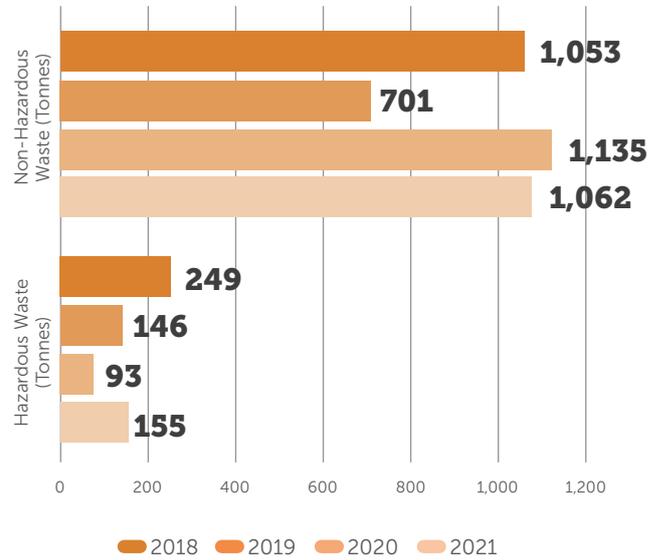
Water Intensity (m³/MWh)



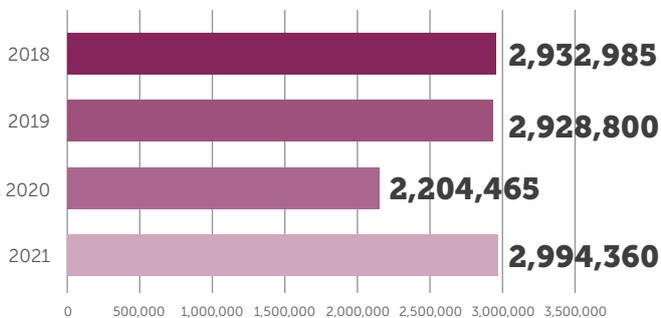
Internal Energy Consumption (MWh)



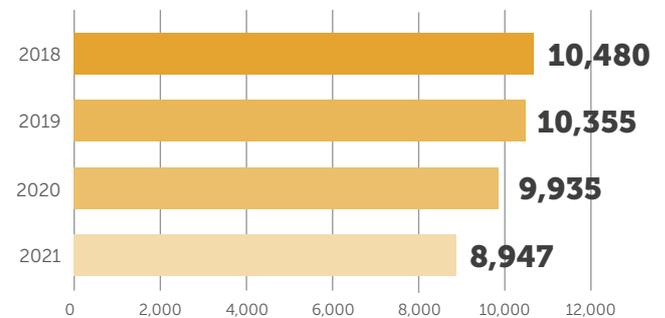
Industrial Solid Waste (Tonnes)



Scope 1 CO₂ Emissions* (Tonnes CO₂e)



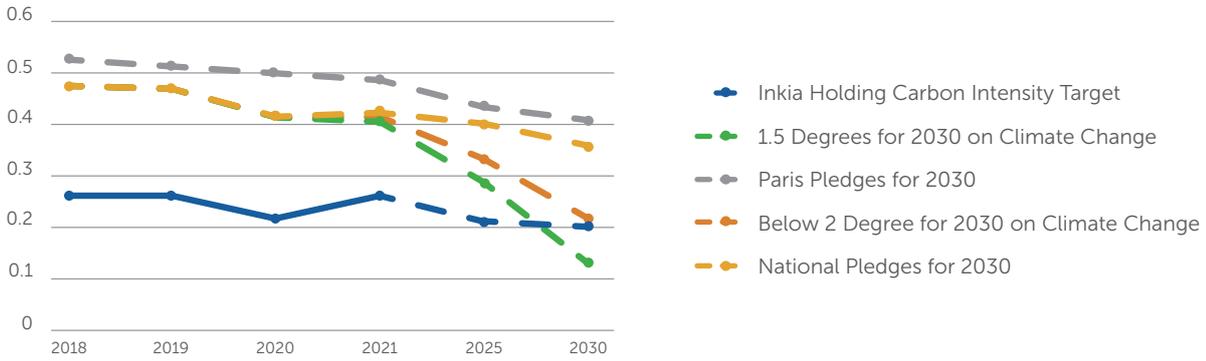
Scope 2 CO₂ Emissions from Purchased Electricity for Own Use (Tonnes CO₂e)



*Note: Scope 1 CO₂ emissions (generation + distribution)

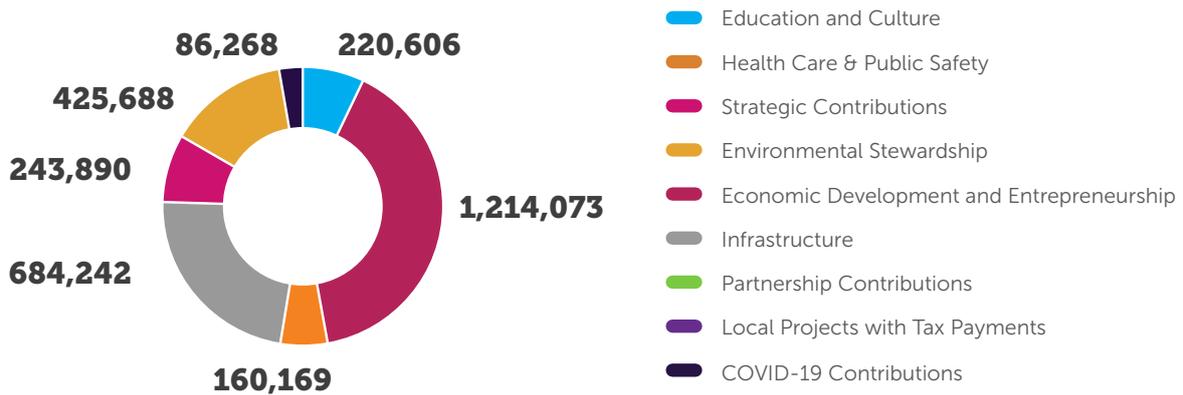
Note: Increase of CO₂ emissions in 2021 due to higher demand of our thermoelectric generation.

Carbon Intensity Reduction Pathway (Tonnes CO₂e/MWh)

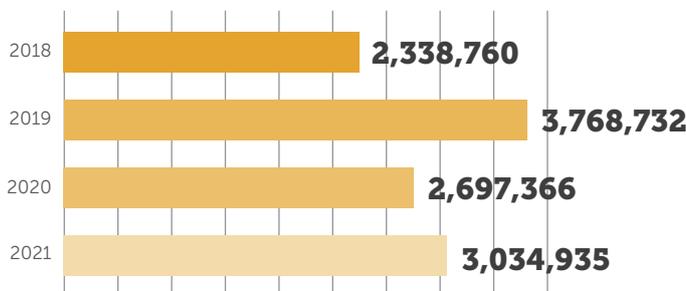


3. Social Responsibility and Community Engagement

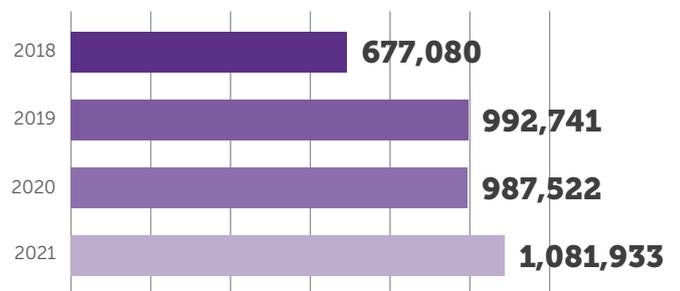
2021 Social and Community Investment by Category (US\$)



Social and Community Investment (US\$)

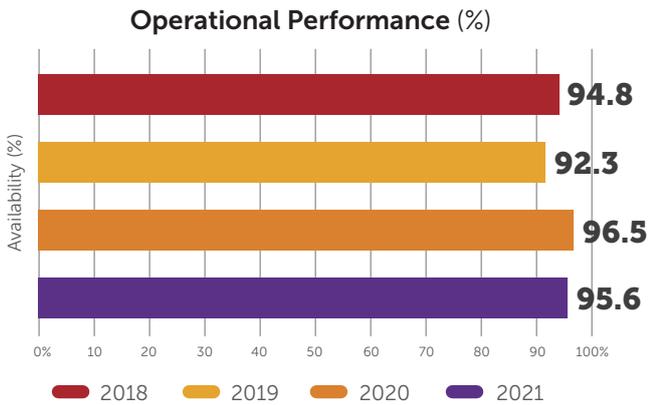


Number of Individuals Benefited (#)

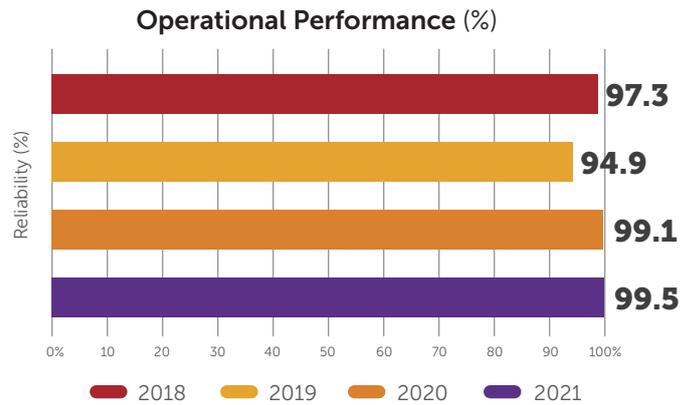


Note: Reduced social Investments in 2020 due to COVID-19 restrictions.

4. Operational Excellence

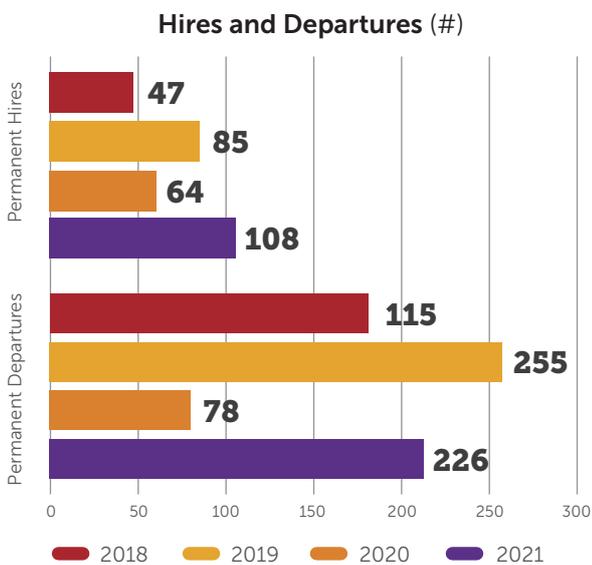
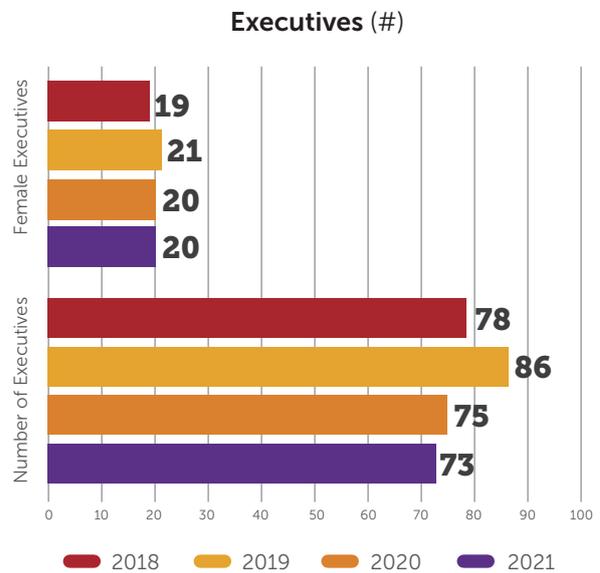
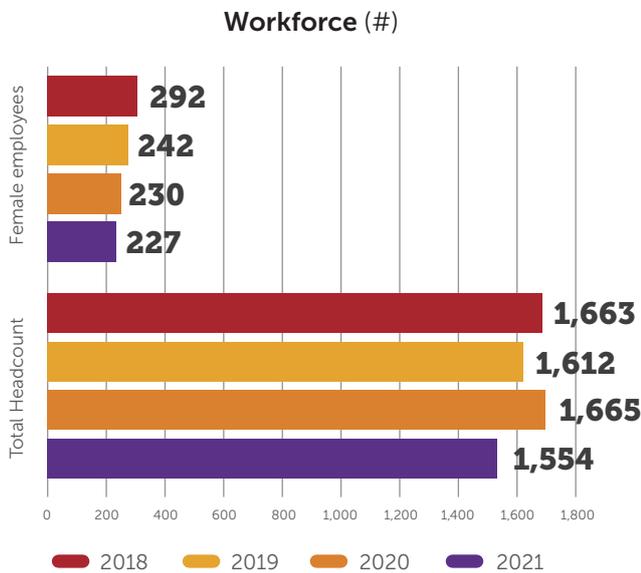


Note: Lower 2019 results due to high level of planned maintenance.

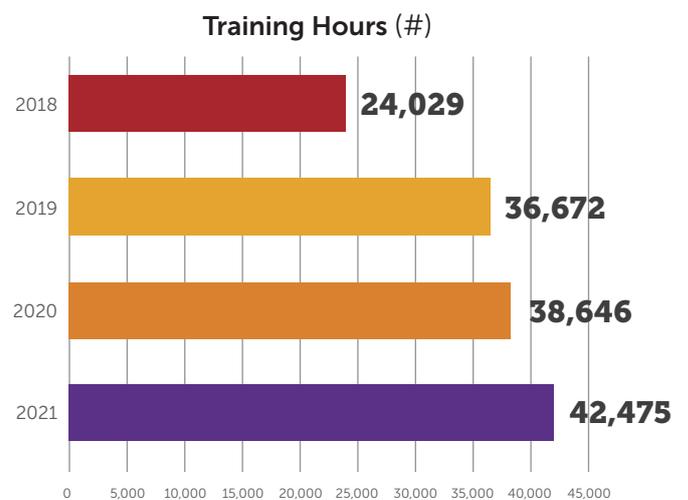


Note: Lower 2019 results due to high level of planned maintenance.

5. Workforce



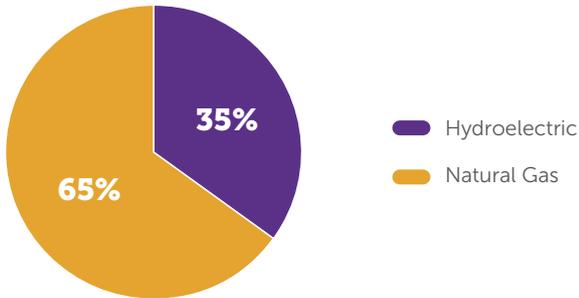
Note: Increase permanent departures in 2019 due to staff optimization in our Distribution business and in 2021 due to integration synergies and divestments in the generation business.



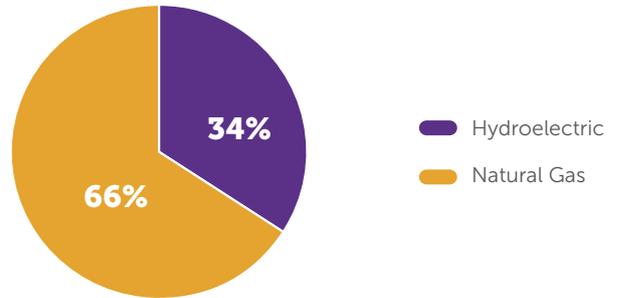
Kallpa

Kallpa Generación S.A. (Kallpa, Las Flores, Cerro del Aguila)

Generation Portfolio (Installed Capacity)*

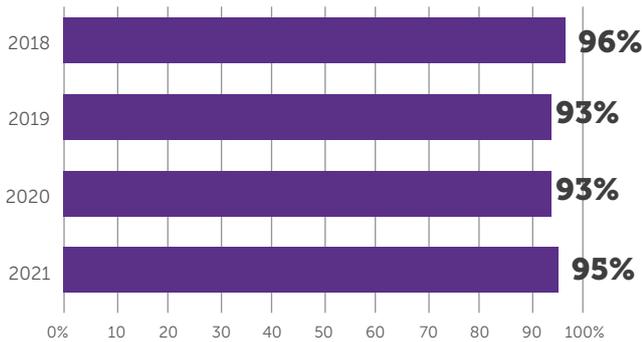


Generation Distribution*

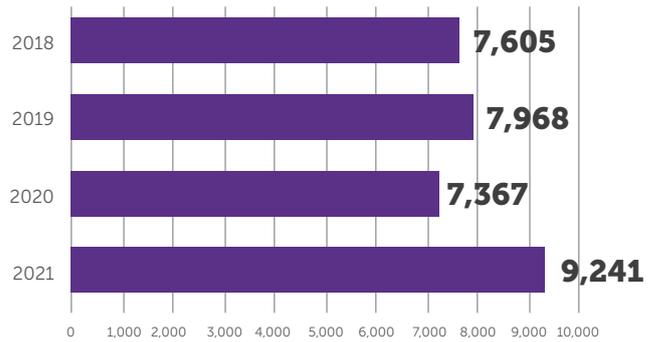


*Natural Gas includes both Combined Cycle CC and Open Cycle OC operations.

Low Carbon Generation

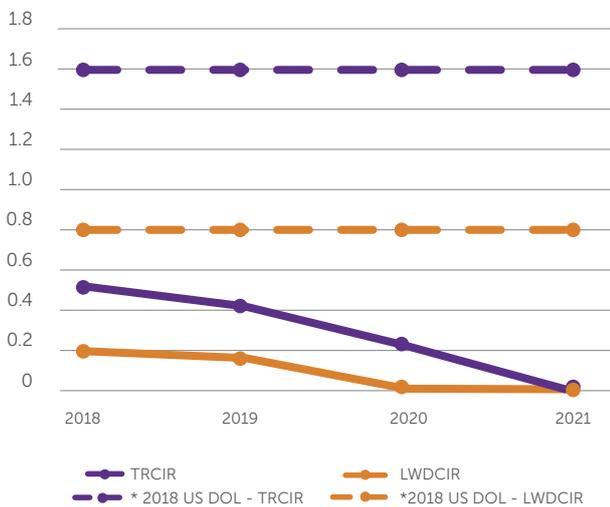


Electricity Generated (GWh)



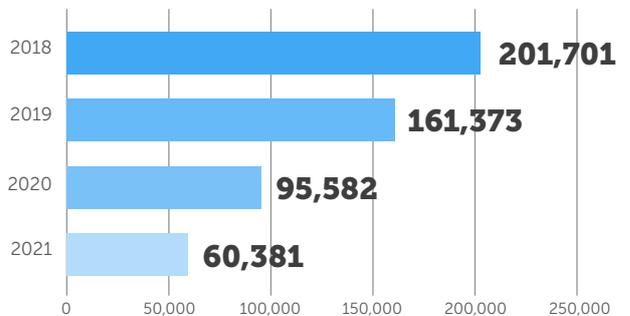
1. Safety Performance

Generation Safety Performance Employee and Contractors

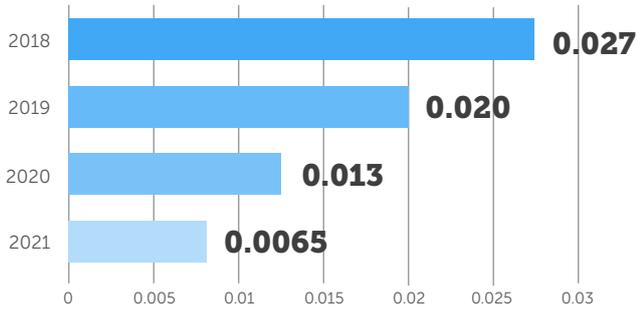


2. Environmental Stewardship

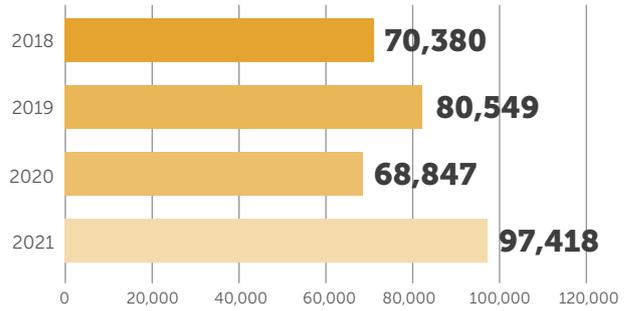
Water Consumption (m³)



Water Intensity (m³/MWh)

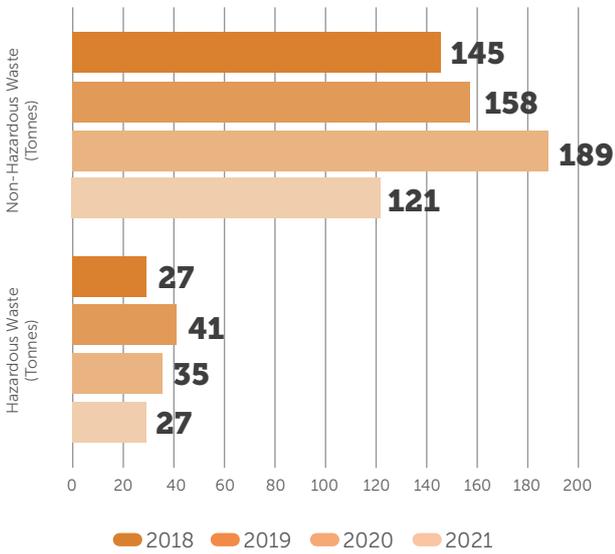


Internal Energy Consumption (MWh)

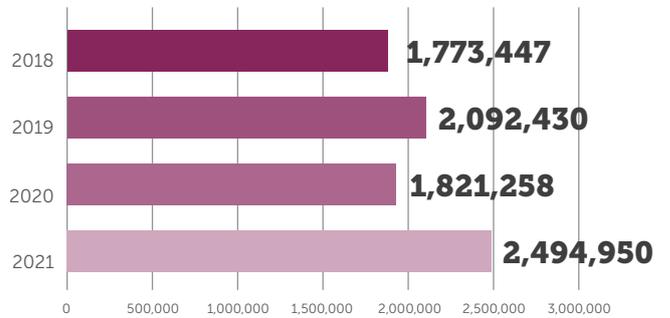


Note: Increase of internal energy consumption in 2021 due to higher demand of our thermoelectric generation, resulting in additional internal energy consumption by auxiliary and other systems.

Industrial Solid Waste (Tonnes)

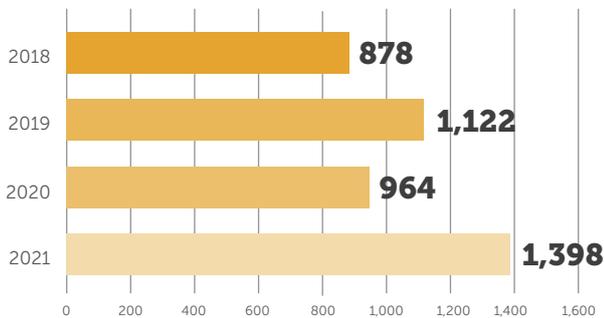


Scope 1 CO₂ Emissions (Tonnes CO₂e)

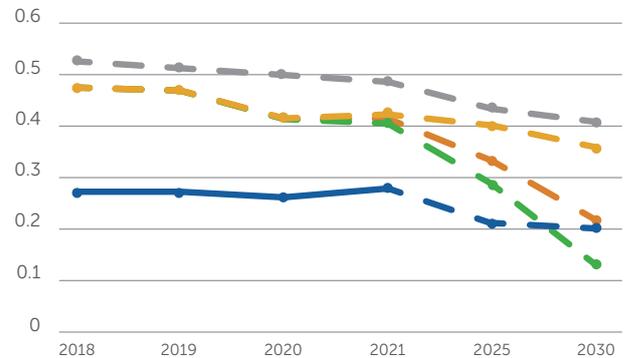


Note: Increase of CO₂ emissions in 2021 due to higher demand of our thermoelectric generation.

Scope 2 CO₂ Emissions from Purchased Electricity for Own Use (Tonnes CO₂e)



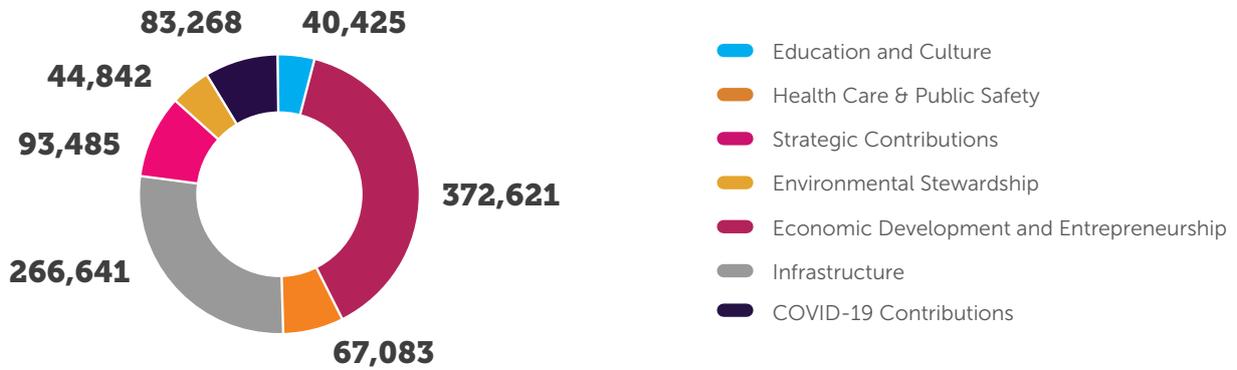
Carbon Intensity Reduction Pathway (Tonnes CO₂e/MWh)



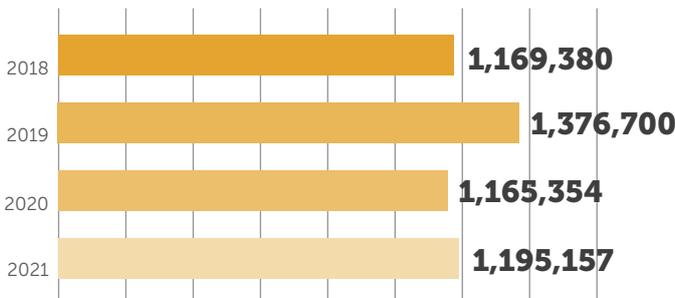
- Kallpa Carbon Intensity
- 1.5 Degrees for 2030 on Climate Change
- Paris Pledges for 2030
- Below 2 Degree for 2030 on Climate Change
- National Pledges for 2030

3. Social Responsibility and Community Engagement

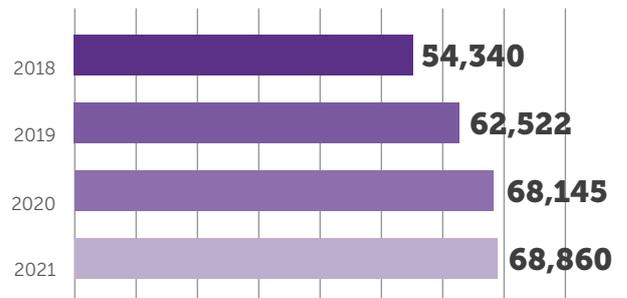
Social Investment by Category (US\$)



Social Investment (US\$)

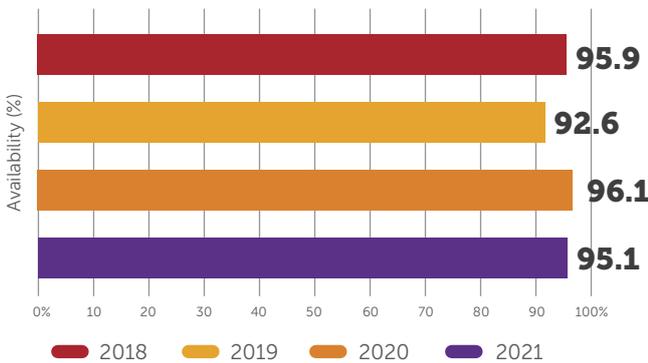


Number of Individuals Benefited (#)

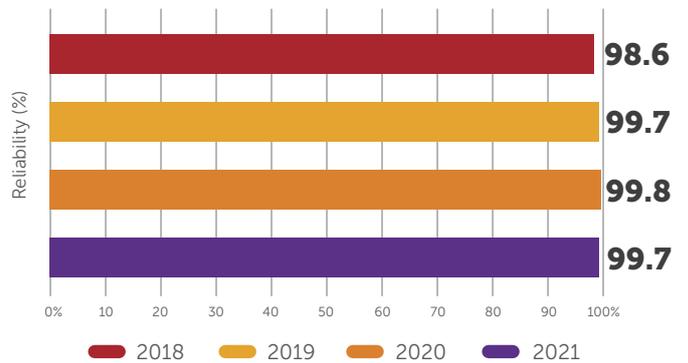


4. Operational Excellence

Operational Performance (%)



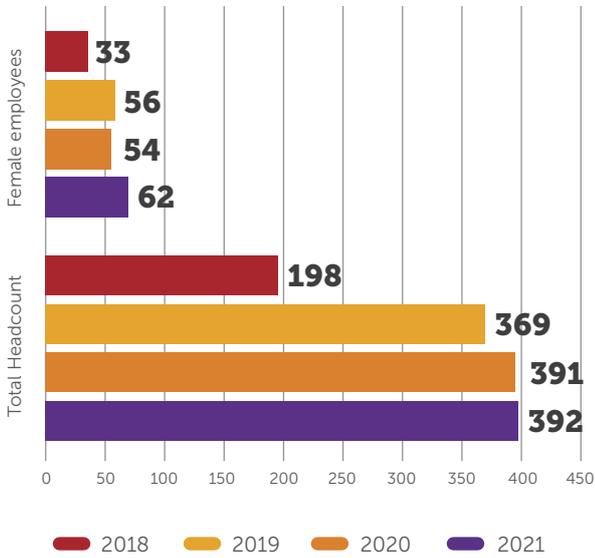
Operational Performance (%)



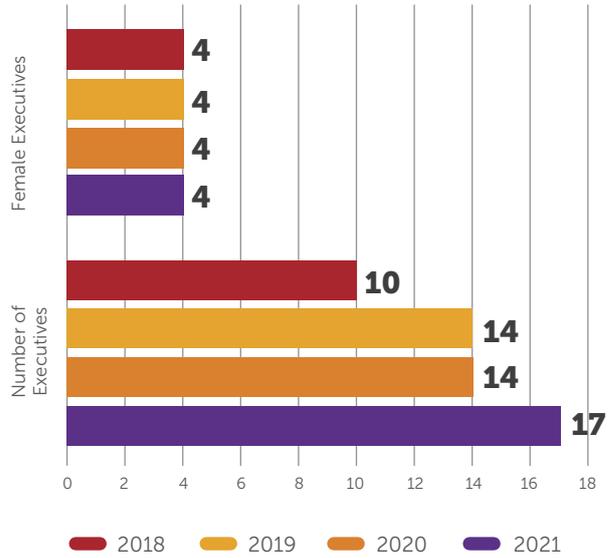
Note: Lower 2019 results due to high level of planned maintenance.

5. Workforce

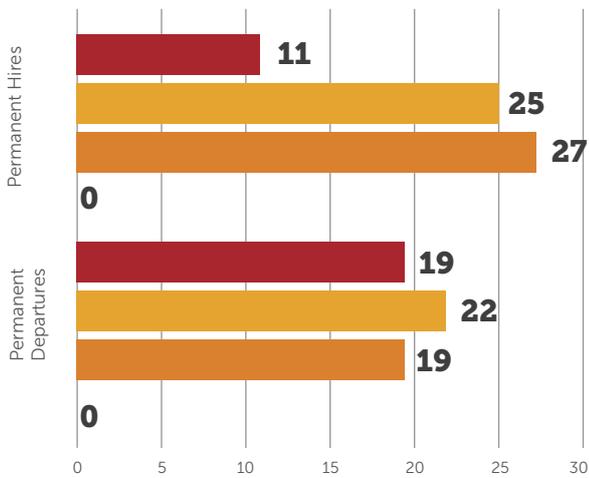
Workforce (#)



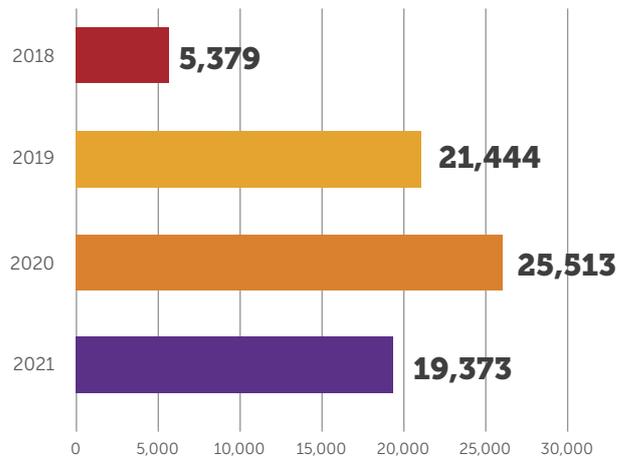
Executives (#)



Hires and Departures(#)



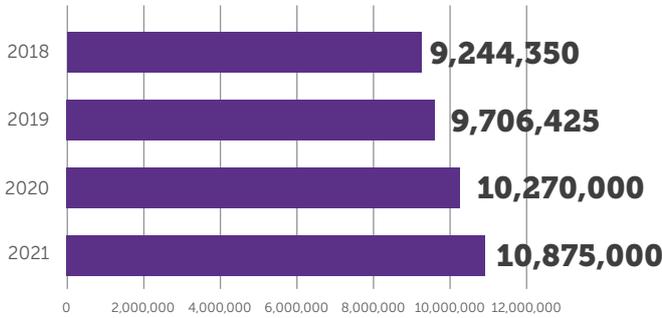
Training Hours (#)



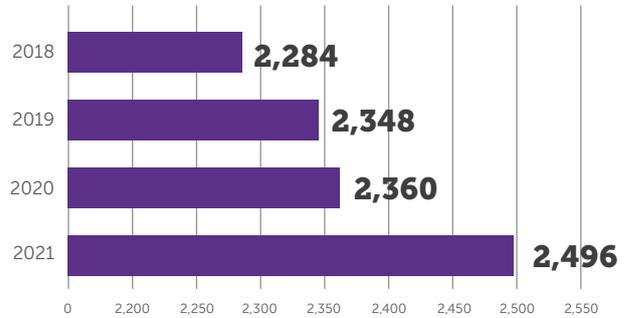
ENERGUATE (EGUATE)

Energuate Trust (Deorsa, Deocsa)

Number of Individual Clients (#)

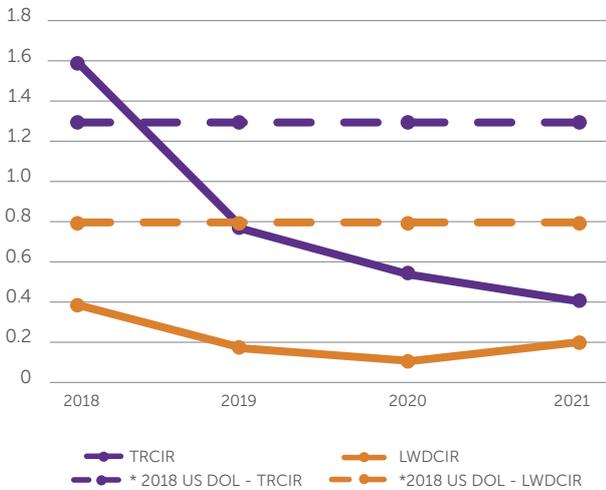


Energy Sales (GWh)



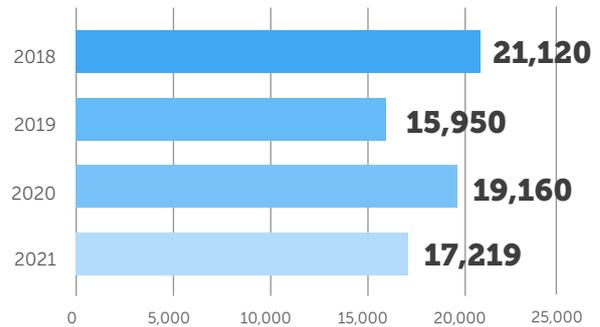
1. Safety Performance

Distribution Safety Performance
Employee and Contractors

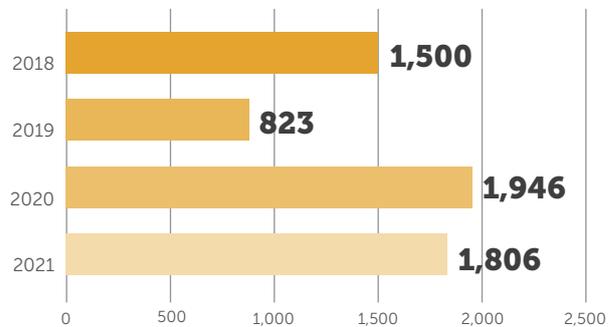


2. Environmental Stewardship

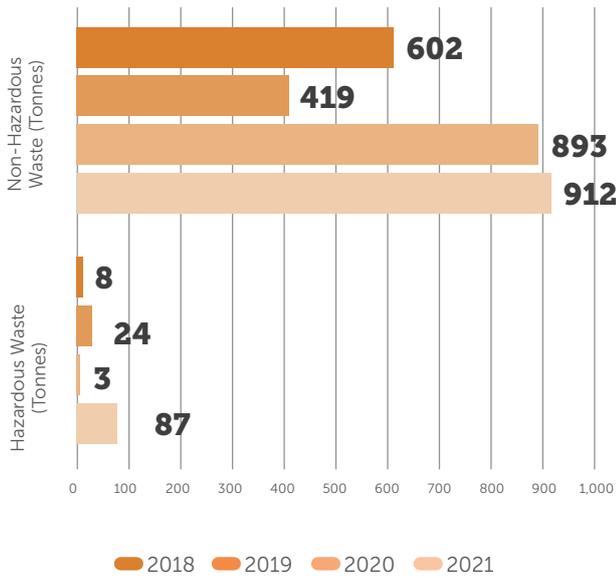
Water Consumption (m³)



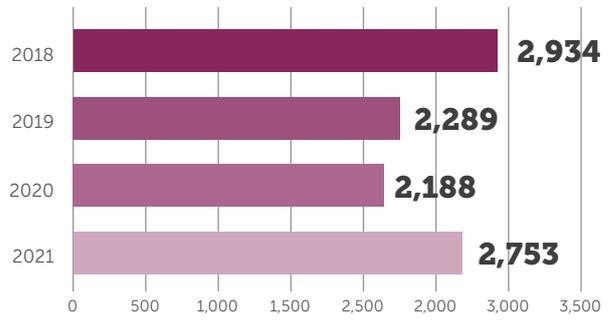
Internal Energy Consumption (MWh)



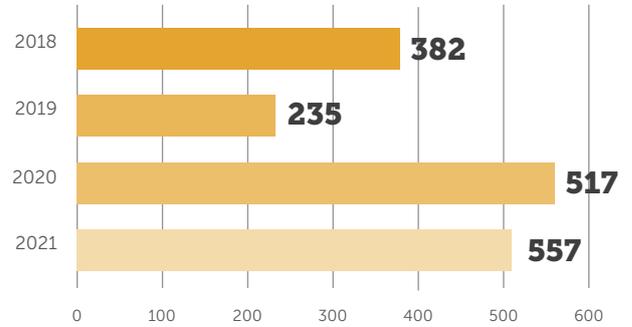
Industrial Solid Waste (Tonnes)



Scope 1 CO₂ Emissions (Tonnes CO₂e)

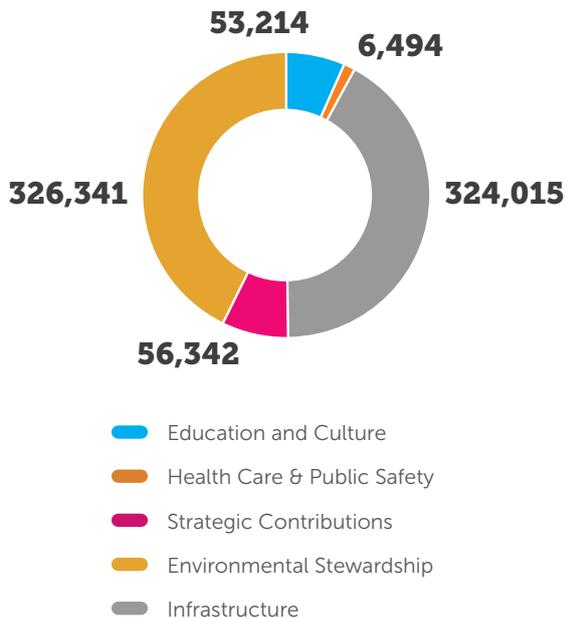


Scope 2 CO₂ Emissions from Purchased Electricity for Own Use (Tonnes CO₂e)

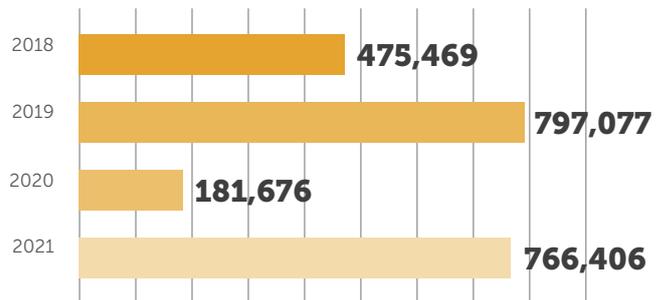


3. Social Responsibility and Community Engagement

Social Investment by Category (US\$)

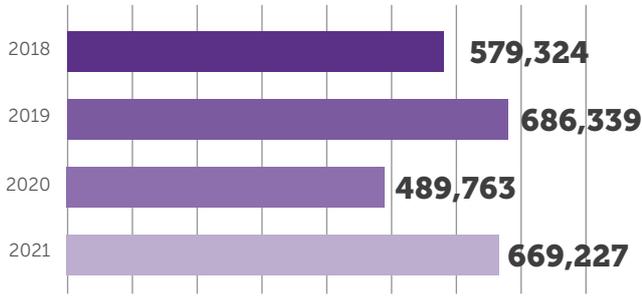


Social Investment (US\$)



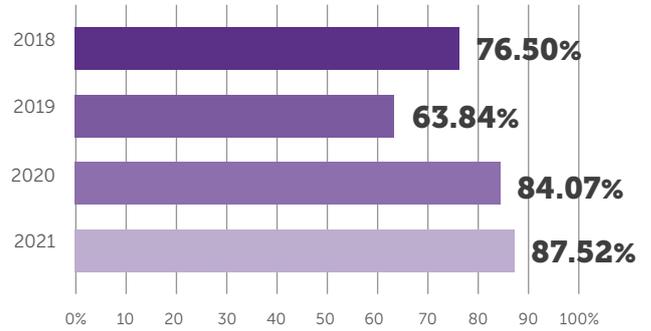
Note: Reduced social investment in 2020 due to COVID-19 restrictions.

Number of Individuals Benefited (#)

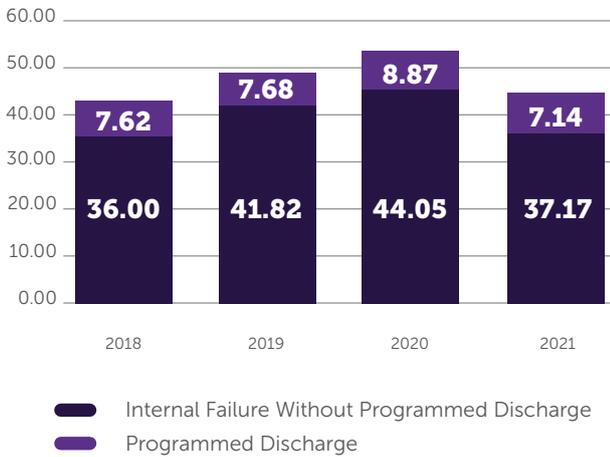


4. Operational Excellence

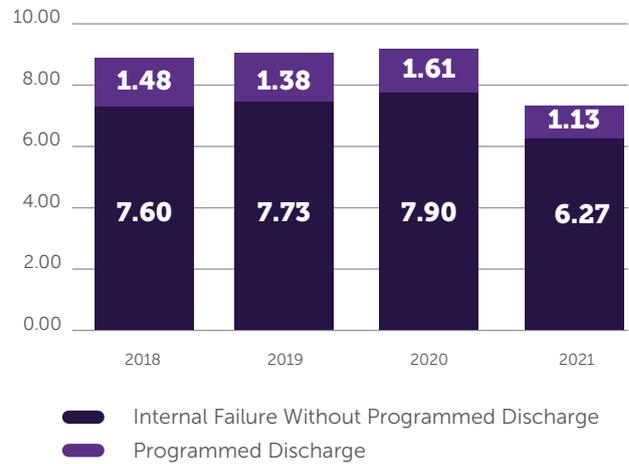
Customer Quality Survey (CNEE)



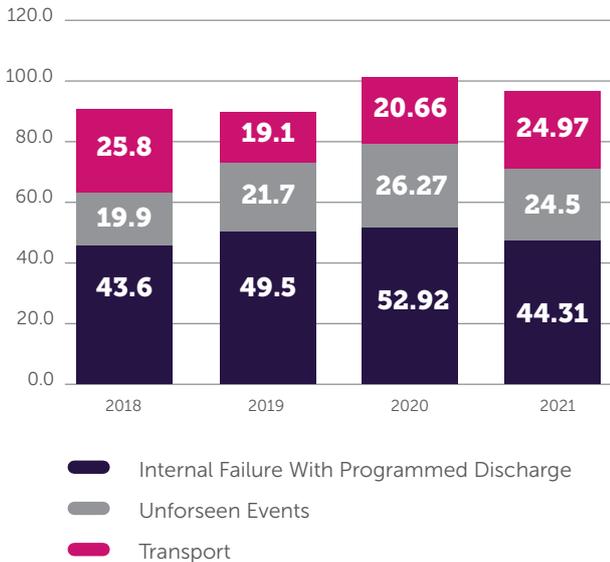
TTIK Internal (Hrs)



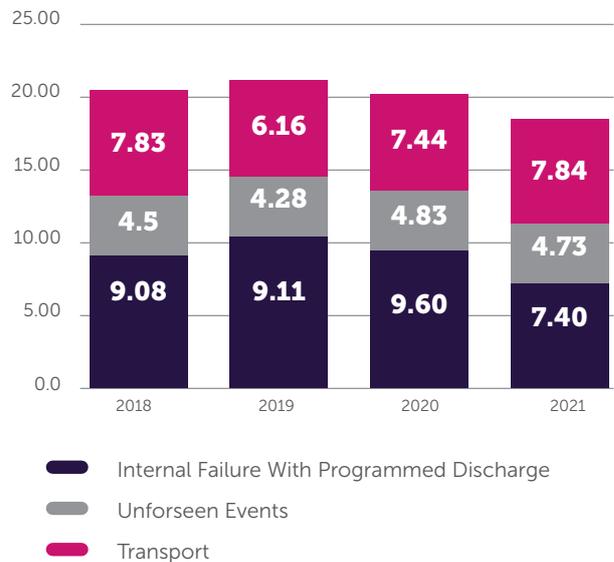
FMIK Internal (Times)



TTIK Customer Perception (Hrs)

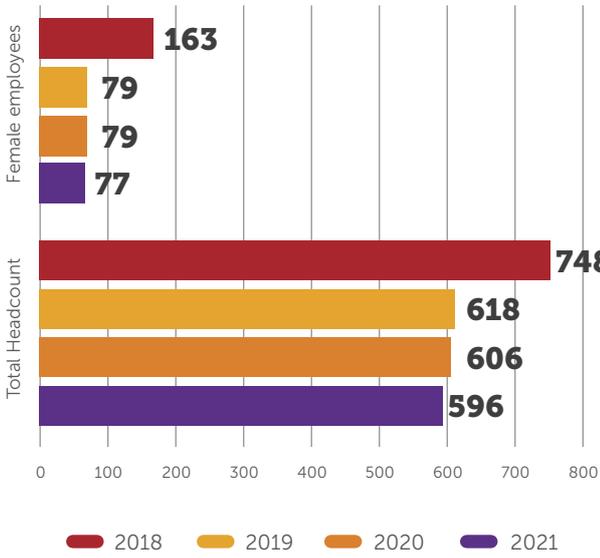


FMIK Customer Perception (Times)

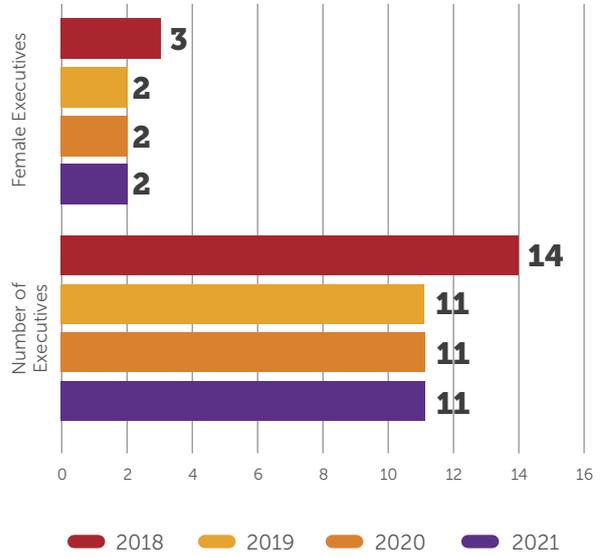


5. Workforce

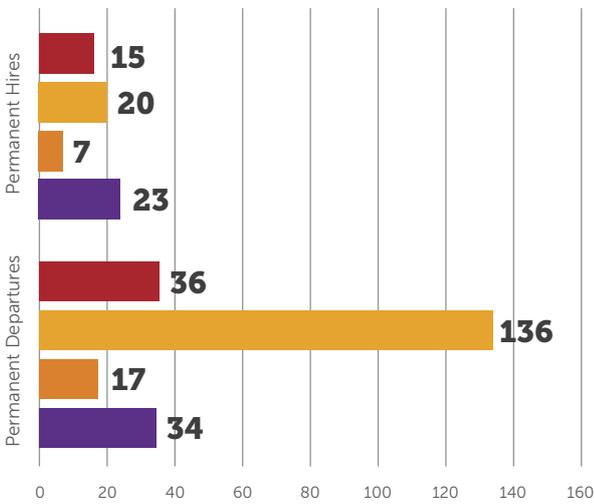
Workforce (#)



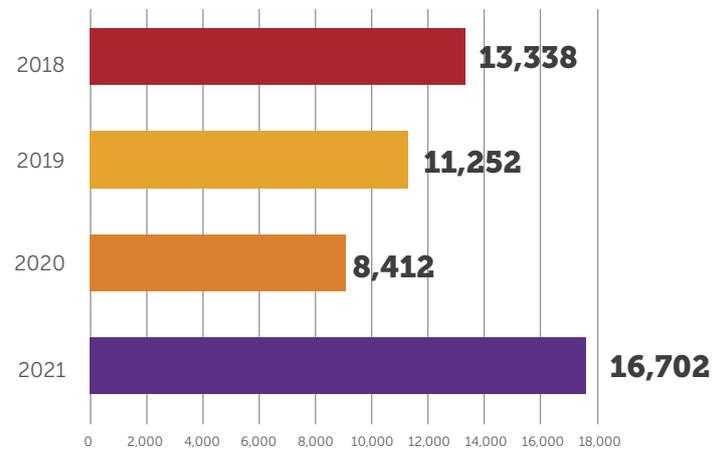
Executives (#)



Hires and Departures(#)



Training Hours (#)



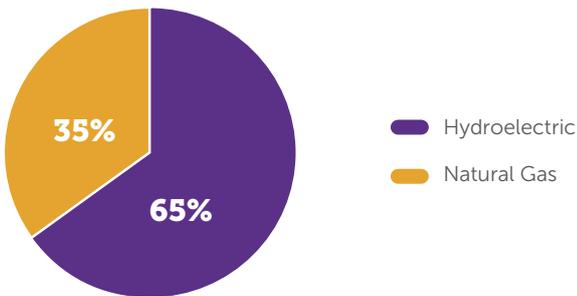
Note: Increase permanent departures in 2019 due to staff optimization.

Orazul Peru (ORSAPE)

Orazul Energy Peru S.A. (Aguaytia, Cañon del Pato, Carhuaquero, Aguaytia Energy Gas Operations)

Note: Aguaytia, Aguaytia Energy Gas Operations were part of this bond until October 2021

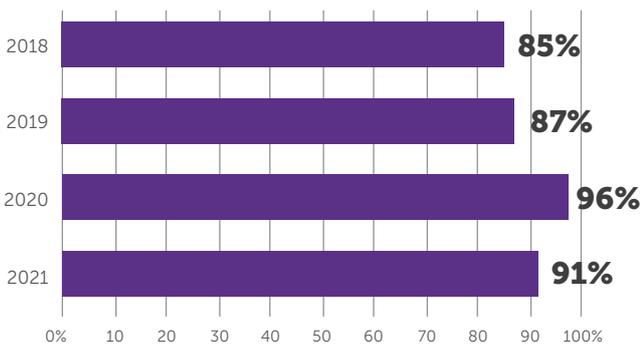
Generation Portfolio (Installed Capacity)



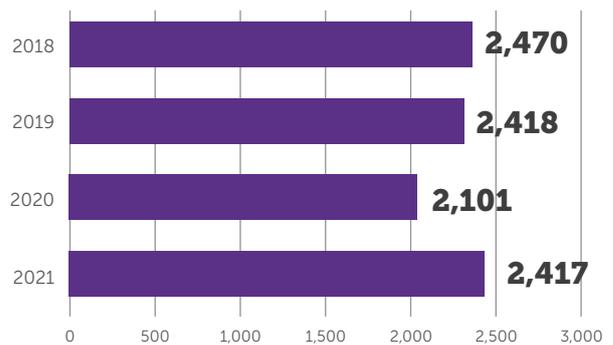
Generation Distribution



Low Carbon Generation



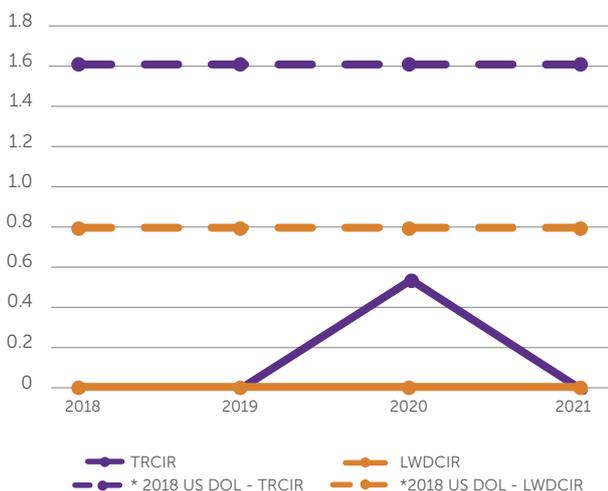
Electricity Generated (GWh)



Note: Reduction in generation in 2020 due to lower demand of electricity as a result of COVID-19 pandemic

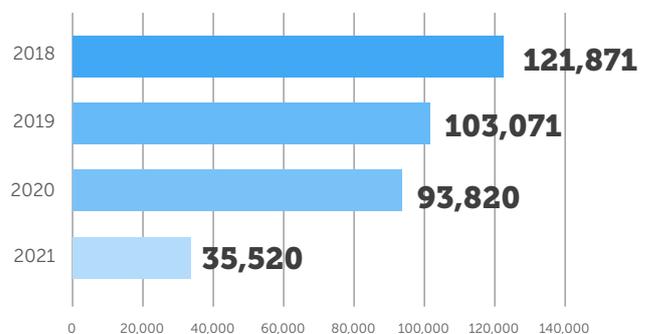
1. Safety Performance

Distribution Safety Performance Employee and Contractors

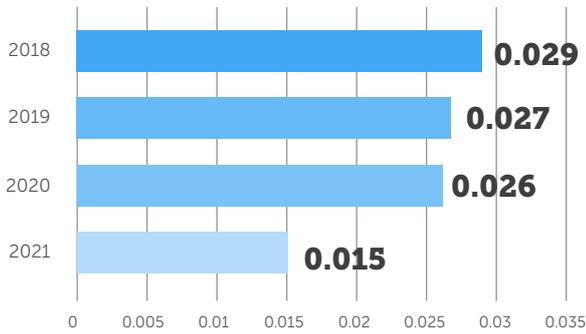


2. Environmental Stewardship

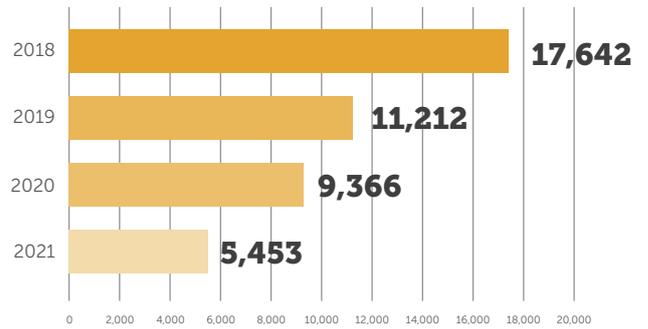
Water Consumption (m³)



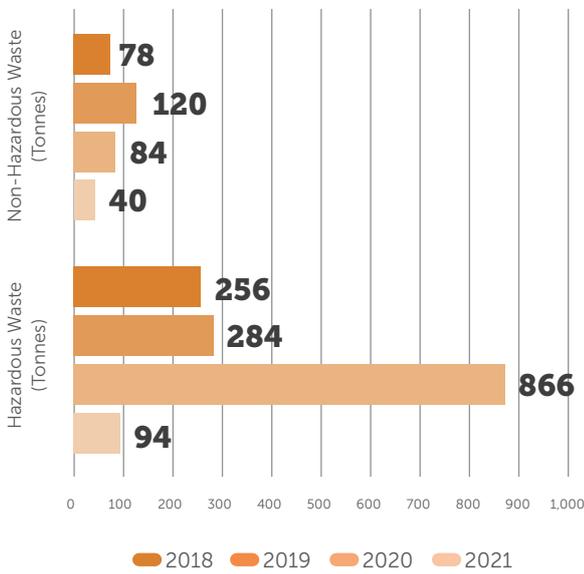
Water Intensity (m³/MWh)



Internal Energy Consumption (MWh)

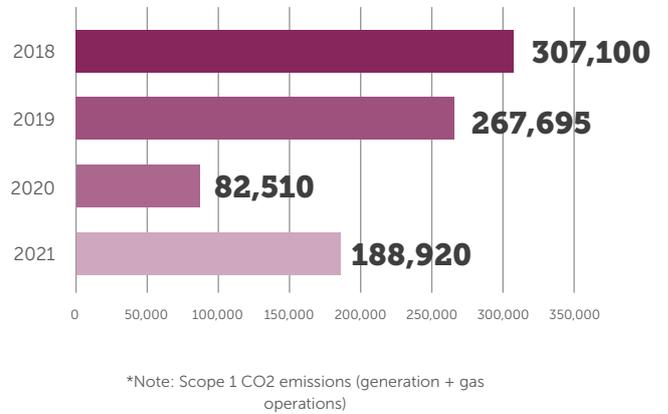


Industrial Solid Waste (Tonnes)

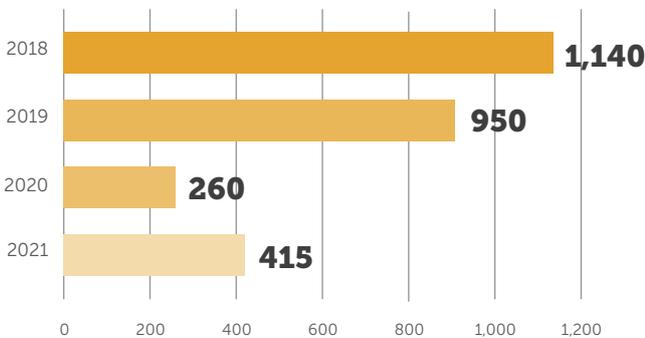


Note: Increase of hazardous waste in 2020 due to clean up of several attempts of theft in our natural gas liquids pipeline resulting in product release.

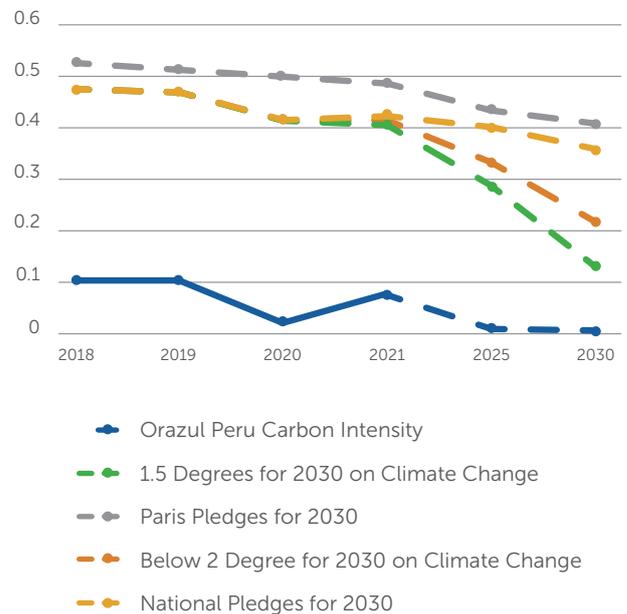
Scope 1 CO₂ Emissions* (Tonnes CO₂e)



Scope 2 CO₂ Emissions from Purchased Electricity for Own Use (Tonnes CO₂e)

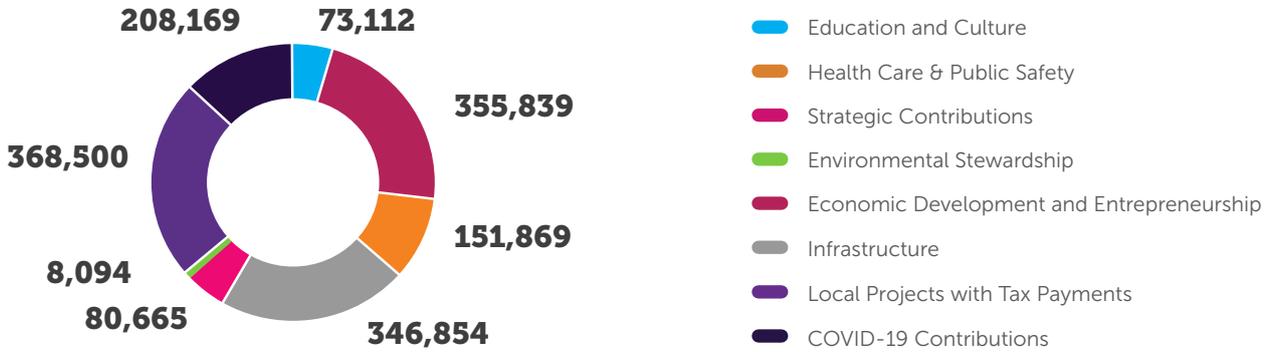


Carbon Intensity Reduction Pathway (Tonnes CO₂e/MWh)

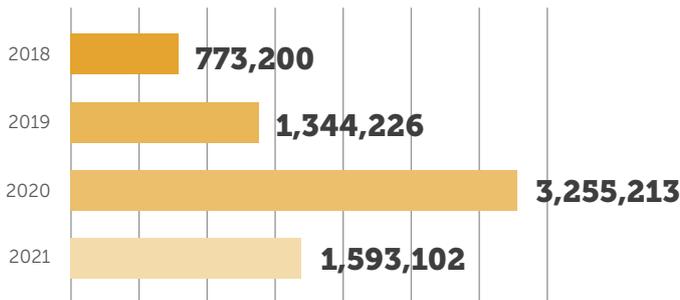


3. Social Responsibility and Community Engagement

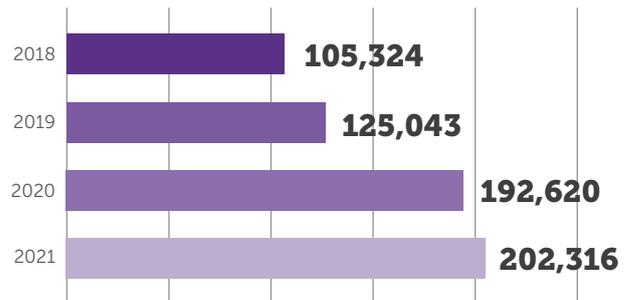
Social Investment by Category (US\$)



Social Investment (US\$)



Number of Individuals Benefited (#)

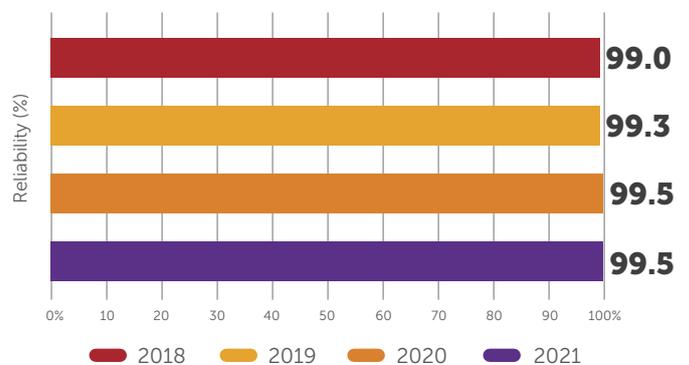


4. Operational Excellence

Operational Performance (%)

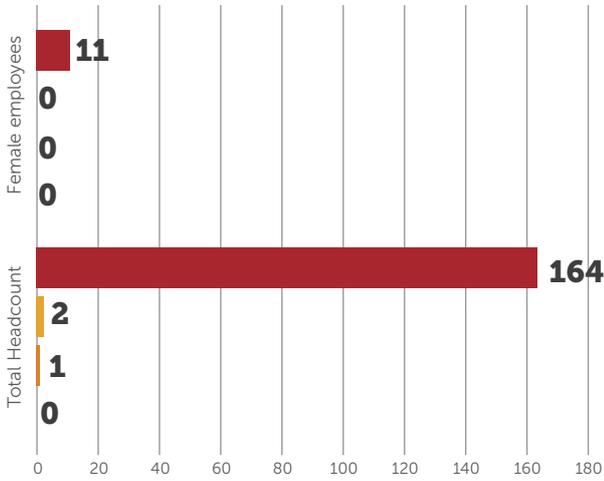


Operational Performance (%)



5. Workforce

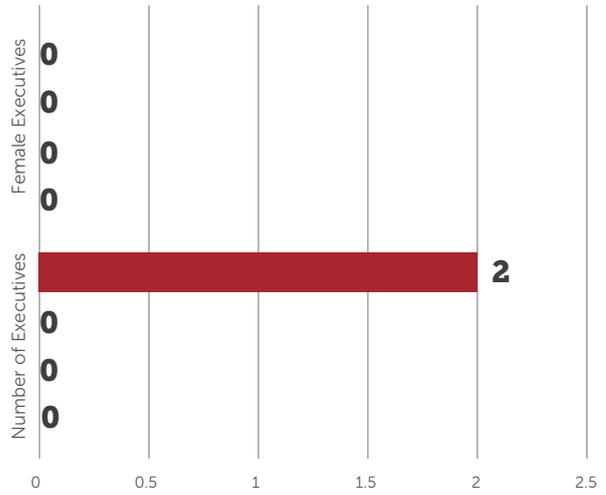
Workforce (#)*



Note*: Orazul Peru employees work under Kallpa since 2019.

2018 2019 2020 2021

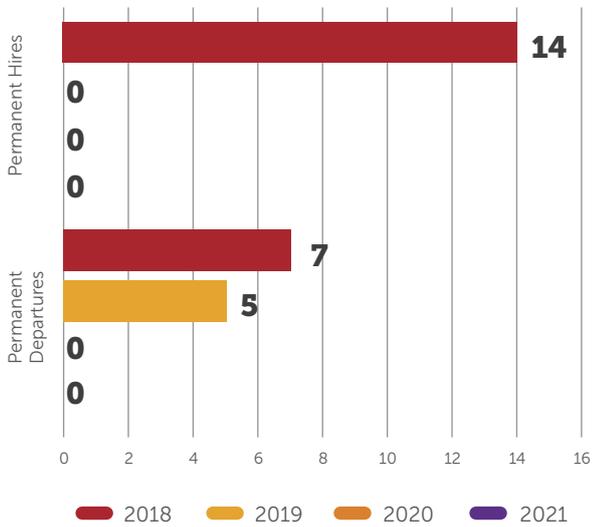
Executives (#)*



Note*: Orazul Peru employees work under Kallpa since 2019.

2018 2019 2020 2021

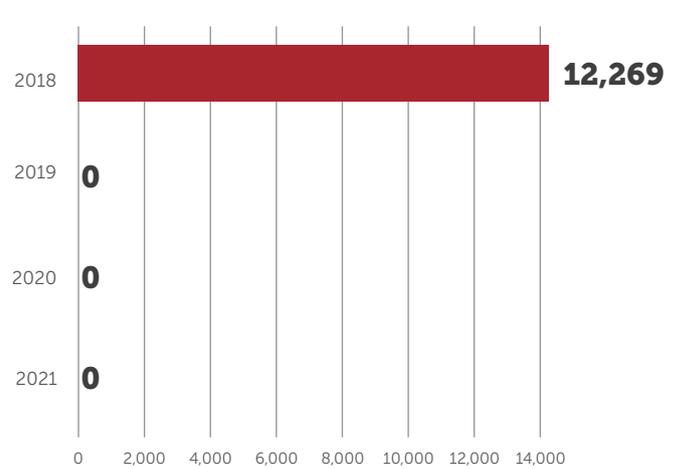
Hires and Departures(#)*



Note*: Orazul Peru employees work under Kallpa since 2019.

2018 2019 2020 2021

Training Hours (#)*



Note*: Orazul Peru employees work under Kallpa since 2019.



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