Grupo Energía Bogotá

2017 Sustainability Report

Profile (103-2) (102-4) (102-6) (102-7) (102-8)

With more than 120 years of history, Grupo Energia Bogota (GEB), listed in the Colombian Stock Exchange, is a multilatin company with presence in Colombia, Peru, Guatemala, Brazil, that participates in the entire energy chain in transmission, generation and distribution of electric energy and transport and distribution of natural gas, through its own companies and through participation in large companies.

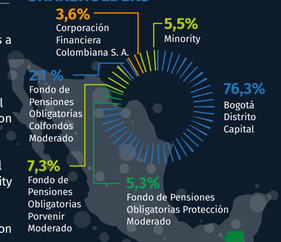
In Colombia, with TGI GEB is #1 in the transport of natural gas, and with its transmission business it is #2 in electricity

In Peru, GEB is #1 in natural gas distribution through its companies Cálidda and Contugas and #1 energy transmission through ISA REP and ISA CTM in which GEB was a 40% stake.

In Guatemala, GEB is #1 in energy transmission with Trecsa and Eebis as private agent.

En Brasil, through Gebbras, GEB has partnered with Furnas, the largest state transmission and generation company of that country.

SHAREHOLDERS



Relevant figures

CLIENTS

ENERGY GENERATION

14.765 GWh

Emgesa Generated 22,1% of the generation in Colombia. Through Emgesa affiliate company of GEB.

KILOMETERS OF GAS PIPELINES

Steel | Pressure steel | Polyethilene

5.971

KILOMETERS OF ELECTRICITY NETWORK

3.024

PERSONNEL

1.663

GEB 550 | TGI 423 | Cálidda 391 | Contugas 180 | Trecsa 117 | Gebbras 2

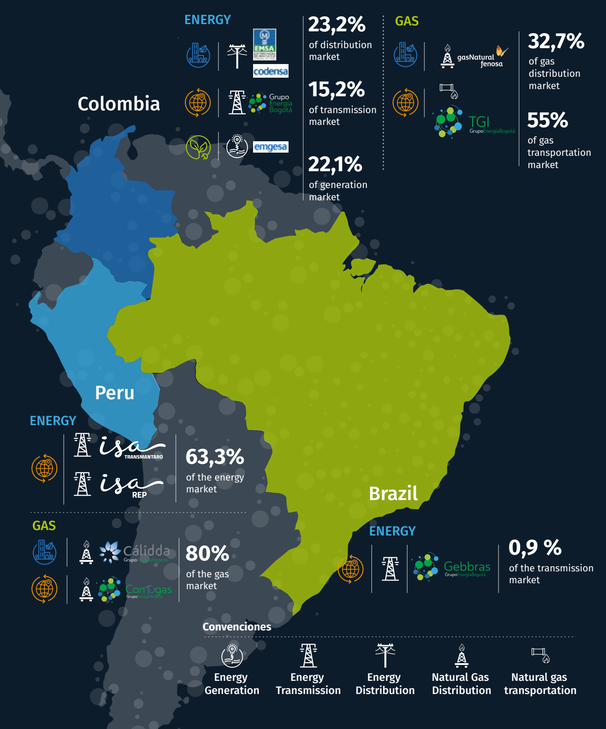
38,1% of management positions held by women

Strategic Business Groups

Urban Energy Solutions: development and operation of infrastructure to serve the demand of electricity and natural gas of large cities.

Interconnection for the Development of Markets: connection of the energy generation sources with mega consumption centers and large users.

Low Emission Generation: search for opportunities of renewable energies in countries in transition from the energy matrix.



Financial situation (103-7)

ASSETS

COP$23,8 billion

LIABILITIES

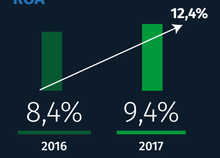
COP$11,8 billion

EQUITY

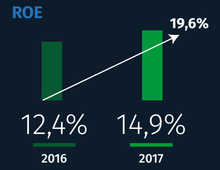
COP$11,6 billion

Includes 0,4% (COP$ 385.683 m) of non-controlled interests

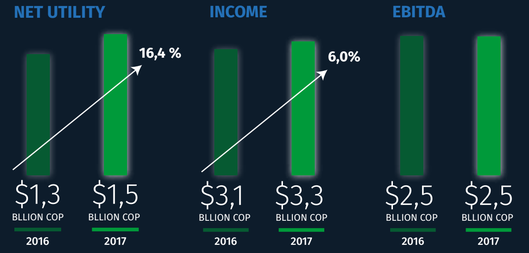
ROA



ROE



Consolidated results



Relevant Facts

- First issuance of internal debt bonds of GEB with AAA rating
- Recognition as benchmark and leader in Latin America for public private securities placementcompanies of the international initiative in Corporate Governance, leaded by the OECD
- Renewal for 4th consecutive year of the IR recognition of BVC for information and relationship with investors
- Strengthening of Corporate Governance under the highest standards
- Transformation of the corporate imageand the brand
- Start of disposal of the stake of 20% of the City of Bogota
- Reinforcement of the management team to strengthen the Corporate Strategic Plan (PEC) and creation of three Vicepresidencies of GEN
- Start of the process for the creation of a Unit of Transmission
- Member of Dow Jones Sustainability Index for sixth year, in recognition to the sustainability value in corporate strategy
- Implementation of system improvements of Internal Control under three lines of defense, appointment of the Group's General Auditor and Director of Compliance

The treasure of the Sabana de Bogota
The Group has an Environmental Management Plan to protect the Tomine dam, one of the hydraulic reserves of Bogota.

To the rescue of the archeological heritage
The Group is compromised with the protection and preservation of archeological items of Peru, Guatemala and Colombia.

Energy for peace
In 11 towns of Valle, Tolima and Huila, the Group is carrying out a program for humanitarian demining.

Clean and cheap mobility
A pilot plan was developed to promote the use of natural gas in solid waste collection trucks.

Together against gender violence
The personnel participated with excitement in the UN campaign to fight for violence against women "Orange the World".

Prize to citizens with high energy
Ten great self-improvement stories recived recognition from the Group in the first edition of this honor.

GEB employers, Sopó, Colombia.

2017

Grupo Energía Bogotá

Contributions to development

Weaving progress GEB
GEB empowered 60 indigenous women that make artisan embroidery form Guatemala.

Pure energy volunteering
GEB's personnel donated 688 hours in 2017 to make Bogota more pretty and work with street people.

Mocoa, a fast solution for a big tragedy
GEB's personnel helped 960 victims of the tragedy in Putumayo with 24 tons of food and items.

Lima breathes
GEB leads a company to promote awareness to Peruvians about the importance of caring for the environment and the quality of air.

The miracle of gas lunchrooms
With 719 free connections, nearly 68.000 low income Peruvians have benefited from this program.

2017
Sustainability
Report

Grupo
Energía
Bogotá

Table of Contents

1 Management and Financial Report of the CEO and the Board of Directors to Shareholders Page 08

2 Corporate Governance, Ethics and Transparency Page 20

3 Shared Value Creation and Sustainability Page 42

4 Business Line Results Page 140

5 Interconnection for Market Development Page 150

6 Urban Energy Solutions Page 160

7 Low Emission Generation Page 170

8 Annexes Page 176

Drafting, journalistic editing and graphic layout by
Taller de Edición | www.tallerdeedicion.co

About this Report

(102-50, 102-51, 102-52) We present the 2017 Sustainability Report of Grupo Energía Bogotá, which includes information on the economic, social and environmental performance of the Group and its companies in Colombia, Peru, Guatemala and Brazil, covering the year from January 1 to December 31, 2017.

The Company presents this report on an annual basis; the latest edition was published in March 2017, covering the 2016 fiscal year. Any clarifications or exceptions regarding coverage are explained in the corresponding sections of the document.

(102-32) This report has been formally reviewed and approved by the Group CEO, by the principal members of the CEO's Committee and by the Board of Directors and its committees.

(102-45) It presents the results of the Group and its Strategic Business Groups (Interconnection for Market Development, Urban Energy Solutions and Low Emission Generation), on the basis of the corporate strategy and its risk management, sustainability and shared value models, all aligned with the Sustainable Development Goals (SDGs) and applied to each of the Group's member companies. Additional information on each of the companies that form part of the Strategic Business Groups is available in their specific reports.

(102-54) Each chapter contains information on the sustainability dimensions of management, results and goals, according to the Integrated Reporting Standard of the Global Reporting Initiative (GRI), "essential" option, which are identified by means of the appropriate codes for each indicator. The contents have also been structured so as to highlight and communicate the material matters defined by the Organization.

(102-56) The firm KPMG performed limited assurance assessments on certain performance indicators. Its independent review report is included in the Annexes section.

(102-53) The digital version of the report is available at www.grupoenergiabogota.com. If you have any questions regarding this report, please contact Juan Daniel Ávila Gómez or Juan Manuel Díaz Hernández by e-mail at sostenibilidad@geb.com.co or by phone at 3266800 ext. 1765.

Employees, Transmission Business

At Grupo Energía Bogotá we are convinced that successful companies are those that win over people's hearts, with an efficient and results-oriented team that is close to the people.

Dear Shareholders:

Astrid Álvarez Hernández
CEO, Grupo Energía Bogotá

Beatriz Elena Arbeláez Martínez
Chairwoman of the Board of Directors

(102-14) **To talk about the results of Group Energía Bogotá (GEB)** in 2017 is to talk about good news, about thanking our shareholders for the trust they have deposited in us, and thanking all our employees for their passion and dedication towards achieving our proposed goals.

We are proud to present for the first time the GEB Sustainability Report as a Corporate Group, a Multi-Latin organization with presence in Colombia, Peru, Brazil and Guatemala, and the only conglomerate in the region with assets in all segments of the electricity and natural gas energy chain.

GEB NET INCOME GROWTH

The 2017 period was a year of substantial results. We moved forward in the consolidation of our Corporate Strategic Plan (CSP), which will help the Group fulfill the MEGA goal of becoming the most profitable non-mining conglomerate in the Colombian market by 2025.

We strengthened our corporate governance to achieve more transparent and independent management and to improve decision-making. In line with best international practices, we upgraded our control architecture based on the three-lines-of-defense model and we strengthened the management team to face the challenges of the highly dynamic energy industry.

During the year we also consolidated our three Strategic Business Groups: Urban Energy Solutions (SEU, for the original in Spanish), Interconnection for Market Development (IDM), and Low Emission Generation (GBE). We also renovated the Group's brand with an image that reflects our transformation and our commitment to sustainability, the environment and innovation.

GEB REVENUE GROWTH.

This good performance translated into successful financial results: GEB revenues increased by 6.0% and net income increased by 16.4%. These results are reflected in share prices, which increased by 11.3%, demonstrating the market's confidence in the strategy we have implemented. These achievements are even more significant considering the economic context of Colombia. For the sixth year in a row we were included in the Dow Jones Sustainability Index, and we have gained increasing worldwide recognition for our corporate sustainability practices. Also, for the fourth consecutive year we received a distinction from the Investor Relations Committee of the Colombian Securities Exchange.

Today GEB is a solid Group, with great growth and expansion potential in Latin America, a region in which we are present with our own companies including TGI, Contugas, Gebbras, Trecsa and EEBIS, as well as through interests in large companies that are leaders in the energy sector.

We have taken big strides, and in 2018 the Group will continue on this path of continued growth, but more importantly, and what will enable us to successfully move forward, in strengthening our genuine relationships with our communities. We want them to feel proud of having the Group in their territories, and for this reason we are strengthening our shared value strategy.

All this will become a reality by working hand-in-hand with our employees, and with the support of our shareholders, the Board of Directors, our suppliers and the communities.

At Grupo Energía Bogotá we are convinced that successful companies are those that win over people's hearts, with an efficient and results-oriented team that is close to the people.

Grupo Energía Bogotá

In 2017 Grupo Energía Bogotá took a very important step: it changed its brand to reflect what it is today: a modern and powerful conglomerate that is no longer a company, but that has become a Corporate Group. The new image represents the constant flow of energy, permanent change and consolidation in 13 spheres that represent our operations in Latin America. Grupo Energía Bogota is constantly renewing itself and evolving, like the energy that moves Latin America.

1

Management and Financial Report of the CEO and the Board of Directors to Shareholders

Construction of Contugas Infrastructure in Peru

Management and Financial Report

WE ARE THE ONLY CORPORATE GROUP THAT PARTICIPATES THROUGHOUT THE ENERGY CHAIN WITH COMPANIES THAT ARE BECOMING STRONGER EVERY DAY.

DEAR SHAREHOLDERS AND STAKEHOLDERS

(103-1) (103-2) (103-3) It is highly satisfactory for me and the entire team of Grupo Energía Bogotá (GEB) to present our 2017 Management Report.

It was a year of big results: profits increased by 16.4%; we will pay dividends of COP 115 per share, the highest in the Group's history; GEB share prices reached a historic high of COP 2,095 on the Colombia Securities Exchange; we moved forward in consolidating the Corporate Strategic Plan (CSP), and continued to position the Group as a Multi-Latin leader in electric energy and natural gas thanks to its robust corporate governance based on transparency and independence.

But above all, in 2017 we understood that what is most important, and what will be the true measure of our success, is for the communities where we are present to feel proud of GEB. We also ratify our commitment to the principles of the United Nations Global Compact.

Macroeconomic Environment

In 2017 the economy displayed some recovery. According to figures of the International Monetary Fund (IMF), global Gross Domestic Product (GDP) increased by around 3.7%, a much higher rate than the 2.2% recorded in 2016. However, this favorable trend did not affect all regions alike, and it is estimated that growth in Latin America will be around 1.3%.

On its part, the Colombian economy grew at a slower pace, mainly due to the tax reform, which increased the VAT by three points, the slowdown in mining and manufacturing, and setbacks in the infrastructure sector. However, it benefited from the recovery of oil prices, as well as positive expectations for sectors such as agriculture as a result of the Peace Agreement.

TGI Employees in Curumaní

Colombia, Peru and Guatemala posted a higher growth rate than the average for the region. In Colombia, GDP grew by 1.8%, in Peru, by 2.5% and in Guatemala, by 2.8%. On its part Brazil, with growth of around 1%, began to recover following two years of negative growth and a high level of public debt.

In this environment, the favorable results of GEB are particularly noteworthy. The Group grew in a sustained manner and consolidated its investments for the development of large companies.

NET INCOME IN 2017 TOTALED **COP 1.5 TRILLION,** UP 16.4% COMPARED TO 2016.

Operating Results

In 2017, the revenues of GEB companies in Colombia, Peru, Guatemala and Brazil increased by 6.0%, from COP 3.1 trillion to COP 3.3 trillion. Meanwhile, net income increased by 16.4% to COP 1.5 trillion.

GEB carried out the first internal public bond issue in 2017, which enabled the Group to substitute debt denominated in United States Dollars (USD) for debt in Colombian pesos (COP), and to leverage its Investment Plan. The local market received the issue with confidence, with a AAA rating issued by Fitch Ratings, raising COP 1.3 trillion and with over-subscription of COP 2.2 trillion. This was the largest amount placed by a real sector company in the Colombian capital market, and represents a milestone in that it is one of the issues with longest maturity terms, given that one of the tranches was placed with a 30-year term at competitive rates.

Financial position (VAL1)

Assets
COP 23.8 trillion

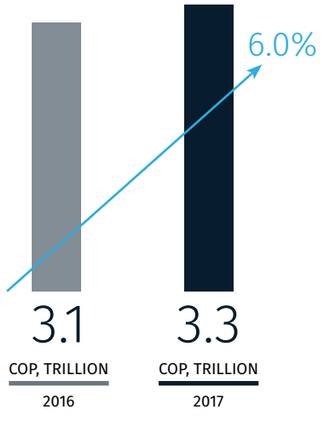
Equity
COP 11.6 trillion

Liabilities
COP 11.8 trillion

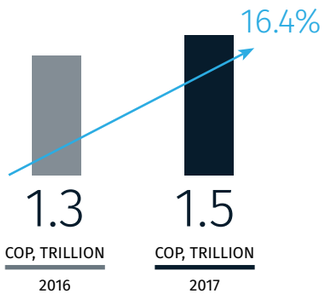
Non-controlling interest
COP 0.4 trillion

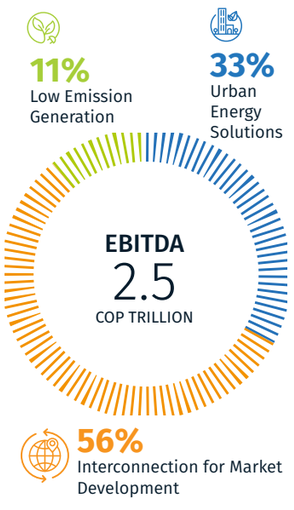
(VAL2)

Consolidated operating revenues



Net income

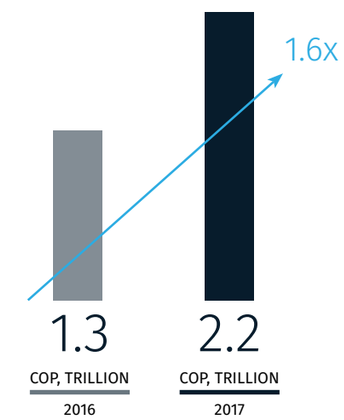




Share performance

1. **28.02.17** Issue in the Colombian market of the first tranche for COP 650 billion
2. **23.03.17** Presentation of 2016 results with net income of COP 1.3 trillion at the close of the year
3. **30.03.17** General Shareholders Assembly
4. **23.05.17** Net income of COP 536 billion reported at the end of the first quarter of 2017.
5. **05.07.17** First dividend payment.
6. **23.08.17** Net income of COP 766 billion reported at the end of the first semester of 2017.
7. **07.09.17** Ratified for the sixth year running in the Dow Jones Sustainability Index in the emerging markets category.
8. **27.09.17** The BVC IR Recognition for the fourth consecutive year for high standards of information disclosure.
9. **25.10.17** ESP changes its corporate name.
10. **31.10.17** Second dividend payment.
11. **15.11.17** Issue of second tranche for COP 650 billion in the Colombian market.
12. **20.12.17** Approval of the program for democratization of 20% of the shares held by the Capital District in GEB.

GEB 2017 bond issue, over-subscribed



The profit distribution available to shareholders totals COP 1.0 trillion. A dividend of COP 115 per share is to be paid, 16.2% higher than the amount paid in 2016, which was COP 99 per share.

It is worth highlighting that return on equity (ROE) increased by 19.7%, from 12.4% in 2016 to 14.9% in 2017.

On its part, the share price increased by 11.3% at the end of the year, and reached a record high of COP 2,095 on November 21. Our stock came to account for 4.5% of the Colcap Index, becoming the 10th largest among the 25 stocks listed on the Colombian Securities Exchange.

GEB 2017 bond issue – Competitive terms and rates

Term: 7 years
Rate: **CPI + 3.2%**

Term: 15 years
Rate: **CPI + 3.8%**

Term: 25 years
Rate: **CPI + 4.0%**

Term: 30 years
Rate: **CPI + 4.1%**

OVER COP 1 TRILLION IN DIVIDENDS WILL BE PAID TO GEB SHAREHOLDERS FROM 2017 EARNINGS, A RECORD AMOUNT THAT IS THE PRODUCT OF EXCELLENT RESULTS.

Additionally, in order to improve its financial profile and lengthen the average maturity of its liabilities, GEB substituted debt by means of a syndicated loan with international banks at more favorable rates.

Thanks to its good investor relations practices and its financial disclosure to markets, for the fourth time running GEB received the Investor Relations (IR) recognition from the Colombia Securities Exchange.

In 2017, the Group made progress in its Plan for Disposal of non-strategic assets, consisting of an equity stake of 1.7% in Interconexión Eléctrica S. A. (ISA) and of 0.001% in Grupo Nutresa. These resources will be reallocated to invest in the three core Strategic Business Groups (SBGs).

As of the end of 2017, the programs for the disposal of the 15.6% interest in Promigas and of 0.1% of Banco Popular were in progress. During the first stage of the disposal of Promigás, 4,547,620 shares were sold for COP 23,652,171,620.

Strategic Business Groups

In 2017 progress was made in consolidating the three Strategic Business Groups (SBGs) defined in the new Corporate Strategic Plan, which produced outstanding results.

Interconnection for Market Development (IDM)

This SBG connects large energy sources to consumption centers through electric energy transmission networks and gas pipelines.

Revenues of the electric energy transmission business increased by 28% in Colombia. Our unit was also selected to build two 500/110 kV transformer bays at the La Loma Substation, and was awarded the UPME bid stR 05-2017 for the second 220/115 kV transformer at Altamira.

Another achievement was to have succeeded in reestablishing electric power service in only 11 days following a landslide in Mocoa, capital of Putumayo, Colombia, in April 2017. GEB maintains assets in operation in this city and acted in solidarity with all its human and operating resources to assist the population.

GEB Contractor at Tesalia Project

GENUINE RELATIONSHIPS WITH STAKEHOLDERS DRIVE GEB'S SHARED VALUE STRATEGY, SETTING A BENCHMARK IN ITS COMPETITIVE ENVIRONMENT.

Investments in the transmission business totaled COP 439 billion in 2017, which not only is in line with the CapEx budget, but is also twice the amount invested in 2016, which represents a milestone for the IDM SBG.

The gas transportation business also achieved outstanding results. In Colombia, Transportadora de Gas Internacional (TGI), a leader in its industry, redesigned its commercial strategy and took over the operation of the Mariquita-Cali gas pipeline, which is 740 kilometers long, equivalent to the distance between Bogotá and Montería in Colombia. This gas pipeline supplies natural gas to 48 municipalities in Tolima, Caldas, Risaralda, Quindío and Valle del Cauca.

In Guatemala, Transportadora de Energía de Centroamérica (Trecsa) managed to extend the PET-01-2009 contract for 38 months, which enables the company to successfully complete the works involved in the Expansion Plan for the Energy Transmission System (PET, for the original in Spanish), the most ambitious project in Central America, covering 866 kilometers of transmission lines. Additionally, the Covadonga-Uspantán transmission line was powered up. Both achievements are the result of timely relationship-building with the communities and the government of Guatemala. Additionally, EEBIS achieved 98% completion of the Southern Pacific Ring, also in that country.

In Brazil, Gebbras explored new investment opportunities and launched a cost and expense optimization policy. In Brazil, GEB has 1,100 kilometers of transmission lines, equivalent to 72% of the transmission business in Colombia.

Urban Energy Solutions (SEU)

This SBG develops the electric energy and natural gas distribution services required by mega-cities and that in the future will promote cleaner mobility and more efficient energy use to improve environmental quality.

In 2017 SEU began the process of identifying other mega-cities to venture into, as well as electricity and gas companies that could become strategic partners. It also performed in-depth analysis of regulatory frameworks and energy demand to search for growth opportunities, to incorporate elements of intelligent cities and to have a positive influence on the territorial distribution of cities.

Highlights of this SBG include increases of 7.5% in revenues and 10% in EBITDA at Cálidda, the natural gas leader in Peru, thanks to a concession granted by the Peruvian government to serve 11 million people in Lima and Callao. This enables the Company to expand its business in cities with high gas demand such as Lima, with in-depth regulatory knowledge and high corporate governance standards. Cálidda connected 138,405 customers in 2017, equivalent to 114% of the target, and achieved penetration of close to 14% in vehicular natural gas in the Peruvian capital (over 250,000 vehicles). It also increased its EBITDA by 10% from USD 124 million in 2016 to USD 137 million in 2017.

Another important event was the configuration of Cálidda's commercial strategy, involving the creation of two business units responsible for covering different segments and markets (B2B and B2C) and the development of six new non-regulated business in 2017: In B2C, the sale of gas home appliances, maintenance of gas home appliances, and the sale of hot water ducts; and in B2B, air conditioning solutions, five-year inspections and the sale of industrial lamps.

On its part Contugas, also in Peru, became an ally for the growth of manufacturing businesses in the towns of Chincha, Ica, Nazca and Marcona. It also increased the number of household users from 39,435 to 47,063, and added 46 industrial customers, which produced an increase in consumption to 2,608.6 million cubic feet in 2017.

GEB is currently a key partner of the Peruvian government in promoting widespread use of natural gas. In Peru, Cálidda and Contugas launched an ambitious social program to bring free connections to soup kitchens run by community mothers to feed low-income children and youth, also involving strengthening in good management practices, self-employment and leadership, with excellent results.

RELEVANT EVENTS

Strengthening of corporate governance with 88% compliance of the provisions of Código País and the adoption of the Corporate Governance Code at its affiliated companies, which included definition of the Intervention Model and development of the Corporate Group Adoption Model, based on the provisions of Regulation 028 / 2014 of the Financial Superintendence of Colombia.

Participation in the Round Table of the Latin American Network on Corporate Governance of State Owned Enterprises (SOE), promoted by the Development Bank of Latin America (CAF), the Organization for Economic Co-operation and Development (OECD) and the Ministry of Finance and Public Credit of Colombia, thanks to the experience and good corporate governance practices of GEB.

Recognition as Latin American benchmark and leader in public-private issuers of securities by the international corporate governance initiative led by OECD.

IR (Investor Relations) Recognition for the fourth consecutive year by the Colombia Securities Exchange for best practices in information disclosure and investor relations.

Optimization of sourcing and technology processes produced savings of over USD 10 million.

Democratization process of 20% of GEB shares held by the Capital District, authorized by the Council of Bogotá DC by means of Resolution 651/2016, and signing of a Management Agreement between the city's Treasury Department and GEB. The Democratization began through the cooperatives sector. Coordination and implementation of the sale to the public in general is expected to take place in April 2018, along with signing of a Statement by the Majority Shareholder.

Soup Kitchens, Cálidda, Peru.

Low Emission Generation (GBE)

This SBG develops opportunities in the renewable and non-conventional energy sector, such as hydro, wind, solar, biomass, geo-thermal and waste-based generation, among others.

In 2017 the Group undertook research in non-conventional renewable energy sources and searched for strategic partners to venture into other countries in the region. This led it to make non-binding offers that are currently in progress and which are expected to create new business opportunities in different Latin American countries.

Vision of the Future

Thanks to the support of the Grupo Energía Bogotá team and of the communities in which it is present, and with which it relates in a genuine, transparent and permanent manner, it will fulfill the MEGA goal of becoming the most profitable non-mining company in Colombia by 2025, with operations in six Latin American countries. In this way it will consolidate its position as one of the most important companies for the market, for its customers, its shareholders and the communities.

The successful implementation of GEB's strategy will imply stable revenues, leveraged by regulated businesses and diversified by regions.

The Interconnection for Market Development (IDM) Strategic Business Group will have big opportunities in its relationships with regulators and for interactions between TGI and the transmission and Low Emission Generation units to enhance the viability of businesses. It will also continue to evaluate regional expansion opportunities in gas and electricity in strategic territories for the Group.

The priorities of the Urban Energy Solutions (SEU) SBG will focus on greater involvement in the companies in which GEB holds a majority interest, to include growth opportunities in their agendas in order to maximize the value of each company. It will also identify opportunities based on the analysis of demographic critical mass factors, regulatory frameworks, territorial planning, intelligent city elements, clean mobility, economic context and favorable energy demand in mega-cities.

The Low Emission Generation (GBE) SBG will focus on venturing in Colombia and other countries in the region into non-conventional renewable energy sources, an area with exponential growth potential given the imperative need for all countries to prevent climate change.

Over 120 years of history make our Grupo Energía Bogotá a unique model for the private and public sector in Colombia. In 2017 we not only recorded substantial achievements, but we also consolidated the foundations for this Group, inspired in its long tradition and its increasingly solid corporate governance, to take a leap towards the future. To this end, today more than ever, we will work with the communities to join us in a genuine manner in feeling proud of Grupo Energía Bogotá. **We thank our shareholders, employees, customers and communities for your support.**

Astrid Álvarez Hernández
CEO, Grupo Energía Bogotá

RELEVANT EVENTS

Adjustments to the human management process were made to increase its standing in the organization and improve internal communications. The management team was also reinforced to strengthen the Corporate Strategic Plan (CSP).

Change-over of the corporate image and launch of the new brand, in line with the transformation of the Group, its national and international expansion and its focus on innovation, sustainability and clean energy.

Intensified efforts were made for the generation of contents, relationships with regional and national media and on the digital strategy in order to increase the visibility, positioning and reputation of the Group, in line with the Corporate Strategic Plan.

The process of creating a Transmission Unit began, to focus on performing electric energy transmission projects.

Enhancements were made to the Internal Control System, through a structure based on three lines of defense, focusing on self-control, follow-up and monitoring mechanisms in all aspects managed by GEB and on independent assurance through audit activities. Also, a general auditor for the Group was appointed, reporting to the Audit Committee of the Board of Directors; and a Compliance Executive was appointed, reporting to the Vice-Presidency of Regulatory Compliance of GEB.

Inclusion, for the sixth consecutive year, in the Dow Jones Sustainability Index (DJSI), in the emerging market category, in recognition for its best business practices regarding economic, environmental and social sustainability and their positive influence on investment decisions.

Grupo Energía Bogotá S. A. E.S.P. complies with intellectual property and copyright regulations in all its installed licenses. During 2017 no lawsuits or penalties of any type were filed by competent authorities, and no inquiries were received regarding possible copyright breaches. Consequently, our financial statements do not include any liabilities related to these items.

GEB Board of Directors

2

Corporate Governance, Ethics and Transparency

Corporate Governance

For detailed information on corporate governance guidelines, scan the following QR codes:

Corporate Group Agreement

Corporate Governance Code

Corporate Governance Policy

GOVERNANCE FRAMEWORK

(103-1) (103-3) The corporate governance system establishes mechanisms to manage key aspects related to the growth, competitiveness and sustainability of the Company and of Grupo Energía Bogotá.

The Group understands that its actions are defined based on the decisions of the shareholders, of the Board of Directors, of Senior Management and of all employees. For this reason it is committed to implementing the highest standards of corporate governance, with corporate guidelines and policies that provide guidance to management, based on an understanding of the economic, environmental and social implications for the territories in which it operates.

GEB managers at Tominé reservoir

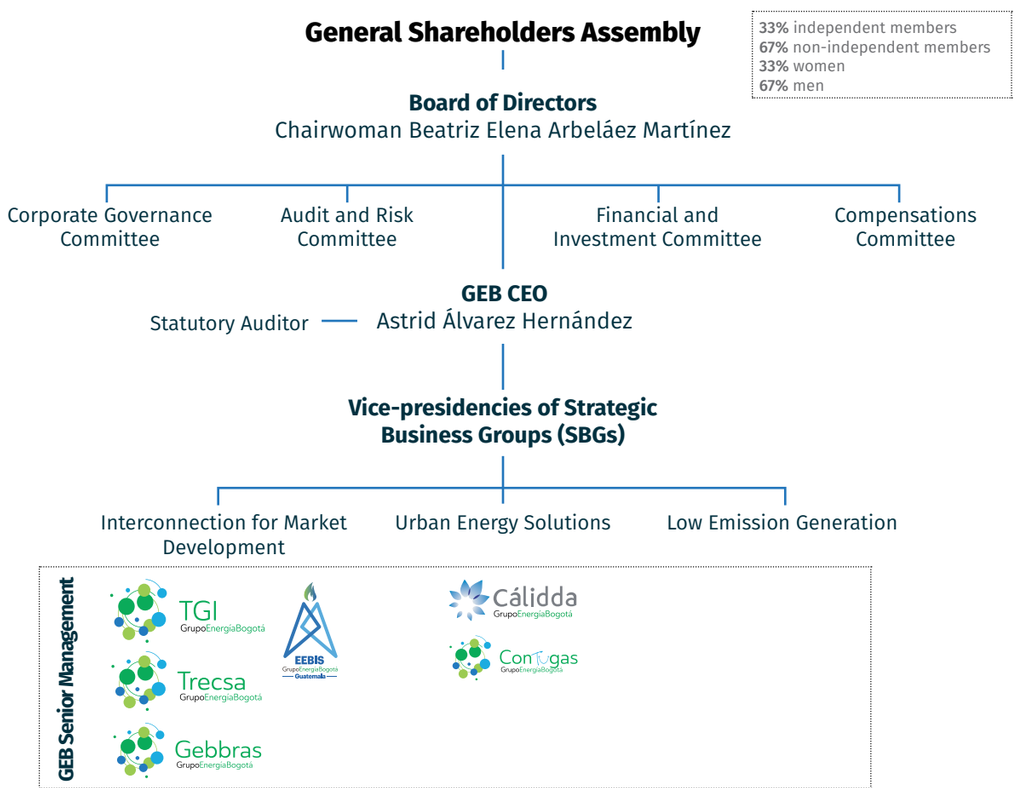
This approach has enabled us to undertake actions to establish and maintain relationships of cooperation and support with public and private organizations, with the governments of Colombia and Latin America, and with the communities in our areas of influence, in favor of sustainable development.

In 2016 and 2017, a solid governance structure was developed, dubbed the "re-institutionalization of corporate governance", and during 2018 this strengthening process will continue. Also, GEB, in its capacity of securities issuer in local and international markets, complies with high standards of transparency and disclosure of financial and non-financial information, in accordance with applicable rules, and has been awarded the Investor Relations (IR) Recognition by the Colombia Securities Exchange for its high standards in this regard.

At Grupo Energía Bogotá, legal and governance management is guided and executed based on the Corporate Group Agreement, the Governance Code and the Corporate Governance Policy.

GOVERNANCE STRUCTURE (102-18)

Direction, management and oversight of the Company are provided by the following main bodies:



1. The companies are independent legal entities with separate management and governance structures.
2. The Strategic Business Groups bring together GEB companies according to their lines of business, under the Corporate Intervention Model, to enable the Group to make strategic and investment decisions.

General Shareholders Assembly

It is the maximum governance body of GEB, and is responsible for setting guidelines and for guiding and evaluating the performance of the members of the Board of Directors and of the registered agents. It is comprised by all the shareholders. It has its own functions and operating rules. It may delegate certain functions to the Board of Directors or the CEO, except for those listed in the first paragraph of article 58 of the Corporate Bylaws.

Board of Directors (102-22) (102-23) (GOB1)

It is the highest management body; it establishes the Group's general policies, ensures fulfillment of the rights and the equitable treatment of all shareholders, and oversees the development of GEB in the short, medium and long term. It oversees performance of Senior Management, compliance with the law, and abidance by the Bylaws, the Corporate Governance Code and the commitments acquired by the company in carrying out its corporate purpose, as well as the quality of the information that is disclosed. It has nine principal members, each with an alternate member, who are elected by the General Shareholders Assembly through the electoral quotient system for two-year terms.

BEATRIZ ELENA ARBELÁEZ MARTÍNEZ
Economist, Master's degree in Security and National Defense

- City Treasury Department
- Non independent
- Designated by the Capital District
- Member since 2016
- Chairwoman BoD
- Financial and Investment Committee
- 84% attendance
- In 2017 she abstained from participating in discussions on reforms to the Company's bylaws, early payment of debt to the Capital District, approval and change of credit terms to acquire GEB shares, due to her being the Treasury Secretary and representative of the Capital District.

ROBERTO HOLGUÍN FETY
Economist

- Vice-chairman Council U. Jorge Tadeo Lozano
- Non independent
- Designated by the Capital District
- Member since 2017
- Financial, Investment and Corporate Governance Committees
- 92% attendance
- Did not report any potential conflicts of interest in 2017.

GISELE MANRIQUE VACA
Attorney

- Private Secretary of the Office of the Mayor of Bogotá
- Non independent
- Designated by the Capital District
- Member since 2016
- Compensations Committee
- 100% attendance
- Did not report any potential conflicts of interest in 2017.

In 2017 the following changes were made to the Board of Directors:
- Alberto Gutiérrez B. replaced Roberto Holguín F., March 30, 2017.
- Antonio José Núñez T. replaced Luis Fernando Uribe R., March 30, 2017.
- María Carolina Castillo A. replaced Yaneth Mantilla B., March 30, 2017.
- Germán González R. replaced María Victoria Angulo G., October 6, 2017.
- José Alejandro Samper C. replaced Ana María Calle L., June 20, 2017.

Members of the Board of Directors of the parent company who are members of the boards of directors of subsidiary companies (conglomerates):
- Gustavo Ramírez Galindo is a Director at Cálidda.

None of the members of the Board of Directors holds any shares in GEB.

JAIME EDUARDO RUIZ LLANO
Civil engineer

- Master's degree in Civil Engineering
- Manager of Colombiana de Viviendas
- Non independent
- Designated by the Capital District
- Member since 2016
- Vice-chairman BoD
- Financial and Investment Committee
- 100% attendance
- He abstained from participating in discussions on the assets in operation at the Tominé reservoir, because he owns a property in the area of influence.

MARGARITA MARÍA REHBEIN DÁVILA
Biomedical engineer

- Master's degree in Industrial Engineering
- CFO of Sanford Management, Colombian Branch
- Non independent
- Designated by the Capital District
- Member since 2016
- Corporate Governance Committee
- 84% attendance
- Did not report any potential conflicts of interest in 2017.

CARLOS ALBERTO SANDOVAL REYES
Business administrator and economist

- Master's degree in Fiscal Studies and Public Policy
- Vice-President of Structuring
- and Project Manager at Financiera de Desarrollo Nacional (FDN)
- Non independent
- Designated by the Capital District
- Member since 2016
- Corporate Governance Committee
- 89% attendance
- Did not report any potential conflicts of interest in 2017.

LUIS FERNANDO URIBE RESTREPO
Attorney

- Partner of Uribe Rodríguez Derecho Económico
- Independent
- Designated by the Capital District
- Member since 2017
- Chairman Corporate Governance Committee
- Corporate Governance and Audit and Risks Committees
- 100% attendance
- Did not report any potential conflicts of interest in 2017.

GUSTAVO ANTONIO RAMÍREZ GALINDO
Electrical Engineer

- Master's degree in Economics
- VP of Investments at Corficolombiana
- Independent
- Designated by Corficolombiana and Fondos Porvenir
- Member since 2014
- Chairman of the Auditing and Risks and Compensations Committees
- Auditing and Risks and Compensations Committees
- 89% attendance
- He abstained from discussing the TGI strategy, the disposal of assets and scheduled disinvestments, and from participating in the selection of partners for the gas business, because he is a member of the BoD of Promigás and because he is a Registered Agent of Corficolombiana.

RAFAEL SIMÓN HERZ STENBERG
PhD candidate in Development Economics

- Master's degree in Economics
- Independent consultant and Vice-President of the Colombian Petroleum Association
- Independent
- Designated by Fondos Protección
- Member since 2016
- Chairman Financial and Investment Committee
- Finance and Investments, Audit and Risks, and Compensations Committees
- 95% attendance
- Did not report any potential conflicts of interest in 2017.

Board of Directors Committees (102-18) (102-22)

The Board receives support from the Corporate Governance, Auditing and Risks, Financial and Investments, and Compensations Committees. Each of these bodies has an independent set of Rules that establish their functions, composition and responsibilities. They also receive periodic reports on the matters within their scope in order to supervise them and to propose fulfillment of corporate governance measures and assure the protection of the rights of shareholders and investors. Its members are appointed by the Board of Directors.

To view the rules of the General Shareholders Assembly, of the Board of Directors and of each of its committees, scan this QR code:

Audit and Risk Committee

1. **Gustavo Antonio Ramírez Galindo | Chairman**
2. Luis Fernando Uribe Restrepo
3. Rafael Simón Herz Stenberg (left)

Along with the General Auditor of the Group, the statutory auditor and external auditor, this Committee oversees compliance with the governance policies. It is responsible for supervising and assessing the fulfillment of the Annual Internal Auditing Plan, which covers the company's business risks and processes, and the Internal Control System, to recommend and issue opinions to the Board of Directors.

Compensations Committee

1. **Gustavo Antonio Ramírez Galindo | Chairman**
2. Gisele Manrique Vaca
3. Rafael Simón Herz Stenberg

It reviews and discusses matters related to the remuneration of employees (fixed and variable remuneration, incentives and benefits, employer-employee relations and industrial relations) to issue specialized recommendations to the Board of Directors. It also supports the Board in decision-making or in an advisory role in connection with the appointment and remuneration of Board members and of Senior Management.

Financial and Investment Committee

1. **Rafael Simón Herz Stenberg | Chairman**
2. Beatriz Elena Arbeláez Martínez
3. Jaime Eduardo Ruiz Llano
4. Roberto Holguín Fety

It monitors financial management and studies new business opportunities, and also reviews existing investments to issue specialized recommendations to the Board of Directors. It also provides support for the functions related to its scope of action.

Corporate Governance Committee

1. **Luis Fernando Uribe Restrepo | Chairman**
2. Margarita María Rehbein Dávila
3. Carlos Alberto Sandoval Reyes
4. Roberto Holguín Fety

It proposes and supervises compliance with the established corporate governance measures and makes recommendations related to this matter.

The CEO's Strategic Committee advises the CEO on the adoption and implementation of policies, guidelines and decisions related to administrative and financial management.

Parent Company

GEB comprises the parent company, which is organized into Strategic Business Groups (SBGs), and their associated companies. As parent company, GEB has the role of strategic controller and establishes guidelines and policies on significant matters to provide guidance and cohesiveness to the companies and to ensure the Group's unity of purpose and direction.

The companies are independent legal entities with separate management and governance structures, which are interrelated with the parent company and the Strategic Business Groups in the manner defined in the Corporate Intervention Model.

Strategic Business Groups

They group together the GEB companies according to their line of business, as follows:

Urban Energy Solutions (SEU)

Interconnection for Market Development (IDM)

Low Emission Generation (GBE)

Each SBG has a specialist liaison officer who understands the dynamics of the industry and the business, and who has the capabilities to support the deployment of strategies at the companies and acts as the point of contact between the parent company and the subsidiaries. The title of this officer is SBG Vice-President.

The Corporate Intervention Model establishes authority levels for decision-making between the parent company, the SBGs and the GEB companies, and intends for operating decisions to be made by the latter (distributed control), which is the level that usually has the best information available. Consequently, only material decisions or decisions of a corporate nature are made at the Group level.

Senior Management (102-20)

Its members report to the GEB CEO, who appoints them in accordance with the corporate structure defined by the Board of Directors for the economic, social and environmental management of the Company. Given that GEB S. A. E. S. P. is the parent company of GEB, Senior Management, in accordance with the corporate strategy, performs its duties at the corporate level, defines guidelines and makes decisions related to coordination and synergies between the Group companies and the Strategic Business Groups.

CEOs of Affiliates, 2017

Jaime Alfonso Orjuela Vélez (E)

TGI GrupoEnergíaBogotá

Jorge Olazábal Gómez de la Torre

Cálidda GrupoEnergíaBogotá

Jorge Ramos Felices

ConTugas GrupoEnergíaBogotá

Mauricio Acevedo Arredondo

Trecsa GrupoEnergíaBogotá

Milena Díaz Hidalgo

Risk and Insurance Manager of GEB

Energy Re GrupoEnergíaBogotá

Marcos Díez

Gebbras GrupoEnergíaBogotá

NOMINATION AND SELECTION (102-24)

According to the Rules, the members of the Board of Directors must meet the highest professional and personal qualifications. In electing them, the General Shareholders Assembly takes into consideration criteria such as experience in the fields of finance, law and similar sciences, and/or in activities related to the public utilities business, or in the businesses in which the Group is involved, and the candidates' profiles, including their background, recognition, prestige, availability, leadership and good name in connection with their professional qualifications and integrity.

Shareholders may nominate candidates through the Board of Directors, in order for the Compensations Committee to verify fulfillment of requirements and to submit a report in this regard to the Assembly prior to the election. If the above procedure is not carried out, the nominating shareholder shall be responsible for performing such review and submitting it to the Shareholders Assembly prior to the election.

To read more about GEB's governance bodies and channels, scan this code.

Candidates to the Board of Directors, both independent and dependent, must submit documentation to enable the Compensations Committee of the Board of Directors to verify the qualifications and requirements for each type of member. The Compensations Committee shall present its report on the selection process to the Shareholders Assembly.

REMUNERATION (102-35)

Professional fees. The equivalent of five (5) current monthly minimum legal wages for participating in each session, with a maximum of two Board sessions within the same month. Board of Directors Committee members receive, for their participation in each meeting, professional fees equivalent to 75% of the current fees for meetings of the Board of Directors, with a maximum of two Committee sessions within the same month.

GEB does not have a variable remuneration scheme for members of the Board of Directors. Therefore, all amounts are associated with their participation in meetings. The members of the Board of Directors are excluded from the remuneration schemes that include stock options.

Scan this QR code to view the Rules of the Board of Directors and of the Committees of the Board of Directors.

Scan this QR code to view the Corporate Governance Report.

Meetings of the Board of Directors and its Committees

Body	Sessions	Attendance
Board of Directors	12 ordinary meetings 7 extraordinary meetings	94% 84%
Total Board of Directors meetings	19	
Compensations Committee	9	100%
Audit and Risk Committee	11	100%
Financial and Investment Committee	12	92%
Corporate Governance Committee	5	100%

Monitoring

GEB's Legal, Regulatory and Compliance Vice-president's Office is responsible for monitoring compliance with the Corporate Governance Code and all internal rules. Shareholders may file complaints through the Board of Directors or the Corporate Governance Committee in order to guarantee effective fulfillment of such rules.

In 2017, the Board of Directors supervised compliance with corporate governance rules and the assessments performed by control bodies (internal and external); no material findings were reported that would compromise compliance. Also, no complaints were filed by shareholders or investors regarding breach of the Corporate Governance Code.

CONFLICTS OF INTEREST (102-25)

Article 18 of the Board of Directors Rules establishes the following duties for board members:

- The duty of loyalty: To report to the Board of Directors on the existence of any actual or potential conflict of interests, and to abstain from acting on such matters, directly or through related parties, except when the member in question has been expressly authorized to do so by the Shareholders Assembly.
- The duty of non-competition: To abstain from performing, directly or through related parties, any activities that compete with those of the company, in the terms specified in applicable legislation.
- The duty of secrecy: To abstain from disclosing any information that is not or should not be in the public domain and that he/she has become aware of in connection with performing his/her duties as a member of the Board of Directors.

The provisions regarding management and resolution of conflicts of interest, direct or through related parties, are included under the title "Conflict of interest" of the Ethics Code and Chapter VII of the Corporate Governance Code.

To fulfill the above, every six months the Company takes a survey of conflicts of interest and independence of the members of the Board of Directors. Also, provisions have been established in the Rules of the Board of Directors, the Ethics Code, the Corporate Governance Code and in the Corporate Group Agreement.

CHALLENGES (103-2)

- To maintain and continue developing good corporate governance practices and standards (Policy on Managing Conflicts of Interest, Policy on Board of Directors Succession and Nominations, Policy on Transactions with Related Parties).
- Internal and external dissemination and communication of the progress made in terms of corporate governance, and position the Company as a leader in this regard.
- New corporate governance rules were adopted, derived from the democratization process (adoption of the Statement of the Majority Shareholder, among others).

RELEVANT EVENTS

The most important achievement in corporate governance was to have executed the Corporate Group Agreement between GEB and its affiliates. This instrument regulates the model of interaction and establishes the general framework for acting in relationships between the parent company and its subsidiaries, in order to facilitate fulfillment of the corporate strategy and the achievement of GEB objectives, in the framework of rules and principles that advocate respect for minority shareholders, ethics, transparency and accountability, all in the framework of good corporate governance practices.

The participation of Grupo Energía Bogotá in the Roundtable of the Latin American Network on Corporate Governance of State Owned Enterprises (SOE), promoted by the Development Bank of Latin America , the Organization for Economic Co-operation and Development (OECD) and the Ministry of Finance and Public Credit of Colombia, offered GEB the opportunity to present the progress it had made in corporate governance, relay to the market the good practices it has consolidated, share best corporate practices with other public-capital companies, and to be recognized as a benchmark setter and leader in terms of corporate governance issues in Latin America.

At the General Shareholders Assembly held on December 6, 2017, a reform to the bylaws was approved increasing the term for calling a meeting of the general assembly as follows: thirty (30) calendar days in advance for ordinary meetings of the General Shareholders Assembly and as a minimum fifteen (15) calendar days in advance for extraordinary meetings. The intention of the above is to ensure that shareholders have more time than required by law to review the reports and proposals to be submitted by the Board of Directors and to ensure their participation in the sessions.

Inclusion in the Corporate Bylaws of the right of shareholders to have access to additional information to the public documentation made available by the Company on the agenda of the General Shareholders Assembly.

Standardize governance at all the affiliates.

Development and approval of the policies on Corporate Governance, Information Disclosure, Share Trading, Designation of the Statutory Auditor, and the Corporate Governance codes of TGI, Cálidda, Trecsa, Contugas, EEBIS and Fundación Grupo Energía Bogotá.

Transparency, Ethics and Anti-corruption

(102-16) (103-1) (103-2) (103-3) High standards of ethical behavior are essential in the actions of all employees of Grupo Energía Bogotá in order to create value and as a factor that builds trust among partners, suppliers, citizens and stakeholders in general.

The corporate values that guide the ethics culture of GEB are built around ***transparency***, to enable objective, clear and verifiable management; ***respect***, to be able to interact while acknowledging collective interests, individual diversity, the sustainability of natural resources and of institutions; ***integrity***, to act in a firm, straightforward, honest and consistent manner; and ***equity***, to act with justice, fairness and impartiality, with the aim of achieving a positive and inclusive social impact.

TRANSPARENCY AND INTEGRITY ARE THE CORPORATE VALUES THAT GUIDE THE ETHICS CULTURE OF GEB.

In this regard, GEB is also committed to a position of "zero tolerance" towards fraud, asset laundering and financing of terrorism (LA/FT, for the Spanish original), as well as towards corruption; for this reason it promotes a culture of transparency in its management and encourages the avoidance of unethical behavior among Group companies, managers and employees. All GEB companies have equivalent instruments aimed at preventing unethical behaviors and are committed to the fight against fraud and corruption.

With the objective of performing thorough monitoring on application of the corporate instruments for the prevention, detection and investigation of situations associated with fraud and corruption, GEB has an Internal Control System in place developed under the standard issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is subject to an independent annual review. Additionally, all GEB companies have equivalent instruments in place to prevent unethical behaviors and are committed to the fight against fraud and corruption.

TGI employees, Bogotá.

In order to ensure compliance and preserve the integrity of the Internal Control System, the companies apply the "three lines of defense" model, according to the standard promoted by the European Confederation of Institutes of Internal Auditing (*ECIIA*), in which the responsibilities within the system are defined as follows:

- **First line of defense** It is performed by the employees, and enables the identification and management of risks (control/self-control) and the implementation of corrective actions to address any shortcomings in processes and controls.
- **Second line of defense** It is responsible for supervising and monitoring the effectiveness of the controls of the first line, and for providing advisory, assistance, prevention, institutionalization, detection (investigation) and reaction, and for execution of the corporate defense program, performed through the Compliance Department of GEB and of each company.
- **Third line of defense** Independent assurance through internal audit activities carried out by the Group's general auditor. This line of defense provides corporate governance bodies and Senior Management reasonable assurance on the effectiveness of corporate governance, risk management and control, and independence and objectivity for Group companies.

Each year, the Audit and Risk Committee of the Board of Directors approves the overall strategies related to the Internal Control System; it also approves the Annual Audit Plan, based on current business risks.

In order to exercise control and promote compliance with the organization's rules and principles, GEB has established several mechanisms, including the Corporate Group Agreement, the Corporate Governance Code, the Code of Ethics, the Ethical Channel, the Internal Control and Prevention of Fraud and Corruption Policy and the Information Disclosure Policy.

GEB has carried out a number of activities aimed at the prevention, detection and investigation of events of fraud and corruption in all Group companies through the following tools:

Prevention (102-16) (102-17)

Internal Control and Prevention of Fraud and Corruption Policy

It establishes the commitment to adopt and maintain an Internal Control System that enables attainment of the objectives, the promotion and consolidation of an ethics culture based on the corporate values and guidelines to identify, detect, evaluate, mitigate, monitor, investigate and prevent risks of fraud and corruption that may arise.

Code of Ethics

It establishes and develops guidelines of behavior and rules of action regarding relationships between the GEB companies and their stakeholders in the markets in which they do businesses, to ensure that they are consistent with the corporate values and the obligations taken on as Group employees.

Both the members of the Board of Directors (principals and alternates) and the employees signed the annual renewal of their adherence to the Code of Ethics and their Statement of Conflicts of Interest before the Audit and Risk Committee of the Board of Directors. These documents are held on file at the Human Management Department.

PREVENTION, IS THE KEY FOCUS POINT IN OUR ACTIONS IN FAVOR OF TRANSPARENT MANAGEMENT AND THE FIGHT AGAINST CORRUPTION AT GEB COMPANIES.

SIPLA Manual - System for Prevention of Asset Laundering and Financing of Terrorism (SIPLA, for the Spanish original)

In accordance with Basic Legal Official Letter 029/2014 of the Financial Superintendence of Colombia (SFC, for the original in Spanish), GEB, given its status of issuer of securities, is required to fulfill certain provisions and to implement control mechanisms to prevent LA/FT for its shareholders. Consequently, a manual has been published that contains the policies, controls and procedures adopted to prevent the associated risks.

Similarly, in order to assure good practices and mitigate the risk of LA/FT, the following activities and controls were carried out in 2017, with ongoing support of the Compliance Officer:

- Deceval (Central Securities Depository) issued monthly certificates of the Anti-Money Laundering and Counter Terrorism Program in connection with the Company's outstanding shares. To date, no suspicious or unusual shareholder transactions have been reported.
- The Compliance Officer submitted the biannual report to the Board of Directors, listing the activities carried out to prevent such crimes.
- During the campaign under the theme "Ethics and Transparency: you are the protagonist of a transparent culture", a section was included on the prevention of LA/FT, with the objective of demonstrating the risks and controls to prevent these crimes.
- A biannual verification meeting was held, led by the statutory auditor, who validated compliance with the controls required to prevent LA/FT, and who issued an opinion in the financial statements indicating that to date no events of non-compliance with such regulations have been recorded.

GEB employees, Colombia.

Anti-Corruption Plan and People Service

In compliance with the provisions of article 73 of Law 1474/2011, GEB has prepared an Anti-corruption Plan that covers the following:

- Identification of risks of corruption and management actions.
- Anti-paperwork strategy
- Accountability
- People Service Strategy
- Mechanisms for transparency and access to information.
- Additional initiatives: Code of Ethics, Ethical Channel, Internal Control Policy and Anti-Fraud and Anti-Corruption Strategy, SIPLA Manual, policies and procedures for communications, and training on the fight against corruption.

The Fraud and Corruption Risk Management System

This system covers the Company's critical processes, whereby risk managers perform follow-up and monitoring of process controls and internal audits that review the effectiveness of established prevention controls.

Training

Aimed at employees, in-house contractors, suppliers and shareholders on topics related to prevention of fraud and corruption, the Ethical Channel, the Code of Ethics, conflicts of interests and prevention of LA/FT.

Validation in Restrictive Lists

Of individuals and legal entities before formalizing any business relationship with the Company.

Close to 23,000 validations in restrictive lists for individuals and legal entities that have a business relationship with the GEB were performed (suppliers, employees, rights of way and lease providers, among others) by means of software that enables individual queries of individuals and legal entities included in restrictive lists and other wider databases, including databases on terrorism and financial crimes.

Customer service at Cálidda, Peru

Detection

Ethical Channel It is the single valid and official channel that enables all GEB stakeholders (managers, employees, suppliers and contractors, customers, shareholders, etc.) to report events of fraud, corruption, undue or illegal behavior, work issues, inquiries, conflicts of interest and ethical dilemmas. In order to ensure the full confidentiality and reserve of the information, it is managed by an independent third party.

A verification protocol is in place to verify the reports received through the Ethical Channel, approved by the Audit and Risk Committee; this enables prevention and detection of events of fraud, corruption, illegal acts and improper behaviors, and to undertake preventive and improvement actions on processes and the control environment.

GEB has also implemented the following committees in charge of performing verifications according to the "Protocol for handling reports received through the Ethical Channel": Coexistence Committee, Ethics and Compliance Committee, and Audit and Risk Committee. At Group companies where no Coexistence Committee is in place, verification is performed by the Human Management area.

A checklist has been developed to raise red flag alerts related to fraud and corruption in different processes, which is used as input to establish the Annual Internal Audit Plan.

The following are the communication channels that are part of the Ethical Channel:

TOLL-FREE TELEPHONE NUMBERS:
Colombia 01800-518- 2937
Peru 0800-55-392
Guatemala 1-800-8350-428

WEBSITE
Ethics and transparency
Ethical Channel

E-MAIL:
canaleticogeb@lineadedenuncias.com

(102-17) (205-3) In 2017, a total of 43 reports and 21 ethical dilemma inquiries were received through GEB's Ethical Channel. No corruption events have been confirmed.

Events Reported Through the Ethical Channel

Event	Number	Status: Review in progress	Status: Closed
Inquiries and ethical dilemmas	21	0	21
Undue alteration of contractual process	5	0	5
Conflict of interest	9	4	5
Bribery	1	0	1
Inappropriate disclosure of financial information	1	1	0
Improper access to information	1	0	1
Inadequate use of information	1	1	0
Inadequate use of assets	5	2	3
Alteration and manipulation of accounting records and/or supporting documents	2	0	2
Work issue	18	6	12
Total	**64**	**14**	**50**

Checklist

A checklist has been developed to raise red flag alerts related to fraud and corruption in different processes, which is used as input to establish the Annual Internal Audit Plan.

Internal and External Audits

Based on the Annual Audit Plan approved by the Audit and Risk Committee of the Board of Directors, in 2017 a total of 22 audits were carried out that identified opportunities to strengthen the Internal Control Systems of the processes audited by the leaders who are committed to the implementation of action plans to close existing gaps.

Before each audit, fraud and corruption risks are identified, an assessment is made of the relevance of the risks and whether sufficient mitigation controls are in place. If the controls are adequate, then:

Assessment of design and implementation

Assessment of operating efficacy

Accordingly, a review was performed on inclusion of fraud risks in the risk matrixes of the different GEB processes.

Fraud and Corruption Risk Management System

For critical processes, on which risk managers perform follow-up and monitoring of the processes and internal audits review the effectiveness of the controls in place for their prevention.

Investigation

Protocol for reports received through the Ethical Channel. All Group companies have a Protocol in place that provides guidelines for reception and analysis of reports filed through the Ethical Channel, and which serves as a tool for addressing the reports received, in accordance with the procedures defined by the company.

Ethics and Transparency Schedule

During 2017, GEB established an ethics and transparency schedule, which contains activities aimed at strengthening the ethics culture among all employees and other stakeholders.

STRENGTHENING OF THE ANTIFRAUD AND ANTI-CORRUPTION COMPLIANCE SYSTEM IS AN ONGOING PROCESS AT GRUPO ENERGÍA BOGOTÁ AND ITS COMPANIES.

The training was aimed at employees, in-house contractors, suppliers and shareholders on topics related to the prevention of fraud and corruption, the Ethical Channel, Code of Ethics, conflicts of interest and prevention of LA/FT, as follows:

a. Training workshop on "You are the Protagonist of a Transparent Culture", with the following objectives:
- Strengthen the culture of ethics and transparency at GEB.
- Raise awareness at all levels on the importance of the three lines of defense of the Internal Control System (being "the first control filter" in corporate processes).
- Reinforce knowledge on conflicts of interest, the Ethical Channel, the Code of Ethics and prevention of LA/FT.

Training Results (205-2)

25 sessions

369
With employees

Bogota: 337
Cartagena: 14
Pereira: 8
Pitalito: 3
Cali: 5
Pasto: 2

108
With third parties

In-house Contractors : 73
Suppliers: 31
Investors: 4

4,7
Average knowledge score

b. Training on "Raising of awareness on prevention of asset laundering and financing of terrorism", attended by the 23 middle managers (directors, managers and advisors), and an average knowledge score of 4.2.

c. Workshop "Guide for interpreting the results of restrictive list verifications", aimed at employees responsible for this process in the Lands Management and Sourcing areas of GEB and TGI, with 26 participants in four sessions.

d. Participation in training on "You Are the Energy", for employees and suppliers, as follows:
- The North and Sogamoso projects held in two session on October 2, 2017; the training covered ethics and transparency with 57 participants.
- 2nd Meeting of Social Managers. A session was held on October 24, 2017, related to a transparent culture, covering the following topics: Code of Ethics, Ethical Channel, prevention of LA/FT, the three lines of defense of the ICS.

e. Participation in the first meeting of Outsourcing of Comprehensive Property Management, held on June 14, which covered topics related to the SIPLA Manual, with participation of 10 employees and 14 contractors.

Internal Communication Campaigns

Through internal media (internal blog, TV Screens in hallways, emails and newsletter), the contents related to the following were shared:

CHAPTER I. SIPLA MANUAL:
- SIPLA Manual and video. Publication of videos and messages for all employees on the prevention of LA/FT. What is SIPLA? We say goodbye to financing of terrorism through our SIPLA Manual and with the 10 commandments on prevention of LA/FT. The video is available on the internal blog (intranet).
- Communication on restrictive lists. Reinforcing the importance of following the procedure of verification in restrictive lists, through a message delivered to all employees with support from the Communications Department.

CHAPTER II. ETHICS AND TRANSPARENCY:

Ethical Channel:
- **Piece to Reinforce the Ethical Channel among Employees.**
  Published through the following channels: (i) internal blog (March 23), (ii) weekly newsletter No. 29 (March 21 to 24), (iii) Entérate TV (grid from March 27 to 31).

ACHIEVEMENTS

Approval of the Internal Control and Prevention of Fraud and Corruption Policy by the Board of Directors during the session held on May 25. This policy establishes the commitments of Group member companies for adopting and maintaining an Internal Control System that enables achieving in an orderly and efficient manner the objectives, management and results of the companies through the implementation of rules and procedures aimed at compliance on this issue.

Anti-fraud and anti-corruption initiatives. A diagnosis of the Anti-fraud and Anti-corruption Compliance Program was performed, which identified opportunities to strengthen the program and the matrix or fraud and corruption risks and controls, based on best international practices, both at the parent company and the Group companies.

Collective Action of the Electricity Sector. As part of its commitment to transparency and "zero tolerance" for corruption, fraud, asset laundering and financing of terrorism, GEB ratified its adherence to this self-regulation initiative that promotes adoption of ethics standards by all the participating companies. This initiative, subscribed by GEB in June 2015, is led by XM and the National Council of Operations (CNO, for the Spanish original). Transparencia por Colombia, the Secretariat of Transparency of the Presidency of the Republic of Colombia, the United Nations Office on Drugs and Crime and the Global Compact have an oversight role. The ratification of this commitment for transparency was made in the context of participation in the scheduled task groups for Collective Action of the Electricity Sector during the "Workshop on risks for the development of the corruption risk and controls matrix of the electricity sector", 5th Ethics Forum of the Electricity Sector, during which conferences were given on topics aimed at promoting the implementation of anti-corruption, transparency, ethics and compliance practices, as well as the matrix of corruption risks developed jointly by participating companies.

Code of Ethics:

- **Piece *¡Cuida Tus Actos!*** ("Mind your actions") posted on Friday, May 12 on the blog EntérateBlog. Reminder on the commitment to "zero tolerance" for events of fraud and corruption, inviting employees to report any situation that runs against the Code of Ethics.

- **Piece "*Regálate tranquilidad, no recibas regalos de proveedores*" ("Give yourself peace of mind, do not receive gifts from suppliers").** Published on September 29, in the weekly newsletter Entérate No. 55. Republished for reinforcement on October 17 in a different edition.

- **Internal Control and Prevention of Fraud and Corruption Policy.** On June 15, 2017, the spot "Get to know the lines of defense for effective management" was posted on the corporate blog and WhatsApp, on the three lines of defense of the Internal Control System and individual responsibilities.
  - Videos on *Get to know the lines of defense for effective management! What is the first line of defense?* and *Do you know how the second line of defense works?*, published on June 15, 22 and 29, respectively, on the lines of defense of the Internal Control System. They were shared through the corporate WhatsApp, office TV screens and the blog

- **Updating of the "Ethics and transparency" section** on the website and internal blog, to include the Ethical Channel and the Internal Control and Prevention of Fraud and Corruption Policy.

- **Fiscal Management Piece** Posted on the internal blog on October 4, inviting employees to think about why they should know about fiscal management by means of a PDF presentation.

- **Message from the Members of the Audit and Risk Committee of the Board of Directors to All Employees.**
  - On October 24 a video on ethics and transparency was released, featuring Mr. Rafael Herz (member of the Audit and Risk Committee).
  - On November 9 a video on the three lines of defense of the Internal Control System was released featuring Mr. Gustavo Ramírez (Chairman of the Audit and Risk Committee).

CHAPTER III. AWARENESS RAISING OF SUPPLIERS, CONTRACT SUPERVISORS AND OTHER STAKEHOLDERS OF GEB COMPANIES.

- A video on LA/FT prevention was posted on the Group's website, under the "Transparency" section, for viewing by third parties. It was also published on the internal blog, under the sections "Sourcing/ Request for supplies" and "Contract supervisors and sourcing managers".

Second Meeting of GEB Partners, 2017

- A piece on the Ethical Channel was posted on the blog for suppliers and contract supervisors of the Strategic Sourcing Department, through emails to the suppliers database; and for contract supervisors, on the internal blog, under the contract supervisor section.

- Reinforcement piece on the Ethical Channel for suppliers, sent to 233 email addresses; 119 of which were read (51.1%).

- Supplier Meeting held on December 5, 2017; where the Internal Auditor and Compliance Officer participated in a panel on the three lines of defense of the Internal Control System.

ACHIEVEMENTS

Assessment of financial information controls The Internal Audit Department performed a review of the risk and control matrices of the project "Strengthening of the Financial Information Internal Control System (SOX)" and evaluated a total of 155 controls related to financial and fraud risks. The review results include opportunities for improvement to continue consolidating the Internal Control System, which were discussed with the owners of the processes and with the Risk area.

To continue strengthening the Group's control architecture through the implementation and strengthening of the three lines of defense of the Internal Control System based on the highest international standards on this matter.

The position of General Auditor for the Group was added, who will perform independent internal audit activities in the framework of the third line of defense.

The Compliance Officer position was created as part of the second line of defense of the Internal Control System, which, under the control architecture model, monitors GEB risks and controls and continues to reinforce the culture of ethics and transparency, the prevention of fraud, corruption and LA/FT, among others.

TGI ratified its adhesion to the United Nations Global Compact and its commitment to implementing in its strategies and operations the ten Human Rights principles and labor, environmental and anti-corruption standards.

Cálidda continued to disseminate its ethical behavior standards as the basis for creation of value in the activities of company employees, and of the policy of "zero tolerance" towards fraud and corruption.

Contugas has been implementing management strategies related to ethics, fraud and corruption for five years, involving dissemination and awareness-raising activities aimed at reducing the materialization of risks, in accordance with GEB guidelines.

3

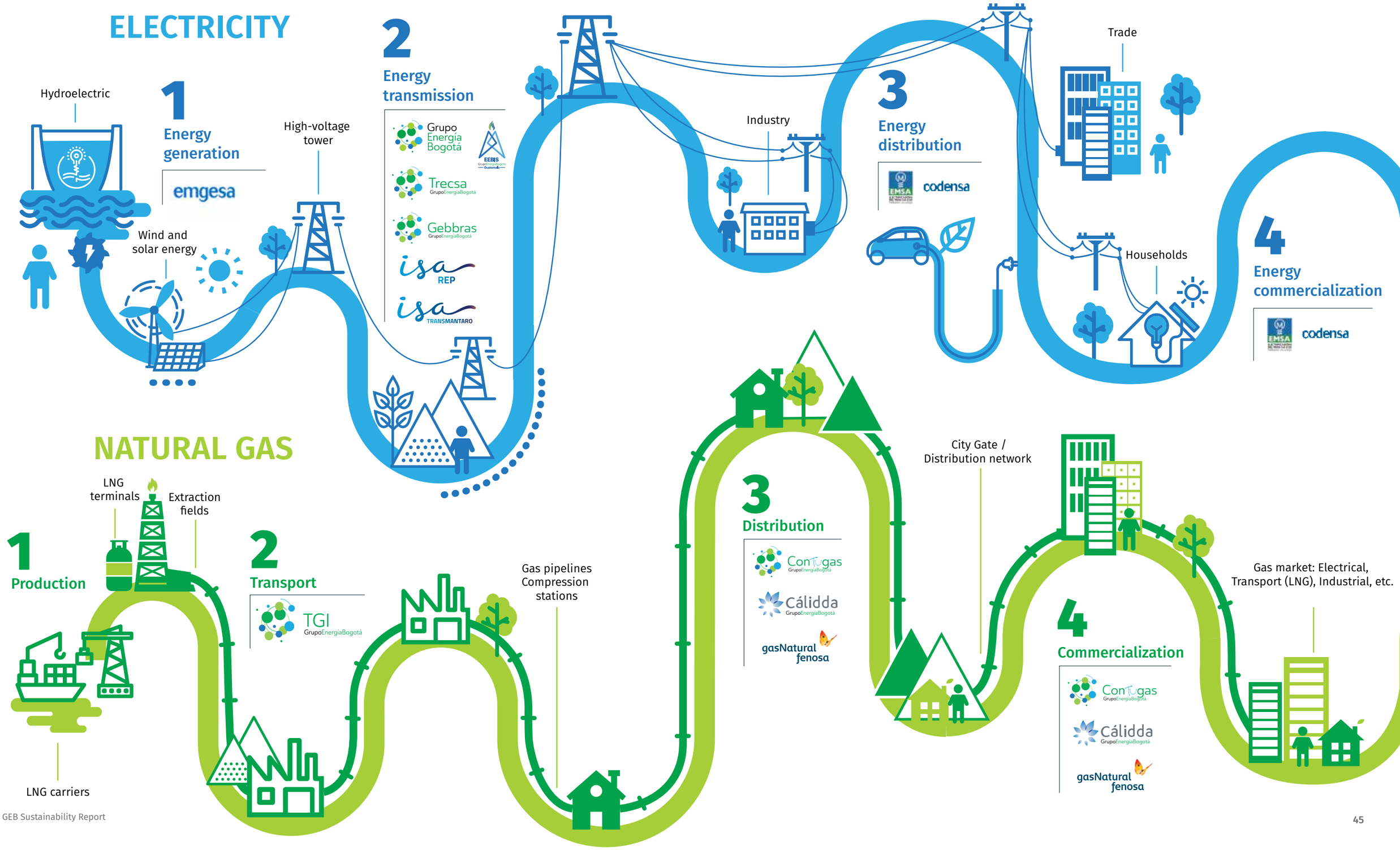
Creation of Shared Value and Sustainability

Women weavers from Guatemala

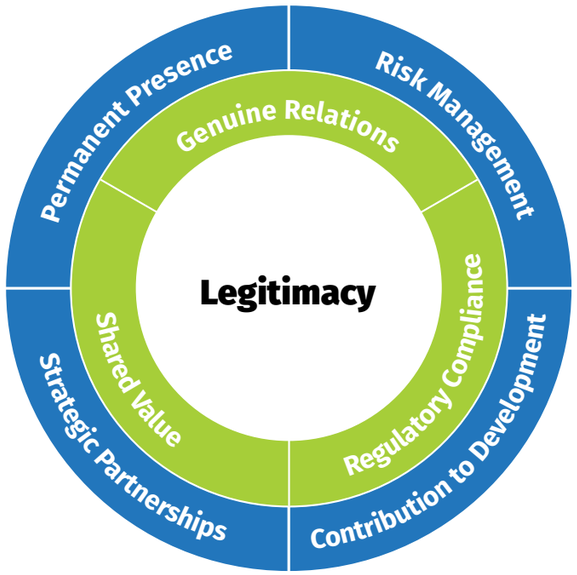
Value Chain

(102-9)

Grupo Energía Bogotá is the only Multi-Latin organization with presence throughout the energy chain



Sustainability Model and Creation of Shared Value



Contributing to the improvement of life quality through social and environmental development as a legitimate player in the territories is the value promise of Grupo Energía Bogotá.

SUSTAINABILITY STRATEGY

At Grupo Energía Bogotá sustainability is a cross-cutting element that guides and supports strategic decisions with a view to the future.

This concept, which goes beyond social responsibility and philanthropy, was incorporated in 2017, where sustainability is understood as a virtuous intersection between corporate success and the solution of society's needs and challenges.

The search for long-term permanence challenges the Group to become a Multi-Latin organization with presence throughout the energy chain and to offer diverse and innovative solutions for this top-priority sector to generate development, in a territory with great growth opportunities and a sector that is increasingly dynamic and influential for the attainment of the Sustainable Development Goals (SDGs).

The core of the strategy is based on legitimacy, a *sine qua non* condition for generating progress through the supply of electricity and gas, two key elements for social development. In order to generate progress, Grupo Energía Bogotá must maintain its legitimacy in the areas in which it operates, focusing its management through good governance, and have capabilities and tools to promote partnerships in the territories in which it is present.

The second ring of the model is the framework for action, focusing on Regulatory Compliance, Genuine Relations and Shared Value.

Regulatory Compliance challenges the Group to design and implement measures that fulfill voluntary agreements and operational, environmental and social regulations in all jurisdictions. It also requires performing legislative, regulatory and tax monitoring with the objective of contributing to the implementation of competitive systems that are aligned with the requirements of the markets in which it operates and to generate value and protect the rights of stakeholders.

Genuine Relations calls upon the company to be a transparent player that interacts in an ethical, permanent, close and timely manner with its stakeholders. It also requires seeking direct presence in neighboring communities to its operations to create long-term relationships.

Shared Value motivates us to identify interlocutors and to get to know their priorities, forms of acting and needs in order to develop projects jointly with public and private actors.

Surrounding this model are the specific actions: risk management, permanent presence, strategic partnerships and construction of development.

Our model has been conceived for, and its activities and investments focus on, the stakeholders of the Latin American region, i.e. on the investors, authorities, clients, employees, communities, opinion makers and suppliers in the region.

The shared value and sustainable development approach manages the permanence of the organization for the long term, based on economic, environmental and social foundations, complemented by good corporate governance and high standards of performance.

Genuine Relations, permanent presence in the regions and legitimacy are the cornerstones of our model for the generation of shared value, progress and development in Latin America.

Alignment of the Strategy with the SDGs

(103-1) (103-2) (103-3)

In 2016, Grupo Energía Bogotá performed an exercise to understand and prioritize the Sustainable Development Goals based on its recognition as an agent of change in the territories in which it is present. As a result, of the 17 global objectives, nine were prioritized and linked to its sustainability and shared value strategy, aligned with the respect for Human Rights, labor regulations, the environment and ethical behavior.

1 Environmental Management
2 Workplace Safety and Health
3 Corporate Governance
4 Smart Cities
5 Low Emission Generation
6 Stakeholder Relations

The brighter colors are the SDGs prioritized by GEB.

"Partnerships to Achieve the Objectives" is a cross-cutting element of all strategic actions.

"Responsible Production and Consumption" is the guide for relations with stakeholders and accountability with the objective of building trust.

"Affordable and Clean Energy".

"Taking Action for Climate" is what inspires the strategic focus of the Low Emission Generation business and on efficiency in the electricity transmission and gas transportation business.

"Sustainable Cities and Communities" motivates us to facilitate access to research and the transfer of knowledge in renewable energy generation and to positively transform the territories where the group operates through projects of this type.

"Peace, Justice and Solid Institutions" calls for genuine relations with stakeholders, for transparency, for the prevention of corruption and unethical policies, and for making a commitment for the recovery of territories, for example by contributing in the process of humanitarian demining or providing opportunities for reinsertion.

"Decent Work and Economic Growth" commits the group to prevention and to the promotion of safety and health at the workplace, with special emphasis on preventing work accidents and diseases; it also commits it to managing the supply chain.

Clean water and sanitation

"Terrestrial Life and Ecosystems" commits us to responsible environmental management by structuring projects that include measures that respect bodies of water, that offset any loss in biodiversity and the organization's carbon footprint, and adaptation to climate phenomena, among others.

United against gender violence

According to the UN, one of every three women and girls in the world will experience an episode of violence over their lifetimes. For this reason, millions of people are increasingly mobilizing to fight against gender discrimination and violence through campaigns such as MeToo and Únete, of UN Women.

GEB enthusiastically joined the latter campaign, with the motto "Don't leave anyone behind: let's put an end to violence against women and girls", which was held on November 25, on occasion of the commemoration of the International Day for the Elimination of Violence Against Women. The slogan for that day was to Orange The World.

To demonstrate their commitment to this initiative, Group employees, led by their CEO Astrid Álvarez, carried out several activities, wearing orange clothes and the headquarters building was lighted in orange, which symbolizes change and transformation towards o more egalitarian world.

"Violence against women is a scourge that millions of them experience every day; for this reason I invite you all to join this campaign. I call especially upon the business sector, which has the great challenge of working for women and for empowering them", said Álvarez during the event.

GEB is an example of the greater participation and empowerment of women. They account for 30.1% of personnel and 38.1% of management positions. The Company has promoted assigning women to management positions that were traditionally held by men, in a sector where female participation is generally low. But things are changing, and GEB is an example.

30.1%

OF PERSONNEL ARE WOMEN, AND **38.1%** OF MANAGEMENT POSITIONS ARE HELD BY WOMEN.

Shared Value

This strategy is based on three premises that materialize in the territories and for stakeholders through sourcing processes, social and environmental management, land management, safety and health at the workplace and communications. These definitions enable the business groups to configure initiatives through an approach that promotes sustainable partnerships.

Stakeholder Relations Principles

PERMANENT PRESENCE in all the territories to enable genuine, timely and permanent relations to consolidate the trust of our shareholders throughout the design, construction, operation, maintenance and dismantling stages.

STRATEGIC PARTNERSHIPS with public, private and civil society stakeholders, committed to development, competitiveness and equality in the territory.

SOCIOECONOMIC DEVELOPMENT through projects that positively and permanently transform the territories and that are aligned with the territorial and environmental planning instruments.

Women weavers from Guatemala

(102-43) (102-44)
FOR DETAILS ON STAKEHOLDERS, THE MECHANISMS AND FREQUENCY OF RELATIONS AND RELEVANT ISSUES, SEE THE ANNEXES TO THIS REPORT.

In order to achieve sustainability, GEB performs proactive management with an approach that seeks to avoid and prevent risks and impacts, based on:

- Identification and formulation of shared value initiatives with the participation of the communities in the areas of influence.
- Direct relationships and regional presence to strengthen stakeholder trust.
- Strategic partnerships with public, private and civil society stakeholders that are committed to development, competitiveness and equality.
- Performance of socioeconomic development projects aligned with territorial and environmental planning instruments to achieve positive and permanent transformations in the territories.

Based on this understanding, the Group has defined three top priority lines of intervention:

- Energy and connectivity
- Drinking water
- Environmental services

Stakeholders (102-42)

In its efforts to redefine the corporate strategy, build the Group's identify and advance towards the objective of becoming a leader in the energy sector in the regions, GEB's sustainability policy focuses on genuine and permanent relationships with stakeholders.

In order to identify our stakeholders, a process was carried out initially under the leadership of the Communications Department, and later involving the Sustainable Development Department and other areas that manage communications channels and corporate relations. This process enabled updating the stakeholder relations plans focusing on the prioritized stakeholders in each territory in which GEB is present in Colombia, and certain aspects of international guidelines such as AA1000 were incorporated.

Based on the characteristics of each group, its interests and influence, an assessment was made of the priorities and timing to address their expectations. This exercise produced relevant action plans for the creation of shared value.

(102-40) GEB stakeholders

- Shareholders and investors
- Customers
- Employees
- Authorities
- Communities
- Opinion formers
- Suppliers

Materiality

(102-46) In response to the recent transformation of GEB, the organization carried out a materiality exercise in 2017 that focalizes the strategic aspects for managing the Company's long-term permanence. This exercise also served as input for the information contained in this 2017 Sustainability Report.

This exercise was carried out following the guidelines proposed by the GRI Standards. Consequently, the following elements were taken into consideration, among others:

EXTERNAL INPUTS

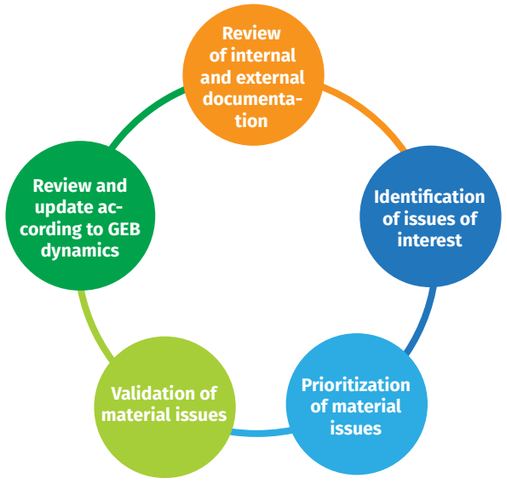
- Global indicators and standards such as the Dow Jones Sustainability Index and SASB for energy and gas
- Most frequently viewed website contents
- External publications of interest

INTERNAL INPUTS

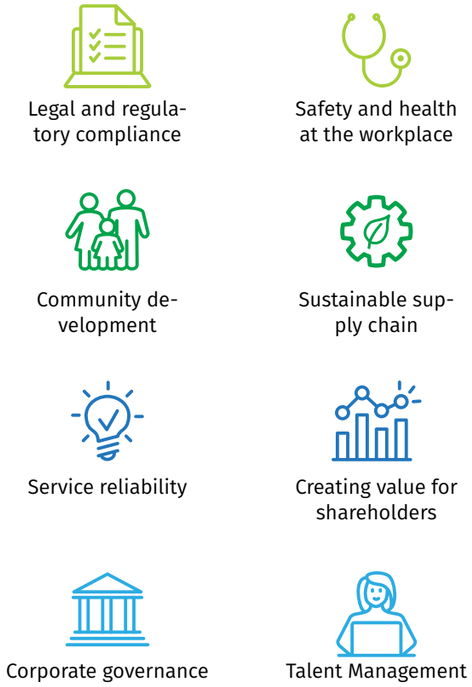
- Corporate strategy and strategic plan monitoring
- Meetings with stakeholders
- Frequent inquiries through FAQs
- Previous materiality of GEB companies
- Internal documents such as environmental risk matrices

Based on these inputs, the material issues for the Group were identified and prioritized, taking into consideration their potential effect on value creation and the interests and expectations of stakeholders.

(102-46) 2017 materiality exercise



(102-47) Eight material issues were identified, which are listed below, as well as two cross-cutting issues: contributing to the Sustainable Development Goals and the promotion and respect of Human Rights.



Scan this code to view the guidelines of GEB's Sustainability Model.

Other issues raised during the materiality exercise were:

- Service quality and client relations
- Response to climate change and air quality
- Biodiversity
- Protection of water
- Operating eco-efficiency (use of energy)
- Investor relations

In 2018 we expect to define the material issues of the affiliates, aligned with the SDGs and the sustainability strategy of GEB, in order to undertake a materiality analysis for the entire Corporate Group.

Volunteers
of sheer energy

To give a hand, to hug and spend a few hours with a human being who lives on the streets is an experience that GEB employees appreciate. What started out as a dream of Group CEO Astrid Álvarez, who has a longstanding concern for social issues (she previously supported the foundation of Father Javier de Nicoló), is today a reality experienced at GEB through the volunteer work of *Unidos con Energía* (United by Energy), comprised by some 60 employees.

This is a valuable experience that gets employees involved in getting to know the realities of Bogotá up close, and an opportunity to contribute to the construction of a better city through their work. There are several work fronts available: assisting homeless people who live on the streets, cleaning up parks and sports fields, and participating in activities of the District, such as the dissemination of new Transmilenio bus routes carried out last year.

In the first front, the volunteers work hand-in-hand with the city's child protection institute (*Instituto Distrital para la Protección de la Niñez y la Juventud de Bogotá* - IDIPRON), through an agreement with GEB to carry out different activities to benefit the homeless.

The activities to clean up public areas are carried out in six areas of influence of the company: San Cristóbal, Usaquén, Usme, Chapinero, Ciudad Bolívar and Santa Fe. Every month they work on a park, a football field, a church or an area of interest for the community.

United through Energy is also ready to assist in the event on disaster, such as the one that took place last year in Mocoa. On that occasion they delivered food baskets and cleaning kits for the victims.

688 hours

WERE CONTRIBUTED BY GEB EMPLOYEES TO CARRY OUT ACTIVITIES TO BENEFIT THE HOMELESS AND TO CLEAN UP PARKS AND SPORTS FIELDS.

Risk management (102-11)

GEB and its affiliates have adopted a Risk Policy and an impact assessment methodology that establish guidelines and the overall framework of action for all levels of the organization. They define the steps for the identification, assessment, control and monitoring of risks and impacts associated with fulfillment of the strategic objectives.

A matrix of GEB strategic risks has been prepared that identifies the main risks that could lead to non-fulfillment of the corporate strategy, and which assessed their impacts on finances, the environment, reputation, persons, clients and operating processes. Every quarter an assessment is performed on performance and implementation of controls for strategic risks, which is presented to the Audit and Risk Committee of the Board of Directors.

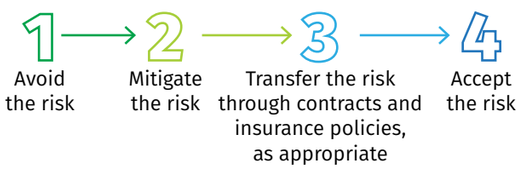
The Board of Directors, through the Audit and Risk Committee, is responsible for approving the overall guidelines for the implementation of risk management throughout the Corporate Group. According to the Committee's Internal Rules, one of its functions is to monitor fulfillment of the Annual Internal Audit Plan, which assesses significant risks and submits periodic reports to the Board of Directors on the effective application of the risk matrix at all Group companies, to ensure that the main financial and non-financial risks, both on and off the balance sheet, are adequately identified, managed and communicated to the Board.

The following are the objectives of comprehensive risk management:

- Contribute to fulfillment of the MEGA vision and the strategic objectives.
- Operate in a transparent, trustworthy and sustainable manner with stakeholders.
- Contribute to the continuity of the business.
- Manage uncertainty to create value in a sustainable manner.
- Protect resources and safeguard them against the materialization of risks.

GEB has a Comprehensive Risk Management System in place designed and implemented in accordance with the ISO 31000 international standard and the report of the Committee of Sponsoring Organizations of the Treadway Commission, in order to provide tools that facilitate the identification of potential events that may affect the organization, manage risks within its accepted appetite for risk, and provide trust and security for the achievement of strategic objectives.

Depending on the assessment and risk level, GEB implements the following treatment strategies:



GEB Transmission employees

Strategic and emerging risks

No.	Risk
1	Limitations to normal project performance.
2	Legal, regulatory or tax changes that affect business performance.
3	Non-continuity of GEB's strategy and corporate governance.
4	Inadequate management of the corporate strategy at affiliates.
5	Not exercising an appropriate role as shareholder in the decisions adopted at affiliates.
6	Not having the appropriate and motivated human capital to develop this strategy.
7	Inadequate debt structure.
8	Non-fulfillment of the Company's Financial Plan.
9	Making non-strategic investments.
10	Vulnerabilities in the security and integrity of information systems.
11	Fraud and Corruption.
12	Interruption of essential public services.

GEB RISK MANAGEMENT RESULTS

Quarterly follow-up on the implementation of the established control activities to mitigate strategic risks of GEB and its affiliates, including a presentation of the results to the Audit and Risk Committee.

Risk management was recognized as a strength by the quality certification entity Bureau Veritas during the external audit for recertification according to the standards ISO 9001, ISO 14001, OHSAS 18001 and GP 1000, carried out in May 2017.

Implementation of the AutoGEB project, which made it possible to automate or semi-automate 64 strategic risk controls.

RISK MANAGEMENT CHALLENGES FOR 2018

Standardization of the risk management methodology at Group companies and its strategic deployment to processes and projects through the PMO.

Strengthening of risk management at the first line of defense by reviewing, updating and monitoring the risks of each process.

Consolidation of a risk culture at the strategic, process and project levels through orientation, training and retraining.

Ongoing assistance to Group companies to identify strategic risks and risks of growth and investment projects.

Based on the implemented risk treatment strategies, controls are established to ensure that such strategies are performed in an adequate and timely manner.

In the even that a risk materializes, the respective manager of the company involved communicates with the parties responsible and ensures that the following activities are carried out:

- Identify the actual causes and consequences
- Define and implement action plans to minimize impacts
- Establish and implement controls or preventive actions to avoid recurrence of risk materialization events
- Monitor the effectiveness of both corrective and preventive controls
- Update risk assessments and controls
- Document the materialization of risks, determine the lessons learned and disseminate conclusions through internal GEB communications channels. When a risk materializes at a controlled company, it shall report the event to the area responsible for risk management at the corporate level.

Innovation

GEB is committed to the profitable growth of its companies. This requires in-depth management of today's businesses, but also actively exploring the opportunities of tomorrow.

The coordination of innovation in a Group with several companies in different countries offers substantial growth opportunities; this requires organized and deliberate work in order to identify and develop new businesses.

Additionally, our leadership position in the Latin American energy sector calls on us to be an authority in terms of knowledge and to set trends for the territorial development of the cities in which we operate, thus capitalizing on our knowledge of our natural market.

To this end a workshop under the theme of "Innovative Connections" was held in 2017, led by Taddy Hall, an expert on disruptive innovation. The outcome was the design of In-nexus, a cross-cutting innovation platform for GEB companies that is in the process of development and which will enable the creation of new businesses. This tool promotes the identification of market opportunities, and increases the scale of the lessons learned from innovative experiences in order to increase their probability of success and profitability.

Among several Group innovation-based achievements, we highlight the identification of cross-cutting initiatives to optimize assets and leverage resources for fiber optics projects, non-bank financing, digital services for citizens, sustainable mobility in urban centers, and new ways of consuming and generating energy (solar, smart measurement, energy efficiency and storage).

GEB BELIEVES IN INNOVATION AS A TOOL FOR THE DEVELOPMENT OF THE CITIES IN WHICH IT OPERATES, AS DEMONSTRATED BY ITS PROGRAM OF CITIZENS WITH POSITIVE ENERGY.

Citizens with Positive Energy Award

GEB created the Citizens with Positive Energy Award as a recognition to those who stand out for their talent, their passion and their creativity at the service of society as a whole.

Ten nominees attended the award event, held on December 13, 2017 in Bogotá, who were selected from among hundreds of life stories that were submitted. The three life stories with the greatest number of votes by the public were those of Leidy Cuestas, Yaddy Mancera and Néstor Javier Ayala.

Leidy designed a kit with three key positions in which a child with cerebral palsy can receive stimulation, which contributes to motor development.

Every day Yaddy rescues and cares for dogs at her farm Los Perritos de Carbonell.

And Néstor Javier, a cyclist, overcame his disability and won a medal at the Paralympics Games in Río 2016; now he shares his knowledge and experience through talks at city schools. His secret? "Having positive energy, setting yourself goals and ignoring negative comments".

The other citizens who received recognition were José Luis Bonilla, Luis Garzón, Daniel Santiago Diosa, Yipsel Bello, Luis Miguel Bermúdez, Marcela Fernández and Edinson Caballero.

GEB CEO Astrid Álvarez pointed out that this recognition will continue to be given each year to highlight the work of people who help others. "Our Group not only wants to support the large development projects that drive Bogotá, the city where our Company was born 121 years ago, but also to highlight these actions that often go unnoticed", she said.

10 great life stories

RECEIVED SPECIAL RECOGNITION FROM GEB AT THE FIRST EDITION OF THE CITIZENS WITH POSITIVE ENERGY AWARD.

Human Rights (103-1) (103-2) (103-3)

In line with our voluntary adhesion to the framework of action of the United Nations and the International Labor Organization (ILO), GEB recognizes and promotes respect for Human Rights, the preservation of the environment, the fight against corruption and the development of strategies that support freedom of association and that discourage child and forced labor.

The company has detected as potential red flags related to the violation of civil rights in social protests, opposition to projects, and the need to relocate and compensate production units in the direct areas of influence of projects under operation or under construction.

According to the reviews performed, as of December 2017 no legal actions had been filed against the company for events related to the violation of Human Rights.

These risks are managed through instruments such as:

- Criteria for the selection of suppliers who abide by the law and promote socio-environmental development.
- Verification in international restrictive lists of actors involved in Human Rights violations before initiating any relations.
- Inclusion of oversight bodies in governance structures, such as Ethics and Sustainability committees, among others.
- Adoption of the Code of Ethics, the System for the Prevention and Control of Money-laundering and the Financing of Terrorism (SIPLA, for the Spanish original) and the Anti-corruption and People Service Plans, and other corporate policies that are made extensive to third parties.
- Sustainability model based on genuine, permanent and legitimate relations with stakeholders.
- Communication and relations channels available for all stakeholders in all the territories.
- Control mechanisms for use, negotiation and acquisition of land.
- Preventive monitoring of physical security conditions based on the respect for Human Rights and of International Humanitarian Law (IHL).
- Compliance with the clauses on respect and protection in agreements entered into with the military forces and international operators for specific Company operations in the framework of demining programs.
- Management of environmental risks and impacts under the principle of precaution.

Respect for Human Rights is a policy that Grupo Energía Bogotá has made extensive to its value chain and its corporate governance structure at all its companies.

TGI employees, Colombia.

- Public-private strategic partnerships in favor of development, competitiveness, equality and public values such as democracy and peace building.
- Adequate management to ensure non-discrimination, inclusion and gender equality in all levels of corporate governance.
- Procedure for inter-cultural relations with indigenous communities and ethnic minorities.
- Guarantees to exercise the fundamental rights to freedom of association, the right to unionize and the right to collective bargaining, as set forth in the 2015-2018 Collective Bargaining Agreement.
- Participation in the National Action Plan on Human Rights and Companies, promoted by the Presidential Counsel.

Remediation

GEB has consolidated its response to sustainable development through specific initiatives; one of them in particular is a non-judicial remediation mechanism by means of restitution for the violation of rights in territories affected by the armed conflict in Colombia. This is the case of the *Energía para la Paz* (Energy for Peace) program, in the framework of the construction of the Tesalia-Alférez transmission line (project UPME 05-2009) in Huila, Valle del Cauca and Tolima.

Even though the Group has no history of Human Rights violations, it believes that peace building is a specific contribution to the progress of Colombia.

Fundación Grupo Energía Bogotá

During 2017, Fundación Grupo Energía Bogotá, in carrying out its corporate purpose, focused on the Tominé Project and its activities were oriented towards the Sustainability Policy and strengthening of corporate governance, a process it began in 2016. To this effect, it adopted the guidelines of Grupo Energía Bogotá. This implied amending its bylaws and structuring and fulfilling the work plan of the Governing Board and the Corporate Governance Code. The latter was developed based on the principles of the Organization for Economic Co-operation and Development (OECD) and it represents an instrument that describes the manner in which the foundation is governed; ultimately, its objective is to facilitate understanding by internal and external actors.

At Fundación Grupo Energía Bogotá, in 2017 for the first time an assessment and self-assessment of the members of the Council of Directors was performed. Additionally, the Internal Rules of the Council of Founders and of the Governing Board were adopted.

The greatest challenge for 2018 is to work on strategic planning based on the reformulation of the policies and the new Group strategy formulated in 2016, with the objective of making the Foundation an ally to project each of the Strategic Business Groups as levers for progress and development in their areas of influence and of the Group companies.

Fundación Grupo Energía Bogotá prepared itself in 2017 to broaden its management approach, which will be incorporated into the new strategic plans in 2018.

The treasure of Sabana de Bogotá

The Tominé Reservoir, owned by GEB, is a kind of heart that maintains the good health of the entire Sabana de Bogotá region.

During severe dry seasons, thanks to Tominé, there are no water shortages in Bogotá or in six of its neighboring cities. Similarly, when the La Niña weather phenomenon strikes with heavy rainfall, Tominé plays the role of regulator to prevent flooding in the area.

Additionally, the reservoir is used to irrigate this district, which holds some of the most productive farmland in Colombia. It is also used to generate electricity and it accounts for 13% of the natural infrastructure available to absorb environmental impacts in the region.

The Tominé Reservoir, located 50 kilometers northeast from Bogotá, is in the territory of the municipalities of Guasca, Sesquilé and Guatavita. It is an ecosystem with a unique landscape, clean air and a diversity of wildlife species.

The Environmental Management Plan implemented by GEB to protect this water reservoir includes control over invasive species, reforestation, offsetting effects to the ecosystem and performing permanent monitoring.

GEB works hand-in-hand with the communities in the region to allow them to use the grasslands of the river basin for dairy farming, to support artisanal fishing, and it attends environmental management and risk committees and structures environmental maintenance agreements.

Thanks to the environmental plan led by GEB, Tominé supplies

15%

drinking water for Bogotá, as well as for Gachancipá, Cajicá, Chía, Soacha, Mosquera and Madrid.

Environmental Dimension

Interconnection for Market Development

(103-1) (103-2) (103-3) As a leading company in the energy sector, Grupo Energía Bogotá is aware of its responsibility for promoting a balance between corporate, economic and financial development goals, and the environmental challenges for the sustainable development of the countries in which it operates.

The Group's environmental management focuses on the sustainable use of natural resources, support for conservation of biodiversity and minimizing its impact on natural resources.

This commitment, which is made explicit in the Corporate Sustainability Policy, along with compliance with current environmental regulations and voluntary principles to which the Group has adhered (such as the Sustainable Development Goals (SDGs) and due diligence regarding Human Rights), promote coordinated action aimed at having an increasingly positive impact on the territories in which it is present, and the creation of a culture of respect for the environment among stakeholders.

Interconnection for Market Development, given the broad coverage of its networks throughout Colombia, has implemented a regional-based strategy of the Stakeholders Relations Model. The regional offices of the four defined regions, North, Center, West and South, consolidate various environmental indicators on their respective projects.

Through an interdisciplinary group of professionals, GEB identifies and assesses the impacts produced by the construction and operation of each project, taking into consideration the technical and socio-environmental characteristics of the areas of intervention.

Management measures are defined for the significant impacts identified and evaluated at each intervention site, in order to leverage positive effects and define actions to prevent, minimize, mitigate and/or control those that produce effects on the environment.

Scan this QR code for additional details on the electricity transmission projects

Vegetation at the Tominé reservoir.

Biodiversity

Grupo Energía Bogotá has a tool in place to manage and monitor environmental requirements that covers biotic, abiotic and socioeconomic components by means of matrices of compliance with legal requirements and fulfillment of infrastructure environmental management plans. The Group prepares and submits environmental compliance reports to the National Authority for Environmental Licenses (ANLA, for the Spanish original), which performs periodic monitoring of mandatory requirements, including a report on monitoring of lifted bans, to the Ministry of the Environment and Sustainable Development of Colombia.

Protected Areas (304-1)

In accordance with the corporate strategy, the projects in the various operating areas are carried out in the framework of their corresponding environmental licenses, with their corresponding conservation and offsetting activities, in line with GEB's commitment to contributing to SDG 15 on life on land and terrestrial ecosystems. The map below displays some of the protected areas associated with the projects.

Protected Areas in Colombia*

NORTH AREA

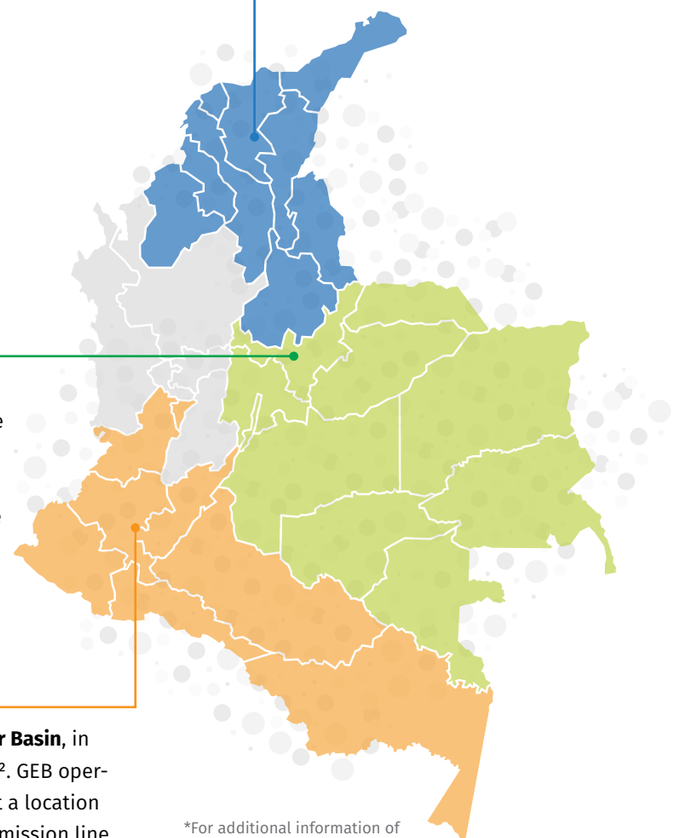
At Córdoba River, located in the Magdalena swamplands, with a 400-meter electric energy transmission line, an area of 8.1 hectares is to be offset due to changes in land use, loss of biodiversity and reforestation of non-vascular epiphyte habitats. At the Cartagena project, with an electric energy transmission line that includes 4 km underground and 15.7 km aerial cables, the environmental license approved offsetting of 4,608 hectares for loss of biodiversity, prioritizing equivalent areas and ecosystems.

CENTRAL AREA (GUAVIO)

Bogotá Eastern Forest and Protective Forestry Reserve of Páramo Grande, whose area of influence includes Andean forests of the Eastern Andean Orobioma block, which has been slightly to moderately intervened and contains representative samples of populations of endangered species. GEB operates electric energy transmission assets at 230 kV with repowering potential at 500 kV. The section of the transmission line is 118 km long.

SOUTH AREA

Protective Forest Reserve of the Upper Mocoa River Basin, in San Francisco and Mocoa, Putumayo, with 300.3 km². GEB operates electric power transmission assets at 230 kV at a location next to the protected area. The section of the transmission line that runs alongside the Upper Mocoa Reserve is 17.8 km long.



*For additional information of the above offsetting actions, see the annexes to this report.

Thanks to its size and the high level of conservation of biodiversity, animal and plant indicators in the area are high. Currently in the area there are vulnerable and threatened species such the poison frog (*Epidobates ingeri*), and plant species such as *achapoi* (*Cedrelinga catanaeformis*) and cumin (*Aniba sp*), which increases the strategic value of the reserve; nonetheless, within the reserve there are human settlements that put pressure on these resources. This is an example of regional conservation.

Protective Forest Reserve for La Cocha Lake and Patascoy Mount, located in Nariño, in the jurisdiction of Pasto, covering an area of 499.1 km². GEB operates electric power transmission assets at 230 kV at a location next to the protected area. The section of the transmission line that runs alongside the La Cocha-Patascoy Reserve is 8.9 km long.

The La Cocha Lake is located inside the Reserve, and is one of the most extensive and well conserved lagoons of the northern Andes, and the largest source fresh water reserves in the department of Nariño. The lake's Corota Island is a wildlife sanctuary, an Andean *orobiome* forest with predominant species such as *encenillos*, Colombian pines, *siete cueros*, wax palm and the ecosystems of the Andean highlands (*páramo*) with presence of *frailejon* species such as *Espeletia hartwegiana, Blechno loxensis, Calamagrostis spp., Hypericum spp.* and *Festuca spp.*

Natural Regional Park of *Páramo del Meridiano Wepe Walal*, in Tolima, in the municipality of Río Blanco, covering an area of 27.8 km². GEB operates electric power transmission assets at 230 kV at a location next to the protected area. The section of the transmission line that runs alongside the Meridiano Natural Park is 7.9 km long.

The natural cover of the protected area includes Very Humid Low Mountain Rainforest, Mountain Rainforest and Sub-Andean *Páramo* Rainforest, which contributes to ecological integrity and connectivity between the various ecosystems. The area is also a historical-cultural heritage area of the Nasa indigenous community of southern Tolima.

Wildlife at the Tominé reservoir.

Special Protection Areas are those defined in article 90 of the Law, due to their biological, geo-morphological, or scenic value, which are a representative sample of Colombia's various natural ecosystems. Other areas are of invaluable importance due to their archaeological or historic features, or because they generate essential goods and services that help ensure the country's sustainable development.

Direct or indirect impacts on biodiversity (304-2)

In accordance with GEB's Environmental Policy, each company and project prepares an estimate of the impacts caused by their construction and operation processes, as indicated below:

Impacts of Electric Infrastructure Construction Activities

The most recurrent direct impacts from electrical infrastructure construction projects in the Central area, Guavio, are: conversion of habitats at sites for towers, cable yards, substation properties and building of access roads to the construction sites; felling of species (including banned species, on which ban lifting permits are requested, and rescue and offsetting operations are performed as required) along the right of way; changes to the vegetation cover, frightening away of wild animals, and changes to the visual quality and fragility of the landscape.

Additionally, indirect impacts are managed, such as the potential introduction of invasive species, pests or pathogens; the reduction of plant and animal species; interference with bird flight corridors and bird crashes, and changes in vascular and non-vascular epiphyte communities. Construction project activities also affect terrestrial species such a reptiles, amphibians and mammals, which are moderately affected by movements of personnel, machinery, equipment and materials and the consequent increase in vehicle traffic, noise and particulate matter, which alter the physiology and behavior of some species.

UPME 05-2012 Project - Second Circuit Cartagena, Bolívar

A particular feature of this project is that it has an underground section. The direct impacts include loss of vegetation cover, effects to soil due to absence of structure and compacting due to machinery traffic. Recoverable impacts may also arise from changes in underground water flows.

Even though most of the environmental impacts that were identified and evaluated are reversible and can be mitigated over the medium and long term,

OFFSETTING THE IMPACTS OF ITS ACTIVITIES, ABOVE LEGAL REQUIREMENTS, IS AN ONGOING COMMITMENT AT GEB.

Tominé Reservoir

Wildlife at the Tominé reservoir.

other environmental impacts arise once the infrastructure begins to operate. This exception occurs in the right of way area, where reforesting is not possible due to restrictions of the project itself, because of the necessity of maintaining of a clear area to prevent service interruptions and security risks for people.

Relevant Initiatives on Biodiversity Management

(304-3) Report and location of protected habitat areas. Regarding protected areas, action plans have been formulated to address the impacts caused by the construction and operation of projects, which promote the restoration or reduction of their environmental effects. The measures that have been adopted have promoted partnerships, as in the case of Trecsa in Central America, regarding the Special Protection Area of Sierra de los Cuchumatanes, the Multiple Use Area of the Atitlán Lake Basin and the Río Dulce National Park, details of which are included in this same chapter.

The partnerships with third parties for the protection of habitats are in the framework of SDG 17 on partnerships for the goals, in connection with the aforementioned areas, which cover 514 9 hectares, leading to the following joint actions:

- Payment into the exclusive fund of the National Forests Institute (INAB, for the Spanish original) for reforestation work on approximately 64.7 hectares, based on the effects quantified in the Land Use Change Study (ECUT, for the Spanish original) in the areas of influence of the project.

GEB manages the vegetation along the right of way corridors using an ecosystem approach, following the manuals on inspection and intervention of vegetation cover, and fulfills the specific management measures specified in the Environmental Management Plan (PMA, for the Spanish original) in areas of high biodiversity (near protected areas and hotspots).

In 2017 GEB continued to support the conservation of the Andean Bear (*Tremarctos ornatus*) and the Mountain Tapir (*Tapirus pinchaque*), two of the most threatened mammals in the American continent, through support for local organizations in the department of Huila with the assistance of CAM and Fundación para la Protección y Conservación WII. One of the most noteworthy activities was the participation of local communities in monitoring and following up for the conservation of the species.

GEB continues to relocate epiphyte species that were rescued during construction of the Tesalia-Altamira line at 230 kV.

GEB has also continued to support Fundación Natura, with which an agreement was signed in 2017 for formulation of the "Forests for Peace" program, which incorporates offsetting the biotic component of expansion projects, including that of the Tesalia-Alférez transmission line at 230 kV. The program aims at implementing conservation, ecologic restoration and biodiversity actions on 730.6 hectres to preserve strategic ecosystems of *páramo* highlands, dry forests and Andean forests, to maintain ecosystem services associated with water resources and to maintain ecological connectivity over 25 years. The planned actions aimed at fulfilling the various offsetting obligations and measures are distributed in three components or lines of action: environmental conservation, community strengthening and sustainable development.

Project UPME 02 – 2009 Armenia has incorporated pioneering practices in Colombia of laying conductor cables using drones, in order to reduce impacts on biodiversity by reducing interventions on vegetation and noise emissions that frighten animals away. This also contributes to preservation of the landscape as a heritage of the Colombian coffee-growing region, by reducing the time required to lay cables and preventing the atmospheric emissions that manned aerial vehicles would imply.

THE ANDEAN BEAR AND THE MOUNTAIN TAPIR ARE TWO OF THE SPECIES THAT CONTINUE TO HAVE THEIR HABITAT THANKS TO GEB ENVIRONMENTAL MANAGEMENT.

Relevant Initiatives

The relevant activities of Trecsa include:

- Rescuing of epiphyte species (orchids) in the project areas, which are transported from the locations to the Conservation Studies Center (CECON, for the Spanish original). CECON uses the specimens delivered by Trecsa for preservation and reproduction and research programs.
- Cooperation between Trecsa and the Conservation Studies Center of Universidad de San Carlos for preservation of epiphyte flora species in danger of extinction, according to instructions of the National Council for Protected Areas (CONAP, for the Spanish original).

Protected Areas

Location	Purpose of restoration or conservation		Progress	
Name of protected area (PA)	**PA management category (national)**	**UICN1 category**	**Number of properties**	**Direct area of influence (ha)**
Special Protection Area Sierra de los Cuchumatanes	Special Protection Area	Not applicable	862	247.05
Multiple Use Area Atitlán Lake Basin	**Category 3: multiple use area	Category 4: sustainable use of natural resources	1,366	259.56
Río Dulce National Park	*Category 1: National Park	Category 2: national park	17	8.30
TOTAL			**2,245**	**514.91**

*Category 1 - National Park: relatively large areas basically untouched by human activity that contain ecosystems, traces or species of animals and plants of scientific value or scenic views of national or international interest in which ecological and evolutionary processes have been able to follow their natural course with minimal interference.
**Category 3 - Multiple use areas: relatively large areas, generally covered by forests. They may contain areas that are appropriate for sustainable production of forestry products, water and wildlife, without negatively and permanently affecting the diverse ecosystems within the area. They may have undergone changes from human intervention, but they still largely preserve a natural landscape. They are generally subject to control, depending on how much pressure they are subject to.

Atmospheric Emissions and Climate Change

Given the nature of the businesses of GEB's strategic groups, their operations generate atmospheric emissions of greenhouse gases that contribute to the global warming phenomenon, and consequently to climate change. For this reason GEB has prioritized its contribution to development in the framework of SDG 13 - Climate Action to guide its management, to face the challenges of a low-carbon economy and to become a relevant player in the transition towards energy efficiency and renewable energy. This guidance forms part of the corporate operating strategy and has enabled the implementation of effective controls to reduce the organization's estimated carbon footprint emissions, which have been measured since 2011 (baseline), as well as offsetting the emissions each year through certified forestry or conservation projects. The next steps will be to further explore carbon prices and validate reduction goals in line with international agreements.

GEB, through its climate change management program, has a team in place with defined responsibilities, led by the following areas and positions: Sustainability Committee, Director of Sustainable Development, Environmental Advisor of the Sustainable Development Department and their team.

The Sustainability Committee was established by means of CEO Decision No. 011 dated July 28, 2017, with the following purpose:

"Coordination and direction for implementation, follow-up and monitoring of the social and shared value management model, environmental management, safety and health in the workplace management, land management, socioeconomic offsetting, relations with ethnic groups and energy efficiency management, as well as the Company's Sustainability and Shared Value Policy."

The inventory of greenhouse gases was taken using as reference the greenhouse gas protocol of the World Resources Institute (WRI), the World Business Council for Sustainable Development (WBCSD) and the Guidelines of NTC-ISO 14064-1. "Greenhouse gases Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". This section of the ISO14064-1 standard lists the principles and requirements to design, develop and manage greenhouse gas inventories for companies and organizations, and for the presentation of reports on such inventories. In order to validate the greenhouse gas emissions inventory, Grupo Energía Bogotá delivered to the firm ECOLOGIC S.A.S. the information collected during 2017 to calculate the carbon footprint. Other inputs are also provided to verify the traceability of the information that was used.

The emission factors used were looked up at the following sources: FECOC Upme, *Emission Factors from Cross Sector Tools and GHG-Protocol transport tool* for use of fossil fuels and *PCCC Fourth Assessment Report*-2015 for refrigerant gases.

Direct and indirect emissions
(305-1) (305-2)

Based on the features of energy transmission operations, an estimation is made of GEB's direct emissions of greenhouse gases under scope 1, and its indirect emissions under scope 2.

Direct and indirect emissions (scope 1 and 2)

Scope	Emission Source	Ton CO_2e	% of total
Direct GHG emissions	Fuel for fixed sources	3.6	0.1
	Fuel for mobile sources	12.4	0.6
	Refrigerant gas leaks	1,466.4	74.4
	Total direct emissions (scope 1)	**1,482.4**	**75.2**
Indirect GHG emissions	Emissions associated with electric energy consumption	61.7	3.1
	Total indirect emissions (scope 1)	**61.7**	**3.1**
Total direct and indirect emissions (scope 1 and 2)		**1,544.4**	**77.7**

Scope 1, direct emissions of greenhouse gases by company-owned or controlled sources in generating electricity, heat or steam; physical or chemical processes; transportation of materials, products, waste and employees, and fugitive emissions.
Scope 2, emissions from generation of electricity acquired or consumed by the company that was bought or brought into the selected spatial boundaries.

Given that the carbon footprint associated with scope 1 of direct measurements is the most significant amount, according to historic estimations, the following table displays a detailed comparison of emissions associated with each gas type, taking the estimation into consideration:

Detail of direct emissions in tons of CO_2eq (scope 1)

Activity	2014	2015	2016	2017
SF_6 leaks at substations	2,045.1	2,659.3	3,588.4	1,438.2
CO_2, CH_4 and N_2O emissions in mobile combustion	33.8	32.3	42.2	12.4
CO_2, CH_4 and N_2O emissions in stationary combustion	1.7	0.4	4.0	3.6
Other emissions leaks and/or extinguishers (R134A, R422D,HFC and CO_2)	21.4	0	0	28.5
Total	**2,102.0**	**2,692.0**	**3,634.7**	**1,482.7**

Scope 1, direct emissions of greenhouse gases by company-owned or controlled sources in generating electricity, heat or steam; physical or chemical processes; transportation of materials, products, waste and employees, and fugitive emissions.

(305-5) The above table shows a 59.2 % reduction in scope 1 emissions compared to 2016, which is related to a program undertaken by GEB three years ago to regulate the nominal (ideal) pressure of sulfur hexafluoride (SF6) gas, which is essential for the operation of certain electrical substations because of its dielectric insulation properties. In addition to its insulation properties, SF6 has high global warming potential, which implies that it is necessary to control fugitive emissions and to use the gas efficiently in operations.

In previous years GEB has reported on its SF6 pressure regularization program at substations, and now the results have begun to display substantial reductions in the direct emissions of the operation. The following actions were taken:

- Control of gas pressure in real time.
- To include in the maintenance plans an activity to detect and control leaks, and to measure gas quality variables such as purity, humidity and concentration of SO_2 in p.p.m.
- Detailed records of gas volumes and mass balances to manage consumption.
- Acquisition of equipment to recover the physical and chemical properties to enable recycling.

Vegetation at the Tominé reservoir.

Other indirect greenhouse gas (GHG) emissions (305-3)

Below are the indirect emissions from some sources involved in GEB activities.

Indirect emissions (scope 3)

		tCO_2e	% of total
Other indirect emissions	Flight emissions	337.4	17
	Emissions by outsourced transportation	124.7	6.3
	Emissions from fuel extraction	4.7	0.2
	Emissions from employee transportation	13.1	0.7
	Printing supplies	6.5	0.3
	Emissions generated by waste*	-37	-1.9
	Total other indirect emissions (scope 3)	**449.3**	**22.5**

*Takes into account the emissions avoided by separating at the source.

Scope 3, all indirect emissions, other than indirect greenhouse gas emissions from energy, generated by the organization's activities but that arise from sources of greenhouse gases that do not belong to or are not controlled by the organization.

GOALS (103-2)

Grupo Energía Bogotá

To continue efforts to obtain environmental licenses and clearing of the rights of way for the expansion projects, in accordance with legal provisions and based on full compliance with obligations with the environmental authority.

To perform voluntary offsetting of the organizational carbon footprint of greenhouse gas emissions recorded in 2017.

To update the baseline for managing the carbon footprint and make progress in the estimation of reduction goals, to be verified by the initiative Science Based Targets, which GEB joined in late 2015.

To focus on the development of environmental management in the framework of the Energy for Peace program promoted by the GEB CEO.

Grupo Energía Bogotá

Results

- Strategic partnerships and agreements with local, civil society and Colombian government actors to define best practices for offsetting the loss of biodiversity and to continue reducing real environmental impacts. Some of the most noteworthy programs of these alliances are those related to the conservation of threatened species that are emblematic for South America, and the changes in culture experienced by the communities that previously depended on hunting and now have a vocation for conservation.
- Application of cutting-edge technologies in laying circuits and building transmission projects using drones, which significantly reduce impacts on environmental components.
- As part of a project to reduce pressure on ecosystems due to the use of firewood, GEB continued its program of installing efficient stoves and firewood orchards, which in 2017 benefitted 50 families in the municipality of Ubalá in Cundinamarca, in the area of influence of the LT Guavio - Circo project at 230kV (central corridor). The reforestation models and better conditions for the efficient use of firewood that were transmitted to the community are expected to be replicated in coming years in order to achieve the expected impact on ecosystem recovery.
- Maintenance and verification of survival of the trees planted to offset the project LT Guavio - Circo at 230kV (central corridor), throughout the year.
- To obtain response from the Ministry of the Environment and Sustainable Development on the request to permanently or temporarily remove from the reserve certain areas of the Río Magdalena forest reserve, established in Law 2 / 1959.
- In the case of the southwestern reinforcement, definition of the route of the Medellín-La Virginia project, respecting environmental restrictions regarding the protection buffer zones of springs and water bodies, without directly intervening any areas of the National System of Protected Areas and Civil Society Reserves, an effort that contributes to Sustainable Development Goals, particularly Goals 6 and 15.

Trecsa GrupoEnergíaBogotá

Results

- Approval of the environmental instruments for the sections Sololá-Brillantes (Plot F) and Chiantla-Covadonga (Plot B).
- Renewal of licenses for 19 environmental instruments for project PET-01-2009.
- Fulfillment of commitments made with EDC-CITI (through delivery of two compliance reports).
- Development of an overall Environmental Management Plan for the project that incorporates all environmental, social and safety aspects.
- Obtaining all forestry licenses to complete the Covadonga – Uspantán line (Plot B), Palestina – Pacifico and Palestina – Palín (Plot A).

TGI GrupoEnergíaBogotá

Results

- TGI, in partnership with Gas Natural, Ecopetrol and institutions of the local government of Bogotá, tested the first collector of vehicle natural gas wastes in Bogotá, which produced a reduction in pollution emissions and noise. Estimates based on the pilot indicate potential savings of close to COP 2.7 billion per year and a 95% reduction in emissions of particulate matter, a 91% reduction in nitrogen oxides and a 25% reduction of CO_2 emissions compared to traditional vehicles.
- Through maintenance plans along the gas pipeline network operated by TGI, a reduction of fugitive emissions of natural gas was achieved in line with the established internal targets.

GOALS (103-2)

TGI GrupoEnergíaBogotá

To design a voluntary and mandatory offsetting strategy aimed at developing habitat banks through the legal instrument called forests for peace.

In a joint project with GEB, an agreement was entered into with the Alexander von Humboldt Research Institute on Biological Resources to identify the most important natural nodes present in the jurisdiction of the municipalities in the areas of influence of the operations of TGI and to promote the establishment of biological corridors.

Trecsa GrupoEnergíaBogotá

Approval of pending environmental instruments by government entities, which determine performance of the project's construction activities and its operation.

Strategic partnerships with key actors (communities, stakeholders, companies in the industry, employees, owners, leaders and local and national authorities) to engage in sustainable development projects to benefit the local communities in Guatemala and their natural resources.

Compliance with international environmental standards acquired with EDC/CITI through IFC Standards.

To implement basic guidelines related to the United Nations SDGs.

Urban Energy Solutions

(103-1) (103-2) (103-3) GEB is aware that its business operations generate substantial environmental risks and impacts on the environment, and has consequently developed corporate management guidelines to guide the actions in the countries in which it is present.

Through its Sustainability Policy, GEB provides guidance to all its controlled companies towards the creation of shared value.

The Urban Energy Solutions (SEU, for the original in Spanish) Strategic Business Group, which focuses on gas and energy distribution in Peru through the companies Cálidda (Lima and Callao province) and Contugas (gas distribution in the department of Ica), is aligned with the environmental management principles and the corporate strategy of GEB, on compliance with current environmental regulations, support for the conservation of biodiversity and the minimization of impacts on the environment, so as to contribute to achieving the SDGs.

Biodiversity

In the areas of influence of the gas distribution operation, based on the corporate strategy and the Sustainable Development Goals, action plans have been established that contribute to SDG 15 – Life on Land, as described below:

Specifically in 2017, **Contugas** has not identified significant negative impacts on biodiversity or on water bodies, but it has identified positive impacts arising from biological monitoring of rescue and transplant activities for the recovery plant species of the genus *Tillandsial*, which are important epiphytes for the ecosystems.

The most noteworthy aspect regarding biodiversity management in 2017 at **Contugas**, was the Inter-institutional Cooperation Agreement signed between the National System of Natural Areas Protected by the State and Contugas, through which the Company takes on commitments that contribute to the preservation of biodiversity at the San Fernando National Reserve through monitoring of epiphytes of the genus *Tillandsial*, raising environmental awareness and developing signage on the roads of the San Fernando National Reserve.

The above is part of the corporate strategy in support of SDG 17. Partnerships for the Goals such as the Inter-institutional Cooperation Agreement signed between the National System of Natural Areas Protected by the State (SERNANP, for the Spanish original) and Contugas, the strategic partnership with the Support Committee for a Culture of Natural Gas (whose members are youth and university students from the provinces of Ica and Nazca, who receive training on the uses and benefits of natural gas, as well as on environmental aspects related to hydrocarbon operations) and the Socio-Environmental Participation Committee (whose members are youth and adults from the provinces of Chincha, Pisco, Ica and Marcona).

(304-1) The main pipeline of **Contugas** crosses through part of the buffer zone of the National Reserve of Paracas, as well as the San Fernando National Reserve. For this reason, the Company has decided to undertake a project in this area aimed at evaluating the survival and development of *Tillandsias* in the receptor or replacement area (Ramal Nazca, within the San Fernando National Reserve), covering an area of approximately 7 ha.

In December 2016 the first monitoring of epiphytes of the genus *Tillandsial* was performed to assess their development, and in November 2017 a second monitoring was performed, finding that the transplanted vegetation has experienced a successful recovery in the natural protected area.

(304-2) During the construction stage of the Contugas pipeline (2012-2014), environmental impacts were identified, and a mitigation strategy was defined in the Environmental Impact Study.

Contugas gas pipelines, Peru

To view the Sustainability Policy, scan this QR code

Atmospheric Emissions and Climate Change

304-3 In July 2016, at the San Fernando Natural Reserve, several species of epiphytes along the Right of Way of Ramal Nazca (PK 9+700 to PK4+900) were removed and replanted at a different location. The work was performed by outsourced professionals and verified by representatives of the Participative Committees of the different provinces (Ica, Pisco, Chincha, Nazca and Marcona).

Results

Cálidda
GrupoEnergíaBogotá

- Based on measurements of greenhouse gas emissions, it was found that emissions of 50,350,809 tons of CO_2eq were avoided by using natural gas supplied by Cálidda, rather than other fossil fuels (gasoline, diesel fuel) . This was because natural gas replaced consumption of other fuels that generate greater emissions of greenhouse gases and other pollutants.
- The introduction and use of natural gas has improved air quality in Lima and Callao, thereby making a positive contribution to the health of the population. On the one hand, it improves productivity by reducing the number of premature deaths, and on the other hand, the reduction in the concentration of particulate matter has a positive impact on morbidity, i.e. on people who suffer illnesses. A lower number of cases and hospitalizations also reduces their associated costs. The study's results show that consumption of natural gas prevented losses of PEN 37,558,100 in lost productivity and costs associated with morbidity for the Peruvian state.

Results

ConTugas
GrupoEnergíaBogotá

- The air quality monitoring report for the second half of 2017 found that the concentrations of the parameters PM10, PM2.5, CO, NO_2, H_2S, SO_2, ozone (O_3), volatile organic compounds such as benzene, total hydrocarbons expressed as hexane, and metals such as lead were within allowable limits according to environmental quality standards.

Plaza San Martín in Lima.

- In the case of monitoring of atmospheric emissions from fixed sources at the Ica City Gate (electricity generation group), certain values exceeded allowable limits. As a result, improvements to equipment maintenance are being considered, because, even though it remains shut off, possible impacts cannot be ruled out, given that the stations receive electricity from the company and are only used for emergencies.

Contugas, mechanisms to assess the effectiveness of the guidelines

Mechanism	Indicator	Assess-ment	Results	Measures implemented
Monitor-ing of air quality	(Number of air quality monitoring sessions performed) / (Number of sched-uled monitoring sessions during the year)	Success criteria: Good = 1	Below national environmental quality standards for air (D.S. No. 003-2017-MI-NAN).	
Monitoring of noise in the envi-ronment	(Number of noise monitoring sessions performed) / (Num-ber of scheduled monitoring sessions during the year).	Success criteria: Good = 1	Noise monitoring results at the stations are below the National Environmental Quality Standards for Noise, ECA RUIDO (D.S No. 085-2003-PCM). Regarding a location in a residential area, the noise level was above the Noise Quality Stan-dard caused by vehicle traffic.	Even though noise levels were above environmen-tal quality standards in residential areas, this information was dis-seminated through the participative monitoring committees, duly noting that such impacts are not attributable to the activities of Contugas.
Monitoring of epi-phytes of the genus *Til-landisal*	(Monitoring of epi-phytes performed) / (Number of sessions scheduled).	Success criteria: Good = 0.5	The inter-institutional agreement between SERNANP and Contugas es-tablishes that during 2017 two biolog-ical monitoring sessions were to be performed on *Tillandsial*. As at the end of December 2017, only one monitoring was performed in November, because an amendment to the inter-institutional agreement is being discussed regarding performance of activities by ANP related to biological monitoring. The monitoring results of *Tillandsial* indicate that the transplanted plants in the area have been recovering.	

- **103-2** As part of its efforts to reduce atmospheric emissions and climate change, the Environmental Management Plan includes a monitoring checklist on air quality, noise and atmospheric emissions, the objective of which is to measure gas concentration in the environment (NOx, CO, SO_2, H_2S, O_3, lead, volatile organic compounds (VOC), total hydrocarbons and breathable particles (PM10 and PM2.5). Such monitoring is performed on a biannual basis.
- Additionally, the Company carries out awareness-raising campaigns among employees on the importance of taking care of the environment.

THE PERUVIAN STATE **HAS SAVED OVER PEN 37 MILLION** IN COSTS ASSOCIATED WITH MORBIDITY AND POLLUTION, THANKS TO THE EXPANSION IN NATURAL GAS CONSUMPTION.

(305-1) (305-2) (305-3) Contugas carbon emissions in 2017 (ton CO_2e/year)

Scope	Value	Emission Source
Scope 1	25,301.6	Combustion. Natural gas fuel. City Gate heaters, fugitive emissions. Venting of natural gas. Emergencies, fugitive emissions. Burning of natural gas. Flare
Scope 2	201.3	Electric energy consumption
Scope 3	144.6	Fuel and paper consumption
Total	**25,647.5**	

(305-4) Contugas intensity of carbon emissions in 2017 (kg CO_2e/m^3 of distributed natural gas)

Scope	Value	Emission Source
Scope 1	0.085259984	The gas included in the calculations is methane CH4.
Scope 2	0.000792836	
Scope 3	0.000502660	Services outsourced by the Company that produce CO_2 equivalent.

GOALS (103-2)

- Update the Environmental Impact Study to include the entire region as the direct area of influence.
- Install equipment at the fixed sources to reduce atmospheric emissions (when Ica generation groups exceed allow-able limits).
- An addendum to the inter-institutional agreement between SERNANP and Contugas is being considered, in order to strengthen biodiversity oversight and control at the San Fernando Natural Reserve.
- Gradually implement water and energy savings systems based on financial objectives.
- Implement environmental signage on the natural gas distribution system.
- Obtain favorable technical opinions to build networks in sensitive areas.
- Obtain the seal of certification as a water responsible company for Cálidda.
- Continue taking the inventory of greenhouse gas emissions to enable calculation of the carbon footprint of SEU companies.
- Connect a greater number of soup kitchens and leverage the social program of Cálidda soup kitchens.

Results

ConTugas GrupoEnergíaBogotá

- In terms of environmental management, 100% of the commitments made in the Environmental Impact Study were fulfilled.
- No environmental complaints were received from civil society.
- Measurements were taken of the contribution of natural gas to life quality and health.
- Similarly, in connection with the SDGs, solar panels have been installed at several Contugas facilities, such as on the valves of the Humay – Marcona pipeline, at VLHM-194, and at VLHM-200, and a wind energy system was implemented as backup in the event of absence of photovoltaic energy. Similarly, at the repeater stations at mount Huaricangana and San Antonio, solar panels are in place as main energy sources, which supply energy for the control panel, microwave equipment and VHF repeaters. Because the gas pipeline crosses areas with little access to electric energy, systems are put in place to take advantage of the resources provided by nature in a responsible manner.
- A wind generator is in place at valve PK 200 as backup for the solar panels.

Results

Cálidda GrupoEnergíaBogotá

- Natural gas helps improve air quality and health in Lima and Callao: the introduction and use of natural gas has had positive repercussions on health and on productivity. On the one hand, it reduces the number of premature deaths, and on the other hand, the reduction in the concentration of particulate matter has a positive impact on morbidity, i.e. on illnesses. The reduction in the number of cases and hospitalizations also reduces their associated costs. The study's results show that consumption of natural gas prevented losses of PEN 37,558,100 in lost productivity and costs associated with morbidity for the Peruvian state.

LIMA SPEAKS CAMPAIGN

Based on the information obtained from the environmental and health studies, Cálidda implemented an awareness-raising campaign on the effects of pollution. The objective of this campaign was to raise awareness by means of a panel installed at one of the most polluted avenues in Lima, which by means of a vacuum absorbs soot and pollutants expelled by motor vehicles. As days passed, the panel filled up with soot, unveiling the message "I'm having trouble breathing"- Lima Speaks. This message mimics a common expression in the city, which is heavily affected by the consequences of pollution.

In the second phase, the campaign proposed reducing environmental pollution through the use of less-polluting fuels such as natural gas for vehicles (GNV, for the Spanish original). The campaign had substantial impact, becoming in trend in digital media. Important news hosts and media reproduced the video and uploaded it on social networks such as Twitter and Facebook.

Lima Breathes

Fighting environmental pollution has become one of the major challenges for large cities because of the harmful effects it has on its inhabitants' health. According to World Health Organization (WHO) figures, Lima is the second most polluted city in Latin America, mainly because of the gases discharged by its 1.7 million vehicles.

In order to improve the city's air quality, Cálidda, a GEB company, has been promoting the use of natural gas for vehicles (GNV), a clean fuel. To achieve this objective it recently launched the campaign "*La Calidad de Vida se Respira*" (life quality is breathed in), aimed at raising awareness among Peruvians on the importance of promoting good practices for air quality by using GNV.

The Company has taken significant steps. Cálidda supplies natural gas to the Metropolitan Transport System, the only system in Latin America whose fleet is 100% fueled by natural gas. Thanks to NGV, the transport system has avoided emitting 70,132 tons of CO_2 into the environment, which is equivalent to the pollution that can be absorbed by 5.8 million trees in one year.

Another big achievement for Cálidda is that 247,200 vehicles now use GNV, equivalent to penetration of 14% of the total fleet of the city of Lima.

Since 2004, the Company has been quantifying the environmental contribution of the use of natural gas in the residential, industrial and generation sectors. The use of natural gas in these sectors prevented emissions of 50 million tons of CO_2. These emissions are equivalent to the total annual emissions of Costa Rica and Ecuador, combined.

247,000
vehicles

IN LIMA USE NATURAL GAS FOR VEHICLES, EQUIVALENT TO PENETRATION OF 14% FOR THIS FUEL.

Economic dimension

STRATEGIC FOCUS

During the first year of deployment of the activities defined in the Corporate Strategic Plan of Grupo Energía Bogotá, the following were the main focus areas of economic management of the three Strategic Business Groups: Interconnection for Market Development (IDM, for Spanish original), Urban Energy Solutions (SEU, for the Spanish original) and Low Emission Generation (GBE, for the Spanish original):

Interconnection for Market Development

The focus was on preparing the spin-off of the Transmission Business as an independent business unit in order to consolidate its operating excellence and administrative efficiency. This decision was formally approved by the General Shareholders Assembly.

The most significant achievements in the growth agenda of the Interconnection for Market Development SBG include:

- The identification of the skills, knowledge and performance capabilities of the teams at the different SBG assets.
- The design and implementation of the growth strategy for the Gas Transportation Business and strengthening of the Transmission business in Colombia
- The definition of methodologies to enable the incorporation of strategic partners in the growth of the Electricity and Gas Transportation businesses, particularly in connection with large projects, as is the case of Regasificadora del Pacífico in Colombia, in which GEB will participate once UPME opens the bidding process.

GEB CEO, Astrid Álvarez, with Trecsa employees in Guatemala.

- The regional gas and energy expansion project through the analysis of attractive new territories.
- Strengthening of Grupo Energía Bogotá's participation in the boards of directors of the companies that are part of the IDM SBG, through application of its new intervention model, and manage investments and develop businesses focusing on project management.
- Preparation and publication of 16 reports for transmission company investors: eight of Grupo Energía Bogotá and eight of TGI.
- The upgrade to BBB by Fitch Ratings, with stable outlook for corporate debt, for GEB and its affiliate TGI.

Urban Energy Solutions

Progress was made in the identification of mega-cities and electric energy and gas distribution companies in the region. Additionally, this SBG focused on studying demand and the regulatory framework of countries with growth opportunities.

One of the SBG's most important achievements was the positioning of Cálidda in the Peruvian gas market, both in households and industry and in the vehicle mobility sector. Another key achievement was the increase in the number of residential and industrial users of Contugas, which, in turn, helped increase natural gas consumption in Peru beyond expectations.

Low Emission Generation

This SBG focused on the activities aimed at implementing the defined strategy through the identification and assessment of investment opportunities in low emission generation assets in the target markets, and in defining the process for identifying and selecting potential partners to develop the business.

Supply Chain

(103-1) (103-2) (103-3) For Grupo Energía Bogotá, supply chain management is part of its objective of being more competitive throughout its value chain of electric energy and gas, through relationships based on respect and collaboration with the people and companies that belong to its team of suppliers.

Supply chain management is strategic for Grupo Energía Bogotá companies in that it produces benefits such as strengthening of planning and optimization of processes, cost reduction, strengthened relationships and diversification of suppliers, as well as greater transparency and effectiveness in contracting.

Consequently, Grupo Energía Bogotá has established guidelines for supplier relations and contracting, innovating through an efficient Sourcing Model, a Sourcing Policy and manuals and instructions on Contracting, Management and Contract Supervision.

This good practice, adopted by all Group companies, increases competitiveness and quality, and ensures responsible, sustainable and effective supplies as a function of cost, risk, impact and timeliness. It also takes into consideration aspects related to industrial safety, occupational health and environmental and social impacts throughout the value chain.

(103-3) Supply chain management roles, responsibilities and authority levels have been defined in the sourcing procedures and in the Contracting Manual. Additionally, there are three sourcing committees responsible for approving contracts depending on the price of the contract entered into with the Group.

215 NEW SUPPLIERS WERE CONTRACTED BY THE INTERCONNECTION FOR MARKET DEVELOPMENT SBG IN 2017.

Strategic Sourcing Committee
It is responsible for reviewing, promoting and approving sourcing policies and strategies, as well as for identifying possible synergies between Grupo Energía Bogotá and its affiliates, including the analysis of the relevance of joint contractual processes.

Contracting Executive Committee
It approves requests to open, review and perform contracting in processes of mid-range amounts.

Contracting Operating Committee
It approves contracting requests and opens and reviews processes for lower-level amounts.

To view the guidelines of supply chain management of the Energy Solutions SBG, scan this QR code.

GEB Colombia infrastructure

Some of the principles established in the Contracting Manual include equality, morality, effectiveness, economy, speed, impartiality, publicity, transparency, planning and fiscal management.

Contracting process (102-9)

PLANNING
Analysis of need and convenience of contracting in order to define the best strategy, and get to know and segment's potential contractors and suppliers.
To this end, the companies prepare an Annual Contracting and Sourcing Plan with a one-year horizon.

SELECTION
Contractors are selected through invitations or public bids.

PERFORMANCE
Performance of the contracted activities under the control of a contract supervisor who oversees contract fulfillment.

TERMINATION
The stage during which obligations between the company and the contractors are settled and the contractual relationship is ended.

Types of suppliers of Grupo Energía Bogotá

- Goods and equipment
- Civil works and maintenance
- Services and consulting

To view the supply chain guidelines, scan this QR code.

Suppliers and strategic location (204-1) (102-9)

Company	Suppliers:	National	International	Amount paid
GEB	344	326	18	USD 63.4 m
Trecsa	175	140	35	USD 4.8 m
TGI	444	365	79	USD 137.4 m
Cálidda	611	587	24	USD 0.2 m
Contugas	782	713	69	USD 71.0 m
Total	2,356	2,131	225	USD 276.8 m

In 2016, GEB innovated, redesigned and centralized its Sourcing Model. GEB operated under this model in 2017, which is aimed at strengthening relations with communities and potential suppliers through the application of market surveys and pre-qualification for contracting processes.

In order to ensure the efficiency and effectiveness of contracting processes, the following mechanisms were established:

- Service levels for user areas establishing the maximum times for managing contracting processes, depending on the modality: contracting of amounts of less than 200 minimum monthly legal wages, contracting processes through private requests for offers and contracting processes through public requests for offers.
- System of indicators to monitor compliance with established service levels; savings obtained in the process against the market value of the contracted goods or services, and the level of satisfaction of suppliers with the procurement processes developed by GEB.

Measurements are taken on a quarterly basis in order to monitor fulfillment and to implement action plans on any findings.

Evaluations are performed on 100% of suppliers, depending on the type of services and according to established criteria. The evaluation enables the contract supervisor to create plans in real time.

The evaluation system implemented since 2016 establishes actions to be taken in the event a supplier obtains a deficient score, i.e. below 70/100: apply an improvement plan.

GEB may decide:

- To announce early contract termination.
- Not to authorize modifications to the contract.
- Not to invite to upcoming processes.
- Not to request direct offers.
- If the HSE score is less than 14, the contractor will not be invited for high risk industrial safety processes

The criteria assessed by this system are as follows:

Occupational and Risk prevention

Technical Compliance

Administrative Compliance

Occupational Safety & Health Compliance

Environmental Management Compliance

Corporate Social Responsibility Compliance

Quality Compliance

TGI, gas pipeline at Mariquita, Colombia.

Fenosa natural gas supply

Implementation of GEB's Sourcing Model achieved outstanding supply chain management results at the different Group companies. The following are some of the most noteworthy cases:

Cálidda
GrupoEnergíaBogotá

The operation's most important processes are distribution and maintenance, which cover residential, commercial and industrial users in 42 districts in the Lima and Callao area. These activities involve a large number of suppliers and contractors. Contractor performance may have substantial repercussions on the Company's reputation, as well as on relations with stakeholders and on service quality. In this sense, Cálidda recognizes the need to prevent and mitigate impacts from their actions and the importance of identifying and (inasmuch as possible) materializing development opportunities with these groups.

Cálidda works with goods suppliers, primarily manufacturers or distributors, both local and international, and with service providers, mainly construction contractors for the steel and polyethylene networks and pressure regulation stations.

The greatest challenge in supply chain management is the timely delivery of the goods and services required to cover these activities at competitive prices and in compliance with current regulations. Said mission enables controlling each stage (planning, selection, performance and termination) in order to reduce costs, diminish risks, create contingency plans, refocus strategies, strengthen corporate reputation and contribute to the generation of value.

Sourcing management is measured through indicators including savings, fulfillment of service level agreements (time in which requests are fulfilled), internal satisfaction surveys, supplier satisfaction surveys and stock breakage.

In addition to the management indicators, assurance of supplies of materials, goods and services is achieved through:

- Long-term relations with strategic suppliers.
- Signing of contracts with strategic or critical suppliers.
- Monitoring execution of the Annual Sourcing and Contracting Plan.
- Demand planning in SAP with replacement parameters.

Supplier evaluations

These are performed through the PAR Servicios web platform, by the contract supervisors. The platform issues alerts on upcoming evaluation dates and enables sharing results with the supplier to identify and propose improvement actions and follow-up plans.

Cálidda has policies and procedures in place regarding the identification of environmental, social, and health and safety risks.

At Cálidda, traditionally 10 suppliers were assessed according to environmental criteria. During 2017, with the implementation of the Contract Management and Supervision Manual, the base of supplier evaluations was increased to include all those who provide services (civil works, consulting and services in general). To date 33 companies have been evaluated. In general, the suppliers who were evaluated achieved good scores for environmental management, with the exception of one steel network construction contractor with a low score because it failed to demonstrate compliance with environmental regulations.

(308-1) (414-1) High and medium risk services are defined according to the Cálidda HSE analysis methodology, which includes the following environmental criteria for the technical assessment of the offer: having a procedure in place to identify environmental aspects and impacts, and it is desirable, though not mandatory, for the company to be certified according to ISO 14001 or other standards. This methodology has been used since 2016 and all selected suppliers/contractors, which account for 80% of spending, were selected taking into consideration such environmental criteria.

Results

(102-10) The following are significant changes with an impact on Cálidda's supply chain in 2017:

- Optimization of warehouse use by concentrating operations in Lurín, with savings of USD 116,000/year in lease expenses, use of space, simplification of the reception and delivery of materials. The main benefit for contractors was to have greater control over inventory usage levels.
- Implementation of the new version of the Contract Management and Supervision Manual, through which controls are performed on administrative, technical, financial, legal and sustainable development aspects. Claims management and supplier evaluation are duties performed by contract managers.

GEB MAKES PROGRESS IN ALIGNING AND IMPLEMENTING A STRATEGIC SOURCING MODEL TO OPTIMIZE PROCESSES AT ALL ITS COMPANIES.

Cálidda facilities, Peru

- Development of a web platform managed by a third party to record supplier evaluations. Additionally, the Instructions for Performance Evaluations of Suppliers/ Contractors establish criteria and methodologies such as fulfillment of technical specifications, terms of delivery, administrative aspects, fulfillment of requirements on occupational safety, health and the environment, social responsibility and quality.
- Inclusion of a clause in all contracts in which outsourced service contractors make a commitment to the principles of the United Nations Global Compact, particularly those related to Human Rights and rejection of child labor, forced labor and placement of youth in high-risk tasks.
- Alignment and implementation of the Strategic Sourcing Model of Grupo Energía Bogotá to optimize processes.
- Implementation of a new version of the Contract Management and Supervision Manual, which achieves greater control over contract performance and improves relations with suppliers and contractors.
- Restructuring of the Sourcing Department to provide support and expedite assistance for new businesses. 94% of requests received were covered within the requested time frames.
- Negotiation of four comprehensive contracts to cover demand for connections and construction of polyethylene networks, among others.
- Use of electronic auctions for contracting of products, which produced savings of 20% compared to previous contracting plans.
- Over-achievement of the proposed savings for the year, with purchases that were 13% below market averages.

Starting in the third quarter of 2017, inspections were implemented with the SST, Sustainability, Environment and Sourcing Areas on certain parameters that may change the course of projects, the health and safety of supplier employees, as well as incidents that may have an impact on the environment of the region, and in general fulfillment of the standards required by Contugas or by applicable local or international regulations and requirements. Due to the large number of suppliers, it was decided to begin with contractors that perform internal and external installations for natural gas distribution in Ica. To date there are no reports of any incidents or cancellation of contracts by contract supervisors or the legal area.

(103-1) (103-2) (103-3) At Contugas, adequate supply chain management generates value for the operations. The Company's policies promote the application of good corporate governance practices and ethics, with transparency for all clients, suppliers and residents of Ica. The Company has an Anti-fraud and Anti-corruption Policy in place, in accordance with the Ethics Code, which applies to all stakeholders.

Taking into consideration the 10 principles of the United Nations Global Compact, before contracting a supplier, Contugas evaluates, through the terms of reference, that the organization's activities pay special attention to the respect of Human Rights and the principle of precaution for the responsibility taken on by the Company and which it transfers to all third parties who act on its behalf.

For this reason, aligned with the Organization's Strategic Objectives, any direct or indirect impacts the supply chain may have are identified in order to establish control measures on the actions of suppliers and to verify fulfillment of Company requirements, as well as requirements of regulatory and oversight bodies, such as the basic principles for action established in the Sustainability Policy. Such impacts are related to the processes that support the supply chain (materials requirements planning, sourcing management, contract management and storage management), which aim to provide the best conditions for business continuity.

100% OF SUPPLIERS OF CONTUGAS HAVE CLAUSES ON LABOR CONDITIONS IN THEIR CONTRACTS.

Contugas performs ongoing monitoring of its supply chain management through internal customer satisfaction surveys (Company processes), in the framework of service agreements between areas and external parties (suppliers), which display very good ratings for services that are critical to the timeliness of operations and business maintenance; such services are highly relevant for the business relationships with suppliers, who also issued good ratings. Suppliers were also surveyed on contract management, which produced very good ratings and enabled the identification of opportunities for improvement in relations.

(102-10) At Contugas, one of the most significant changes was the development of highly specialized suppliers, given the increase in maintenance services, repairs and improvements at offices and operating centers, and the increase in advertising and marketing in the region.

The evaluation matrix form for supplier evaluations includes the following social criteria:

The supplier has not caused events with negative impact on the social environment that would affect contract performance.

Evidence of hiring workers from the region.

Fulfillment of obligations taken on by any sub-contractors.

For Contugas suppliers of goods and services rated as critical, recurrent and of significant economic impact due to the duration of the contracts, by recommendation of the user area or because the term of the contract justifies it, the following information is reviewed:

- Assessment matrix of environmental aspects
- Contingencies plan
- Procedure for the identification of environmental aspects and impacts
- Regulatory Compliance General Law on the Environment (Law 28611), General Law on Solid Wastes (Law 27314) and Regulation on Environmental Protection for Hydrocarbon Activities (D. S. 003-2013-VIVIENDA).

Results

During 2017 important achievements were reported, including:

- Transfer of supplier management to Ica to become a hub for development of potential suppliers.
- Creation of the Contract Management area to adequately manage contracts, their addenda, and monitoring of contract supervisors.
- Decentralization of purchases to the various offices.
- Involvement and generation of development at Ica by contracting companies that offer goods and services in the regions; additionally, in this way we contribute to greater and better relations and understanding of the needs of each Company area, which runs in favor of finding the best options from suppliers.

Trecsa
GrupoEnergíaBogotá

- Savings margin of USD 536,743.2 at Trecsa, calculated according to the total budget for 2017.
- Execution of 70% of the Annual Sourcing and Contracting Plan (PACC, for the Spanish original).
- Implementation of supplier registration and evaluation to save time in the process.
- Management of conflicts in partnerships and resolution of disputes in contracts with other companies.
- Talks and meeting with suppliers in August 2017. Additionally, the event Transparency and Ethics in Contracting Processes was held to inform on Company policies regarding supplier relations and the interest in increasing the supplier portfolio.
- Implementation of the Contract Supervision and Management Manual and the Supplier Evaluations Manual.

TGI
GrupoEnergíaBogotá

- Performance evaluations were completed with 97 contractors, which include occupational safety and health topics.
- TGI will develop a tool to quantify its contributions to the development of its suppliers and contractors.

STANDARDIZED SUPPLIER MANAGEMENT AT ALL COMPANIES IS ONE OF THE GREAT CHALLENGES FOR GEB IN ITS CONSOLIDATION AS A GROUP.

(308-1) (414-1) The following are noteworthy topics regarding the results of supplier evaluations that included sustainability criteria:

- GEB and Trecsa defined social and environmental criteria for supplier selection and evaluation processes according to the requirements of each area, contract and service type.
- On its part, TGI evaluated 309 suppliers, 97 of them including social and environmental criteria, equivalent to 31.4%. These evaluations verify compliance with environmental regulations during all contract stages, the application of operating programs or controls on environmental impacts in performance of contract activities, periodic training sessions (minimum once per month) for the personnel assigned to environmental impacts associated with contract performance, impacts on the social environment due to contract performance, evidence of hiring workers from the region and fulfillment of obligations taken on by any sub-contractors.

The above criteria are evaluated depending on the nature of the contract and the instructions on performance evaluations of suppliers/contractors, which are available at the TGI website.

During contracting processes, TGI selects suppliers using an information system that enables the evaluation of various aspects (legal, financial, technical); this depends on the supplier category, and in each case different criteria apply. In the case of critical suppliers or those related to project performance, certain social aspects are considered, and priority is given to sub-contracting of local suppliers in the areas of influence.

In the case of the electricity transmission business in Colombia, 100% of suppliers are evaluated as appropriate for the type of services and according to the criteria of the GEB Sourcing Model.

(407-1, 408-1, 409-1) GEB has subscribed to the United Nations Global Compact and endeavors to comply with the 10 universal principles. To this end it requests contractors to indicate their knowledge and acceptance of the principles during contract acceptance and performance and before signing a contract.

There is no evidence of any reports filed by contractor or sub-contractor employees on violations or limitations to exercising their rights to freedom of association, to unionize and to collective bargaining, or on any practices of child labor or forced labor.

The new Sourcing Model enabled:

- Savings of USD 1,143,237 in the electricity transmission business in Colombia, through the application of strategies such as negotiation, use of e-commerce tools, contract modalities, and others.
- Implementation of the Contract Supervision Manual at all Group companies.
- Training of contract supervisors at Group companies.
- Definition of e-learning tool for contract supervisors.
- Implementation of supplier evaluations at all the companies.
- Meeting of suppliers of Trecsa, Cálidda and Contugas.
- Start of PACC project in SAP BPC.

CHALLENGES (103-2)

Grupo Energía Bogotá

The design of a Supplier Relations Plan is expected to achieve greater understanding of the business and of the needs of its companies, aimed at developing capabilities throughout the chain.

TGI GrupoEnergíaBogotá

TGI expects to implement the Annual Contracting and Sourcing Plan on a virtual platform; to complete the supplier and contractor evaluations within the established time frames and in an efficient and timely manner; to develop new mechanisms for negotiations based on successful Group experiences; and to leverage the measurement and control of contractual processes through IT applications.

Trecsa GrupoEnergíaBogotá

It plans to update its databases, use new contracting tools, implement e-commerce for inverse digital bids, align its physical contract inventory with Group standards and implement service level agreements for contracts.

ConTugas GrupoEnergíaBogotá

- Implementation of contracting through electronic auctions.
- Improvement of savings levels in contracting processes.
- To search for and develop new suppliers at Ica.
- To perform joint contracting with affiliates aimed at achieving economies of scale.
- To implement a platform to improve the efficiency of general services processes.
- To train suppliers in the five cities of its concession with the support of the local chambers of commerce of Ica and Chincha, The aim is to reinforce compliance and assist all interested current suppliers on compliance with labor, environmental and safety and health in the workplace regulations, and in general to get to know our internal policies and to adopt them as their own in order to promote improvement in their processes.
- To increase satisfaction levels of internal and external clients.

Social Dimension

TALENT MANAGEMENT

(103-1) (103-2) (103-3) The purpose of human talent management at Grupo Energía Bogotá is to align the comprehensive development of employees with the Group's business strategy and expected results.

GEB's human resources management model is contained in the Corporate Human Management Policy, which was approved by the Board of Directors in 2017. Its aim is to contribute to the objectives set out in the Corporate Strategic Plan of Grupo Energía Bogotá (GEB), based on the following premises:

- The consolidation of practices to attract and retain the best talent implies selecting people with the required competencies to ensure the sustainability of the Corporate Strategic Plan and fulfillment of its associated goals and objectives. The above, based on transparent policies for both internal and external selection processes, to ensure the best talent for the Group.
- In order to attract talent, candidates who meet the position profiles, organizational competencies and business requirements must be identified and incorporated by means of a hiring process that fulfills all legal and administrative aspects.
- The development of integral people who are aligned with the strategy involves the identification and development of the required employee competencies, to enable them to decisively contribute to fulfillment of the short and long term strategic objectives and to consolidate a team of leaders with the required competencies. The identification of people with high potential within the Group and development of adequate succession plans to ensure continuity in the fulfillment of objectives is a key component of human resource development.

STRENGTHENING OF HUMAN TALENT IS A TOP PRIORITY AT GEB IN ORDER TO ACHIEVE THE 2025 MEGA VISION.

Maintenance of GEB transmission infrastructure in Colombia.

Ensuring the wellbeing of the community is part of the social development initiatives of GEB and its affiliates.

- The definition of adequate structures for the proposed strategy that enable flexibility, teamwork and mobility.
- A culture based on the corporate values, with fair and equitable relations and understanding and respect for the cultural diversity of the different countries in which GEB is present. The culture should enable the company to be unique and should leverage fulfillment of the corporate strategy, facilitating the required transformation processes.
- The continuous improvement of processes and the definition of roles for teach team member.
- Knowledge management to promote integral personal development of GEB employees by creating an environment where training and education are combined with effective daily performance of tasks and responsibilities to enable attainment of their professional potential and personal growth, and to ensure an adequate capacity to acquire, socialize and maintain knowledge within Group companies, as a differentiating factor in the market.
- Adequate administration to facilitate individual and area management and that develops inter-disciplinary teams for excellent Group performance.
- A remuneration and benefits scheme duly approved by the Board of Directors that ensures external competitiveness and internal equity for employees at different levels, with relations based on fairness and equity within the Group.
- An organizational climate that promotes the life quality of employees and their families, addressing their needs for recreation, culture and integration, with a focus on human talent management, aimed at achieving a highly favorable labor climate that increases productivity.

In addition to the Corporate Human Management Policy, in 2017 the Board of Directors approved the Corporate Remuneration Policy, which provides guidance on remuneration with the following objectives:

1. To be consistent with the level of the position and the responsibility taken on the by the employee, which leads to linking fixed and variable remuneration and benefits to the importance of the position within the company.
2. To maintain and retain employees with high potential and performance, which implies having total remuneration packages that are competitive compared to those offered by companies in the relevant market.
3. To remunerate employees according to their effort and performance through annual evaluations.
4. To maintain and increase the employee's motivation and commitment.

Mocoa

For a huge tragedy, a quick solution

On Saturday, April 1, 2017 the country woke up to the dramatic news of a landslide in Mocoa, the capital of Putumayo, which caused major material damages that cut off basic services such as water and electric energy.

The national government and the private sector immediately turned their attention to responding to the tragedy. GEB was one of the first to come to the area to assist the population and attempt to restore electric energy following the destruction of the Mocoa substation, the only one enabled to supply electricity in this area of Colombia.

A team of technicians and workers worked day and night in the field to bring back electricity to over 10 municipalities that were left without power, in a joint effort with the National Dispatch Center, the Ministry of Mines and Energy, Electrohuila, Codensa and other companies in this industry.

The decision was made to build a temporary mobile substation, which involved moving over 80 tons of equipment to enable transmission of energy from high-voltage lines to the distribution circuits of Mocoa and upper Putumayo. After several days of 24-hour shifts, electric energy service was restored to the capital of Putumayo, in what could be described as a titanic effort, considering that normally this task would have taken one month.

"Our duty was to do everything we could to quickly recover power in Mocoa and the municipalities in the region", said Astrid Álvarez, GEB CEO, who highlighted the sense of solidarity and teamwork of the Group.

This spirit of solidarity is demonstrated by the donations of all employees, who contributed COP 50 million and 24 tons of food and products for 940 victims. Pouring our hearts into Mocoa was easy and quick for GEB, which once again demonstrated its commitment to the communities in which it operates.

960 victims

from Mocoa were beneficiaries of COP 50 million and 24 tons of food and products donated by GEB employees.

At GEB, different internal committees facilitate follow-up and greater control of decisions involving human resources, including the CEO's Committee, Projects Committee, Financial and Investment Committee, Labor Relations Committee, Joint Committee on Safety and Health at Work, Coexistence Committee and Complaints Committee.

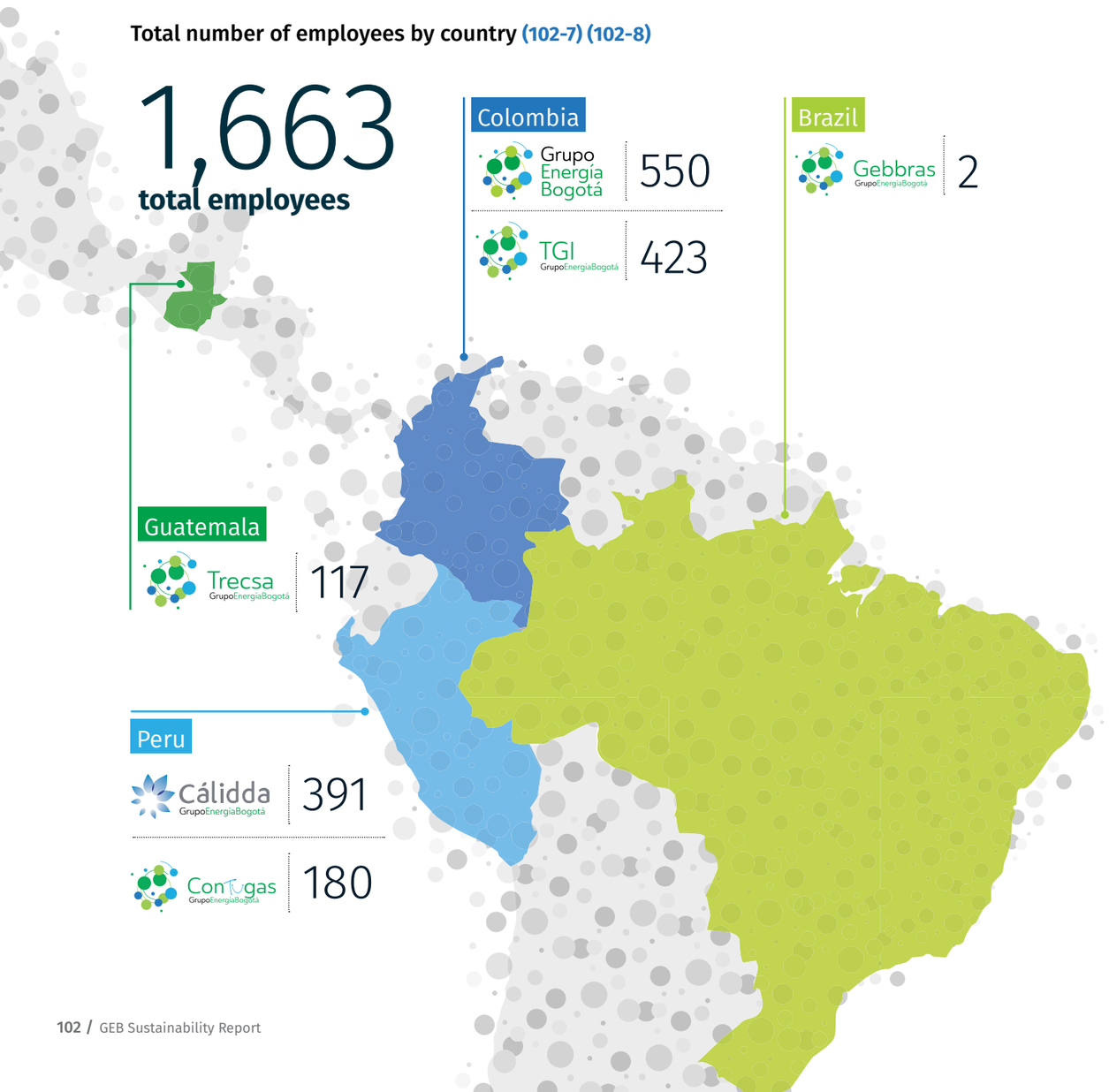
Inputs and measurements are in place for the effects of decision-making and for aligning human management processes, which contribute to continuous improvement and generate substantial impacts. Such inputs include the following:

Labor climate survey, carried out through GPTW Institute in April 2017.

Internal satisfaction surveys of wellbeing events and activities and internal communications, which enable continuous improvement dynamics.

As at December 31, 2017, a total of 1,663 employees had work contracts, distributed as follows:

Total number of employees by country (102-7) (102-8)



GEB employees and contractors, Colombia

Human talent management at GEB Colombia in 2017

2017 was a transition year, during which a new structure was defined to meet the demands of the Corporate Strategic Plan. The human resources area, which previously reported to the Vice-President of Human Resources and Administrative Management, was turned into a Department, with the Human Management Director reporting directly to the GEB CEO. This decision was made based on its high impact on strategy and its large contribution to achieving the objectives set out for 2017 and the MEGA 2025 vision.

Additionally, within the new department, the position of Culture and Internal Communications Manager was created, with the primary objective of contributing to the development of a culture that leverages fulfillment of the objectives and an internal communications model that ensures adequate information flows within the organization and an understanding of the overall purpose of GEB.

Additionally, a new corporate structure was approved up to the third level of management, establishing Vice-Presidencies for the IDM, SEU and GBE Strategic Business Groups, as well as Group Auditing and Compliance departments, the two latter in the context of the three lines of defense model.

A regionalization process was launched aimed at further consolidating genuine, permanent and transparent relationships in the territories in which GEB is present. The country was sub-divided into four Regional Offices, each with a team of employees from the Sustainable Development, Sourcing and Services, Operations and Maintenance, and Expansion Project Execution areas. This model aims to ensure the efficient operation of projects under development throughout the Colombian geography. As at December 31, 2017, 89% of regional-level appointments had been made in the social area, 69% in the environmental area, 100% in the relations area, 79% in the property area, and 86% in the safety and health at work area.

GEB employees

(404-1) (404-2) In 2017, GEB efforts focused on reinforcing the knowledge of its employees, which contributes not only to their performance and development, but also to achieving the Group's strategic objectives. To this end, joint efforts were made to implement training aimed at strengthening technical and operating knowledge.

A total of COP 445 million were invested in the Annual Technical Training Plan, to ensure that employees are on the leading edge of good market practices, that they acquire the best knowledge available and that they put into practice what they have learned in their everyday activities.

GEB sponsored 100% of the courses, workshops, seminars and other academic activities, which fostered a win-win relationship that promotes motivation and personnel that is highly qualified in their respective professional fields.

The new hire orientation, welcoming and adaption process at GEB was redesigned, working alongside experts on different subject matters, to ensure new employees learn everything they need to know about the Group, its strategic businesses and goals. This process involved a total of 183 employees during 2017.

For personnel involved in the expansion of the National and Regional Transmission System, training on negotiation was provided, in order to develop management skills and support the productivity and performance of the various activities carried out by the Sustainable Development department and the Vice-Presidency of Transmission in the environmental, social, work health and safety and property areas.

A main feature of the Group is the promotion, jointly with Internal Auditing, of transparency and integrity in all activities. For this reason various internal activities and events were carried out to strengthen the GEB culture in 2017. These included performance of an Ethics and Transparency workshop, attended by 90% of the population nationwide.

Leaders are a relevant target audience for human management. In 2017 activities emphasized strengthening of competencies related to managing feedback, teamwork and effective communications.

With the objective of reinforcing GEB's current regionalization process, training was provided to 100% of the leaders in the various regions, focusing on the new model and their roles in the process.

The following are the training hours provided by GEB in 2017 to the entire employee population, by position level and gender:

Training hours per employee - GEB (404-1)	
Average training hours per year for female employees	20.6
Average training hours per year for male employees	21.6
Total training hours per year for female employees	4,565.5
Total training hours per year for male employees	7,044.5
Average training hours per year for employees	21.2

(404-3) Performance management at GEB is based on an individual plan of objectives and competencies, and the establishment of goals and commitments aimed at achieving the strategy. The commitments are set using the SMART methodology and organizational competencies, taking into consideration each employee's role. The performance management model reviews and quantifies "what" we have achieved, and "how" we achieved it, and promotes a culture of recognition based on the achievement of objectives, two-way communications (supervisor/employee), feedback and measurement, involving new leaders and leveraging their competencies.

95% of all Company employees participated in the performance evaluation process.

Through its approval of the GEB remuneration model, the Board of Directors established a variable remuneration model to be applied in 2018, and approved a Portfolio of Benefits for employees excluded from the Collective Bargaining Agreement, with the objective of providing a package that will help attract and retain talent and achieve equitable balance within GEB. The Portfolio of Benefits covers 99% of the target population.

As a result of fluid communications with the area responsible for transmission projects, a human talent management position was created to address all requirements

A NEW VARIABLE REMUNERATION MODEL IS TO BE IMPLEMENTED AT GEB IN 2018, COVERING 99% OF BENEFITS.

(406-1) During 2017 at GEB no discrimination cases were filed.

arising from human resources management. As a result, service quality for the internal client has improved and is within the desired time frames.

(401-2) GEB cares for the wellbeing of its employees by exceeding the minimum legal requirements, applied based on criteria of fairness and in line with labor market conditions. Its Remuneration Policy is attractive and positive in terms of employee wellbeing perceptions, sense of belonging and a healthy labor climate.

(EU15) Considering the percentage of employees who will be entitled to a pension within the next five to ten years, GEB has undertaken efforts to renew its staffing levels.

Personnel age group breakdown as of December 2017: (102-7) (102-8)

70 people
Less than 30 years old

288 people
Between the ages of 30 and 40

118 people
Between the ages of 40 and 50

74 people
Over 50 years old

People nearing retirement age

Professional category	In 5 years	In 10 years	Total
Senior Management	0.4%	0.5%	0.9%
Middle Management	0.6%	1.6%	2.2%
Advisors	2.9%	3.5%	6.4%
Professionals	0.5%	1.6%	2.2%
Support	0.9%	1.3%	2.2%
Total	5.3%	8.5%	13.8%

Also, GEB has a population of 1,624 pensioners, of whom 309 have a pension that is 100% on the account of GEB and 1,315 whose pension is shared with Colpensiones.

Relations with the existing labor union, Sintraelecol, take place in a context of mutual respect and fulfillment of the agreements of the Collective Bargaining Agreement. Open communications channels are maintained through the Labor Relations Committee, which holds monthly meetings between union and company representatives. Pursuant to the Collective Bargaining Agreement, support is provided for the active participation of union leaders in various labor union educational events.

TGI GrupoEnergíaBogotá

Human resources management at TGI (103-2)

An example of the Group's strategy is the philosophy of TGI, which recognizes the importance of offering a harmonious work environment and a culture of excellence for its team.

Highlights:

- 100% of employee training sessions and events are directly related to the area or business requirements, or have been predefined in the annual training plan.
- 16 seminars were held aimed at developing organizational competencies, attended by 289 employees, equivalent to 73% of active employees as at the objective's cut-off date.
- Several labor climate intervention activities were carried out through the Journey workshops designed by GPTW Institute and activities with specialist consultants in competencies for leaders, personnel development and communications, with 98% coverage.
- As a result of the labor climate survey with the various stakeholders, which included teams with potential for improvement and organization leaders, two priorities were identified to be addressed: personal life and capacity to appeal and delegate, to which end a Labor Environment Management Plan was carried out.
- The objectives of the performance plan were aligned with the Company's strategic plan, with the objective of managing the Field Operating Model; 100% of the plan was fulfilled, and information was gathered to implement the model as one of the objectives for 2018.
- One identified priority was the evaluation of the structure of key business areas, such as the Office of the Vice-President for Commercial Development and the Office of the Financial Vice-president, in order to address the defined strategic requirements in the short and long term.
- **(404-3)** Regarding the performance management model, 100% of employees set themselves objectives jointly with their immediate supervisors, which enables measuring job performance, including a combination of individual, teamwork and corporate components. Performance measurement results will enable managing a development plan and is a reference point for employee recognition.

Training hours per employee - TGI (404-1)

Average training hours per year for female employees	35.7
Average training hours per year for male employees	30.8
Total training hours per year for female employees	2,859
Total training hours per year for male employees	7,586
Average training hours per year for employees	33.3

Trecsa
GrupoEnergíaBogotá

Human Resources Management (103-2)

During 2017, important results were achieved in human resources management, including the promotion of 11 employees through internal selection processes in recognition of the best talent; an increase in the average seniority of Trecsa employees to three years and eight months, which is greater than the average for companies in the sector in Guatemala; opening of vacancies for university interns; implementation of security controls for new hiring processes, and the practice of exit interviews for employees who voluntarily leave the Company, with the objective of receiving their feedback in order to improve our attraction and retention of human talent.

The strategic plan to achieve a positive impact on labor climate was 100% completed, taking into consideration the cornerstones of development, integration, teamwork and wellbeing.

Regarding training and education, a strategic partnership was developed with the Energy Resources Institute of Universidad Galileo, which has provided a 10% discount for undergraduate (engineers and technicians) and post-graduate (master's) programs, and training for 15 employees for Project Management Institute certification.

In 2017, the Management Council approved an organizational structure that addresses the challenges the Company will face in upcoming months, aimed at fulfillment of the strategic plan, alignment with the Group structure and the generation of new projects.

Training hours per employee - Trecsa (404-1)

Average training hours per year for female employees	13.6
Average training hours per year for male employees	13.7
Total training hours per year for female employees	368
Total training hours per year for male employees	1,230
Average training hours per year for employees	13.7

(202-2) **At Cálidda, 100% of senior managers** are from the local communities.

Cálidda
GrupoEnergíaBogotá

Human Talent Management

(103-1) (103-2) (103-3) Cálidda intends to become a more attractive workplace that recognizes the importance of development for all its employees and that builds a high-performance culture through three general processes: learning and development, performance management and talent management. The above is intended to create work conditions that provide a better life quality for the team and, consequently, for their families.

Non-mandatory Benefits for Full-Time Employees (401-2)

Cálidda has designed a benefits portfolio for all full-time employees that includes certain non-mandatory benefits, such as:

- Loans to cover emergencies, to acquire housing and for education.
- Life insurance.
- Paid days off.
- School subsidy for children.
- Additional vacations.
- Special work hours for employees returning from maternity or paternity leave.
- Flexible work hours.

Courses that enhance employability and career development (404-2)

During 2017, the Company's training and education plan included courses that enhance employability and employee career development, such as:

- Constructive communications.
- Management competencies program.
- Sub-standard acts and conditions.
- Consultative transactions.
- Stress prevention techniques.
- Training: ethics and transparency
- Performance management.
- Operation and maintenance of natural gas compressors.
- Continuous improvement.

Contugas operation in Peru.

(404-3) 98% of employees participated in the performance management process in 2017. Its results are the key input for designing human resource development and improvement plans. A satisfactory or outstanding level was reported for 95% of the total.

Regarding organizational climate, 2017 was an exceptional year, given that the GPTW survey results displayed significant progress, with a rating of 83%, which is above the proposed target of 75%.

Human Talent Management

(103-2) In 2017, human resources management promoted open communications channels with the different areas and displayed a genuine interest in improving the work environment, and thereby the teams' productivity.

Spaces for dialogue between leaders and employees were promoted through their participation in the *Dialogando* Committees, which generated commitment and trust between employees and management, and leveraged fulfillment of short term objectives.

An increase in the employee satisfaction index was found in the results of the Great Place To Work (GPTW) survey, above the planned target of 75%, achieving an 83% result. The work plan focused on topics related to camaraderie, pride and trust.

Employee feedback was received through the *Dialogando* program and the Suggestions Box, based on which solutions were found for specific employee issues.

Under the performance management model, 100% of employees receive an annual assessment score and develop an improvement action plan; the model also provides input on the effectiveness of training and supports assessments related to internal promotions.

The Human Management work plan includes the launch of the Organizational Capacity Project, jointly with the Mercer consulting firm, aimed at adjusting the company's structure to the strategic challenges defined in the corporate strategic plan. Also, adjustments were made to the area's structure; improvements were made to the personnel selection and hiring process, and the area participated in job fairs organized in Ica.

An organizational climate program was designed named "Ambassadors of Pride", including performance of "Super-good Activities", which focus on promoting camaraderie, and the "*Dialogando*" program, which focuses on trust.

EFFICIENT PROJECT MANAGEMENT CONTRIBUTES TO THE QUICK START-UP OF THE PROJECTS AND TO THE FULFILLMENT OF THE HIGHEST QUALITY AND SAFETY STANDARDS.

Courses that improve employability and on managing the final years of a professional career

The following are the employee training hours provided at Contugas during 2017, by position level and gender:

Training hours per employee - Contugas (404-1)

Average training hours per year for female employees	19.1
Average training hours per year for male employees	19
Total training hours per year for female employees	955
Total training hours per year for male employees	2,469
Average training hours per year for employees	19.1

GEB employees

Periodic performance evaluations and professional development of Contugas employees (404-3)

During 2017, performance evaluations were performed for 82% of Contugas employees, with the objective of adding value to the Company and rewarding the personnel accordingly, and to measure the extent of development of organizational competencies among employees, in order to define action plans to promote their professional development.

Category	Occupational group	Women	Men	Total active employees as at December	Active employees evaluated as at December
Senior Management	Managers	33%	50%	6	5
Middle Management	Assistant Manager	14.3%	85.7%	14	13
Supervisors	Coordinators/Supervisors	17.6%	61.8%	34	28
Professionals	Senior Analyst/ Engineer	34.6%	50%	26	22
	Analyst/ Engineer	34.8%	39.1%	46	34
Support	Assistant	37.5%	37.5%	8	6
	Aide	0%	64.7%	17	11
	Technician	3.4%	93.1%	29	28

Percentage of employees entitled to pensions within the next 5 and 10 years at Contugas (EU15)

Age	5 years	>= 65	10 years	>= 65	Occupational group	Facility
55	60	0	65	Ok	Assistant Manager	ICA
59	64	0	69	Ok	Coordinators/Supervisors	ICA
55	60	0	65	Ok	Aide	ICA

For additional talent management indicators, see the attachment on talent management.

SAFETY AND HEALTH AT WORK

(103-1) (103-2) (103-3) One of the cornerstones of the strategies and plans of Grupo Energía Bogotá (GEB) is safety and health at work, which is aimed at protecting the life, integrity and wellbeing of its employees and third parties who act on its behalf. It is one of the actions to promote respect for human rights, and its objective is to provide better working conditions and fulfill its Sustainability Policy. This premise guides us and encourages us to not only abide by applicable law, but to adopt the global guidelines of initiatives such as the Global Compact, and of entities such as the International Labor Organization (ILO) and the World Health Organization (WHO).

Safety and health at work is a cross-cutting management policy that covers all the businesses and levels of Grupo Energía Bogotá, and its focus is on preventing work risks for employees. It is carried out through management guidelines, including:

- Industrial safety and health rules.
- Sustainability Policy.
- Occupational safety and health training program.
- Annual Plan of Safety and Health at Work Activities.
- Safety and health at work procedures
- Compliance with safety and health at work legal requirements

Actions aimed at protecting the lives of our employees, work balance, occupational health, control of work risks, and promoting a culture of self-care under the highest safety standards form part of the values and everyday activities of the Group; for this reason a Sustainability Policy is in place, whose scope covers employees and contractors.

In 2017 this issue was included under strategic objective 7, which highlights the need for "protecting employees, leveraging operational strengths and promoting safety and health at work at every company". This statement is complemented by the Sustainability Policy, which declares two commitments regarding safety and health: "To protect the safety and health of all employees" and "to comply with applicable regulations on occupational safety and health". These are related to goal 8 of the Strategic Development Goals (SDGs), regarding "decent work for all". This was one of the SDGs, which are 17 in total, that has been voluntarily prioritized by the Company.

To view the Sustainability Policy, scan this code

The Safety and Health at Work **Management System** is an overarching process that covers all business components.

The Group has also developed a Safety and Health at Work Management System, as an overarching process involving all business components. As a result of a reassessment of occupational safety and health capabilities, the number of support team members was increased with enhanced profiles, and direct supervision processes were improved in the field in a cross-cutting manner involving projects, operations and maintenance activities.

As a strategy to increase coverage in all the geographies where projects and operating infrastructure are in place, the team launched a regionalization process in Colombia, to enable more expedite and timely response.

The protection of life represents one of the tangible benefits for the organization in that it promotes health protection and promotion processes, it improves operating safety, and prevents work-related diseases and accidents, while at the same time reducing risks and improving control over operating hazards involved in the operation and maintenance of gas pipelines and transmission infrastructure. The above addresses the relevant guidelines of the Andean Community of Nations (CAN, for the Spanish original), ISO and OHSAS 18001 standards, Decree 1072/2015 and Resolution 1111/2017, among others.

Safety and health at work management covers two fronts: internal management within the organization, and management with contractors. In the first case, some of the activities performed include monitoring employee health conditions through periodic check-ups, including hiring and exit check-ups, with 100% fulfillment; safety inspections; verification of industrial health conditions at the facilities; ergonomic inspections at workstations, and psycho-social risk interventions during crises. All the above contributes to the safety and wellbeing of our employees.

Also, follow-up on contractors in the field has been intensified, through work inspection visits. A committed team reviews working conditions at the site and monitors compliance with the requirements of the contractors' occupational safety and health plans.

TGI Employee in Padua

The Group has control programs in place, including:

- Epidemiological Control Program for the prevention of biomechanical risk, with the objective of implementing control strategies to reduce musculoskeletal symptoms that give rise to occupational illnesses.
- Epidemiological Control Program for psycho-social risks, to control or reduce psycho-social risk factors that may arise in the work environment.

GEB has a procedure in place for the investigation of incidents and accidents, which includes procedures for reporting incidents, gathering information for the investigation, identification of causes, preparation of the investigation report, establishment of corrective, preventive or action plans, risk assessment, review of the effectiveness of actions and presentation of accident rate statistics. It also applies the Root Cause Analysis (RCA) methodology for high-severity employee or contractor accidents, in order to identify improvement actions to be implemented by the Group and to improve the safety of operating work environments.

On its part, TGI, through the HSQ department (Sustainable Development Department), has coordinated and put in place human, technical, logistic and technological resources for intervention of prioritized risks and hazards involved in gas transportation activities, through performance of the activities established in the following programs:

Risk management (emergencies), dangerous energy, safe work at heights, confined spaces, load lifting, Road Safety Strategic Plan.

Health promotion and prevention. Cardiovascular and sensorineural hearing loss risk.

GEB transmission networks, Colombia.

(403-1) There are three active joint employee-employer committees in the electricity transmission operations in Colombia. In turn, TGI has the first two committees listed below:

- The Joint Committee on Safety and Health at Work (COPASST, for the Spanish original), half of whose members are employee representatives, and the other half company representatives. 100% of employees are represented in the COPASST, established in accordance with Resolution 2013/1986, which ensures that employees elect their representatives by means of free elections.
- The Labor Coexistence Committee represents 100% of employees, who elect their representatives by means of free, spontaneous and authentic votes, as provided for in Resolution 1356/2012.
- The Road Safety Committee represents 100% of employees, and includes one representative from each of the areas involved in road safety issues.

Impacts of safety and health at work

- Through its safety and health management, Grupo Energía Bogotá carries out activities to ensure that the working conditions of all its operations are safe and healthy for its employees and contractors.
- To ensure optimal working conditions, improve employee wellbeing and promote productivity and a sense of belonging. The above helps avoid medical care costs and reduces absenteeism.

Mechanism (103-3)	**GEB**	**TGI**	**Trecsa**
Internal audits scheduled by the Comprehensive Management System (SGI, for the Spanish original) and Internal Control areas, with emphasis on safety and health issues in applicable processes at each operating and administrative center.	x	x	
Internal control audits to review team management and performance.	x	x	
Audits by independent third parties regarding certification according to standards and legal requirements.	x	x	
Audits of contractors.	x	x	
Accident rate, frequency, and severity indicators for contractors, GEB and TGI, absenteeism for GEB and TGI.	x	x	x
Follow up on the action plans arising from safety inspections performed in the field by GEB and TGI personnel, as well as on the action plans derived from the work accidents.	x	x	
Closing of implemented action plans derived from work accident investigations.	x	x	

Results

- **(403-2)** In 2017 there were 7 work accidents involving GEB Transmission employees, associated with falls from the same level and minor injuries related to road safety. Zero deaths.
- The GEB frequency index, i.e. the number of accidents for each 100 full-time employees, equivalent to 48 hours per week per each 240,000 man-hours worked, was 1.1, compared to a target maximum of 6.7.
- The severity index, i.e. the seriousness of the injuries based on lost days, was 2.3 compared to a target of 147.6.
- The GEB accident rate, which is the number of accidents for each 100 employees, was 1.0.

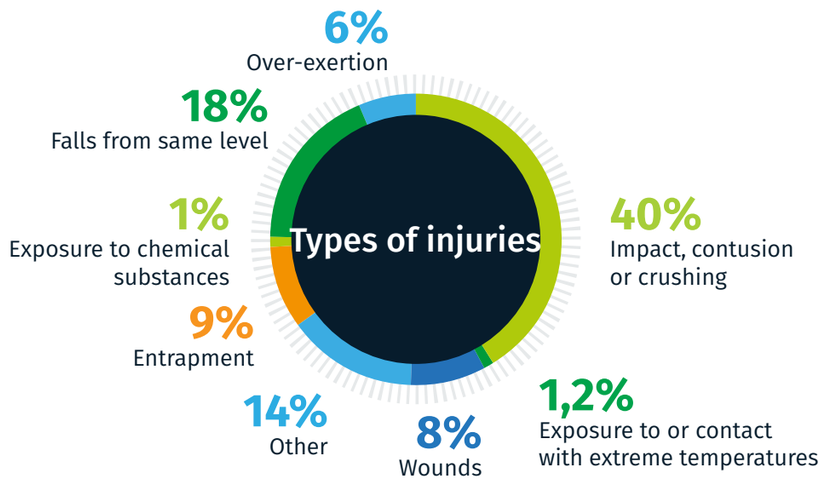
The following were the injury types for both GEB employees and contractors:

60% were contusions, 20% superficial traumas and the remaining 20% sprains. To date no diagnoses have been reported of occupational illnesses among company personnel, as certified by our occupational risk insurer, ARL Positiva.

Workplace Safety and Health Indicators

403-2 | SST1	**Unit**	**Grupo Energía Bogotá**	**Trecsa**	**TGI**
		Interconnection for Market Development		
Employees				
Work accident cases	Number	7.0	0	7.0
Absence due to work accident	Days	10.0	0	14.0
Sick leave due to common illness	Number	429.0	2	94.0
Sick leave due to common illness	Days	1,197.0	177	394.0
Occupational illness	Number	0	0	0
Hours worked	Hours	1,485,887.0	259,231.2	779,403.0
Days worked	Days	189,030.0	255.5	29,541.3
Deaths	Number	0.0	0	0.0
Frequency	Index	1.1	0	2.2
Severity	Index	2.3	0	4.3
Absenteeism	Rate %	0.8	0	0.1
Accident rate	Rate %	1.0	0	1.8
Contractors				
Work accident cases	Number	75	23.0	32.0**
Absence due to work accident	Days	24,432.0*	38.0	311.0**
Sick leave due to common illness	Number	NA	0	224.0**
Sick leave due to common illness	Days	NA	0	902.0**
Hours worked	Hours	3,048,347	706,539	2,259,689.4**
Days worked	Days	381,043	265.5	265,845.8**
Deaths	Number	4.0	0	0.0**
Frequency	Index	6.0	7.8	3.4**
Severity	Index	1,923.0	63.8	33.0**
Accident rate	Rate	5.0	NA	NA

*The amount increases because each death is equivalent to 6,000 lost days.
**In 2017, the baseline was developed to measure contractor performance regarding occupational safety; consequently, a sample of 50 contractor companies was used, taking into consideration the variables: 1) field services companies; 2) contracts with duration of one year or more; and 3) contractor companies that perform high risk activities. Due to the above, consolidated information and results are reported for the 50 companies reviewed in 2017.
***K= 240,000 = As per Resolution 1111/March 27, 2017; art. 15.



The frequency index was 4.4, compared to a target maximum of 6.7. In terms of the GEB consolidated indicator, which includes employees and contractors:

The severity index was 1,234, compared to a target of 147.6 for the GEB consolidated indicator, which includes direct employees and contractors. This index was affected by 4 fatal accidents involving contractor employees. The accident rate for contractors was 5.0.

(EU17) Man-hours worked by GEB contractor personnel in operating activities totaled 3,048,734, of which 507,668 were operating and maintenance work hours, equivalent to 16% of the total, and the remaining 2,541,066 were project construction work hours, equivalent to 83%.

In 2017 all employees and contractors who performed works at heights were trained at an advanced level, or received annual retraining, adjusting the operating parameters and emphasizing the safest work practices. The arrangement of approval of permits and presence at the site of a work at heights coordinator was also enforced.

For all works with electric risk, a review and approval scheme of technical and safety criteria was approved with the participation of qualified professionals and workers. For works at high voltage, or "hot work", the focus was on employee training and competencies, and on the suitability and certification of the equipment used.

(403-3) Studies performed by GEB indicate that no employees perform work with high incidence or risk of occupational illness. No occupational illness were reported to the Group by the occupational risk insurer.

(403-4) The 2015-2018 Collective Bargaining Agreement signed by GEB and the Colombian Energy Employee Labor Union (Sintraelecol, for the Spanish original) included agreements related to safety and health at work, in addition to other agreements regarding legal obligations and responsibilities of GEB, such as a subsidy for occupational illnesses or work accidents, work gear and clothes, personal protection equipment, processing of sick leave claims and implementation of the Safety and Health Management System.

Article 24 of the Collective Bargaining Agreement, on "occupational health", establishes that "the company shall implement the Safety and Health at Work Management System as provided for in current legislation on this matter", which translates into 100% coverage of matters related to safety and health at work.

TGI Employee in Padua

TGI
GrupoEnergíaBogotá

Results (103-2)

- Identification, evaluation and control of the most significant changes to the processes of greatest impact, including the start-up of operations at the Mariquita-Cali gas pipeline, the expansion projects at Cusiana-Apiay-Ocoa, Cusiana-Vasconia (phase III), Cusiana-Vasconia (phase IV) and Zarzal-La Tebaida, with results of zero deaths during performance.
- Measurement of occupational safety and health performance at all Company projects and monitoring of compliance with the requirements of the HSEQ Manual for contractors.
- Deployment of an emergency plan at all work sites.
- Emergency drills for gas pipeline breakage with gas leaks, caused by an avalanche at the crossing over the Suárez river (eastern Sucre), the result of which was the integration of operating and maintenance procedures, emergency and contingency planning, and the participation of the community, the authorities and emergency relief bodies.
- Training for personnel exposed to confined spaces with an expert inspector who issued recommendations related to civil works and procedures.
- Training of HSEQ professionals as coordinators of safe work at heights and as rescue team members, for 28 employees at the various work sites.
- Training for employees exposed to work at height risks as prescribed in Resolution 1409/2012.
- The load lifting work procedure was standardized through a specific manual for TGI, to be launched in the first half of 2018.
- Practical workshop with members of the Board of Directors on the investigation of work accidents.

Zero Accidents Operation at Cálidda, Peru.

Cálidda GrupoEnergíaBogotá

Results (103-2)

Cálidda has a Safety and Health at Work Management System certified under the OHSAS 18001 standard, which covers all facilities and activities performed by the company and its contractors.

Before any service contract is awarded, risk levels are defined in order to provide safety and health at work requirements and guidelines. This involves the development of matrices for the identification and assessment of hazards and risks, which are subsequently validated by the area. As a result, it has been found that the most significant risks are in construction, operation and maintenance activities related to the natural gas distribution system.

Specific safety procedures are in place for in-house personnel, and a Safety and Health at Work Manual is available for contractors, which include personnel certification requirements and the controls to be applied while performing the services.

(103-2) During 2017, awareness-raising campaigns were carried out on prevention and self-care, as well as drills, training, field inspections, procedure reviews, accident investigations, warnings and penalties issued for non-compliance, among others.

- A 30% reduction in the work accident index (Cálidda + contractors) was recorded compared to 2016, the lowest number in the last five years.
- A 47% reduction in the number of work accidents at contractor companies was reported.
- Four face-to-face training sessions were held on safety and health at work for all Company employees.
- A Safety and Health at Work Week was implemented at Cálidda and contractor companies.
- Internal awareness-raising campaign on safety and health at work was carried out with the theme: *Te Necesito, Cuídate* (I need you, take care of yourself), including videos, messages and face-to-face awareness-raising events.
- Support on safety and health at work for major Company projects.
- Improvement of the safety equipment of emergency brigades and of personal protection equipment for employees.
- Performance of ergonomic studies at critical workstations.
- Implementation of the Safety Warning System.

ConTugas GrupoEnergíaBogotá

Results

- Zero deaths and zero accidents causing disabilities.
- Training of 1,645.2 man hours for employees.
- Extraordinary fulfillment of PAAS 2017.
- Monitoring of occupational risk agents at all work stations.
- Identification and review of legal requirements regarding safety and health at work, with 100% compliance.

Safety and health at work indicators

	403-2	Unit	Cálidda	Urban Energy Solutions
Employees				
1	Total work accident cases	Number	3	1
2	Days of absence due to work accidents	Days	43	126
	Occupational illness	Number	0	0
3	Number of sick leave cases due to common illness	Number	341	0
4	Days of sick leave due to common illness	Days	1,242	NA
5	Total hours worked	Hours	775,310	412,340
6	Total days worked	Days	302	242
7	Deaths	Number	0	0
8	Frequency index	Index	3.9*	0
9	Severity index	Index	55.5**	0
10	Absenteeism rate	Rate %	10%	0.6
11	Accident rate	Rate %	0.2	NA
Contractors				
1	Total cases of work accidents and occupational illnesses	Number	49	1
2	Days of absence due to work accidents and occupational illnesses	Days	1,031	3
3	Number of sick leave cases due to common illness	Number	1,015	0
4	Days of sick leave due to common illness	Days	6,523	0
5	Total hours worked	Hours	7,793,993	747,006
6	Total days worked	Days	NA	242
7	Deaths	Number	0	0
8	Frequency index	Index	6.3*	1.2
9	Severity index	Index	132.3**	18.9
10	Absenteeism rate	Rate	0.8	0.1
11	Accident rate	Rate	0.8	NA

*Frequency index IF = (number of accidents L TI/man-hours worked) * 1,000,000.
** *Severity index IS = (number of work days lost/man-hours worked) * 1,000,000.

Use of adequate personal protection equipment is part of the GEB culture.

(403-1) SEU companies have implemented a Joint Employer-Employee Committee on Safety and Health at Work, half of whose members are employee representatives, and the other half employer representatives, covering 100% of employees.

(408-1) Child labor clearly has negative effects on the lives of children and youth, as it affects their physical and mental development. For this reason, all actions are framed by the guidelines of the International Labor Organization (ILO), as well as the guidelines issued by the Organization for Economic Co-operation and Development (OECD) for multinational companies. In order to prevent such acts, GEB and Contugas perform controls such as unannounced visits during contract performance by suppliers or contractors, based on the powers granted to contract supervisors. Cálidda, in turn, includes a mandatory clause on "no child labor" in all contracts signed with contractors and suppliers.

(409-1) Any practice identified as forced labor is rejected by the Group. In order to make this declaration effective, Contugas holds talks with its suppliers and performs visits to their facilities, in order to verify and validate compliance. In some cases commitments are signed in the form of sworn affidavits that include these and other aspects that affect the moral and physical integrity of employees, in order to ensure that suppliers adhere to these policies. Cálidda establishes this in its contracts and indicates that it has subscribed to the United Nations Global Compact, and that consequently its contractors and suppliers must adhere to policies and procedures that are aligned with said agreement.

The human talent management approach features ongoing follow-up at the various work fronts to ensure performance and development of the established plan, and the analysis of relevant information on the business units, in order to identify their requirements in terms of people and ensure that the team has clear performance objectives that ensure fulfillment of the objectives. All actions are supported by management plans, guidelines, policies and procedures defined by the CEO to ensure adequate performance in every front.

Human resources planning covers not only the needs of the areas, but also those of stakeholders, and aims to contribute to the comprehensive development of employees, to the generation of a corporate culture that drives growth, to promote pride and sense of belonging, to strengthen the capabilities of the teams through training on key business topics, to empower and develop the best human capital, and of course to attract and retain the best talent.

(102-7) (102-8) (102-41) (401-1) (401-3) (405-1) (405-2) For more detailed indicators on talent, please view the attachments to this report.

SOCIAL DEVELOPMENT INITIATIVES

(103-1) (103-2) (103-3) Through the Corporate Sustainability Policy, GEB companies are committed to managing their relations with communities.

The company's Sustainability Model includes undertaking social impact initiatives by maintaining a presence in the territories of operation to enable genuine, timely and ongoing relations that consolidate the trust of stakeholders. Strategic partnerships are also developed with public, private and civil society partners that are committed to development, competitiveness and equality, and socioeconomic development projects are carried out to transform the territories in line with the territorial and environmental planning instruments.

Relations with local stakeholders is a key factor for adequately developing the operations of Group companies. The community is a highly relevant stakeholder, especially for the Urban Energy Solutions Strategic Business Group, because its social, environmental and economic impacts may directly affect the life quality of people, and the operation is focused on the satisfaction of energy end users.

In this regard, Group companies and contractors implement activities and mechanisms that help identify, prevent, mitigate and control social impacts generated by their activities.

Even though the use of electric energy and natural gas helps improve community development indicators, the companies understand that their activities may also produce negative impacts. Consequently, policies and guidelines have been established and must be followed during all operating processes to ensure the wellbeing of the community and to maintain a relationship of respect and transparency.

Social management monitoring and effectiveness mechanisms

Monitoring and control by project managers

Feedback from stakeholders

PQRS management mechanisms

Internal and External Audits

Social management indicators

Ethical Channel

Periodic monitoring through the Comprehensive Management System

GEB Social Development Projects training.

(412-1) In 2017 NO PROJECTS WERE SUBJECT TO ANY REVIEWS OR IMPACT ASSESSMENTS RELATED TO HUMAN RIGHTS.

In Colombian electricity transmission projects, GEB has implemented a regionalization strategy in order to broaden the coverage of its social programs and reinforce legitimacy in the territories, as an actor for development with permanent presence in its territories.

In order to implement the shared value strategy and provide guidance on regionalization, the shared value office was created, to work on the identification, formulation and consensus-building on projects, stakeholder relations, and technical assistance and strengthening of institutions in the territories, with the following structure.

Shared Value Projects Office

Shared Value Projects
Sustainable project that favor the virtuous intersection between the interests of the company and the needs of the community (strengthen the social fabric and develop competencies).

Community Relations Activities
Participation in specific events with high community impact that strengthen bonds of trust between GEB and the community (strategic actions and as a means for other sustainable activities).

Technical Assistance and Institutional Strengthening
Assistance for the institutional strengthening of municipal governments, social and community organizations and structuring and management of development projects.

Identification of Strategic Partners: Local governments, NGOs, Companies and/or contractors present or interested in the territory.

During 2017, four regional offices were created in Colombia, staffed with professionals to cover the social, environmental, safety and health at work and right of way management components. The following are some of the social programs with the communities in the different regional offices:

North Region

- For the Loma 100 kV project, prior consultations were made with the Afro-Colombian communities certified by the Colombian Ministry of the Interior, which are present in the jurisdictions of the municipalities of El Paso and La Jagua de Ibirico, in the department of Cesar. Direct impacts of the project on each community in the direct area of influence were identified through 13 workshops, with approximately 850 participants, as well as 5 workshops on prior consultations with approximately 320 participants.
- For the Río Córdoba project, the social activities contained in the Environmental Management Plan during the project's pre-construction stage were carried out, and a shared value project was carried out to modernize internal electric networks and the transformer at the Carlos Andrés Mayorga school, in the rural district of Cordobita in the area of influence, thereby consolidating genuine, transparent and ongoing relations with project stakeholders, with an indicator of zero for active protests.

Central Region

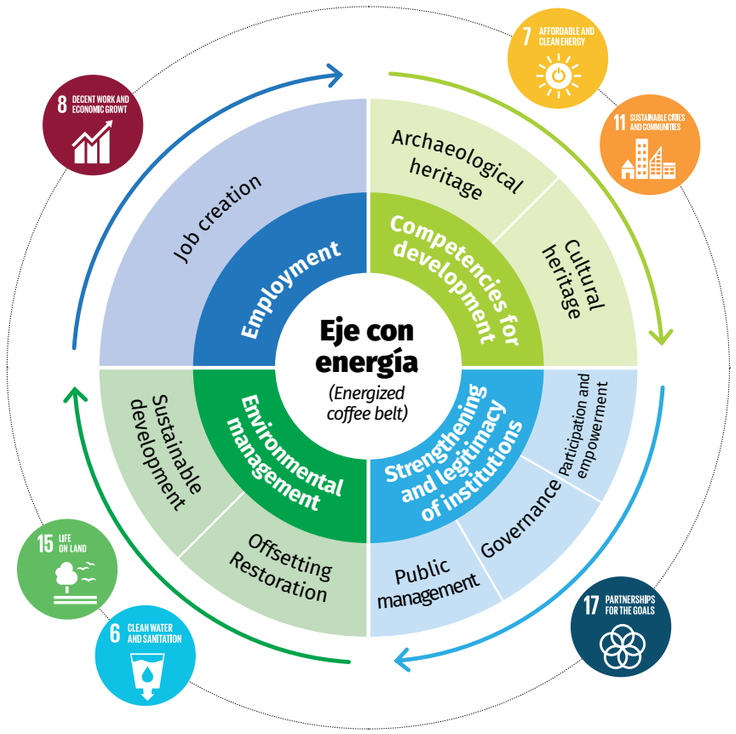
- The San Fernando 230 kV project created local jobs for close to 300 people. With these communities, 16 of 17 scheduled workshops were carried out aimed at children, teachers and the community in general on the importance of energy.
- 50 eco-efficient stoves and firewood orchards were delivered to families in the municipality of Ubalá in Cundinamarca, in the framework of infrastructure in operation.
- At the Norte and Sogamoso projects, socio-political studies were carried out to understand the environment and to guide stakeholder relations in the territory, in order to design response plans during public hearings scheduled for 2018.

THE SOCIAL MANAGEMENT TEAM OF THE NORTH REGION COMPLETED THREE PRIOR CONSULTATIONS IN THREE MONTHS, BY PRIORITIZING THE COMMUNITY AND REACHING A CONSENSUS ON A PROJECT FOR THE RECONSTRUCTION OF AFRO-DESCENDANT HISTORIC MEMORIES.

GEB corporate policies.

Western Region

A shared value project was launched called *Eje con Energía* (energized coffee belt), through a partnership including the Chamber of Commerce of Santa Rosa de Cabal, a local company (Grupo Next) and *Juntas de Acción Comunal* (community action boards). The project helps promote and maintain the cultural, natural and archaeological heritage of the region by means of sustainable tourism activities, in order to improve the life quality of rural communities in Santa Rosa de Cabal, Dosquebradas and Pereira in the department of Risaralda.



(413-1) For additional information on some of the development programs, impact assessments and local community participation at GEB, please see the attachments to this report.

Southern Region

- Coordination of response to the humanitarian emergency following torrential flooding of the Sangoyaco, Taruca and Taruquita rivers, which destroyed the electrical substation in Mocoa, Putumayo.
- Ongoing and continuous contact with the authorities and communities.
- Formalization of an agreement with the organization Halo Trust, which specializes in humanitarian demining. As part of this agreement, 20 women victims of the Colombian armed conflict were trained and are now engaged in the technical survey of the National Natural Park Las Hermosas, an area prioritized by the national government for clearing of landmines.
- A Forests for Peace project was formulated, which consists in combining the required offsetting for biodiversity losses from projects, plus payment of a 1% environmental water usage fee (regulated in Colombia), focusing the investment in an area of relevance in terms of water regulation environmental services. The Forests for Peace initiative is specified in Resolution 470/2017 issued by the Ministry of the Environment and Sustainable Development of Colombia.

Energy for Peace

This region was affected by Colombia's armed conflict for several decades, but today it is open to great possibilities. The departments of Huila, Tolima and Valle del Cauca will benefit from the Tesalia-Alférez transmission line that is being built by GEB, and from a shared value program that will benefit thousands of people in the area.

GEB has found an opportunity not only to install networks that bring energy to the region, but also to build territories of peace. Given that the conflict left behind land mines and unexploded ammunition in many areas, the Group launched the Energy for Peace initiative, which includes a demining program through an agreement with the armed forces and non-governmental organizations. Additionally, a mechanism is being developed to restore victims' rights and recover their territories.

Already 16 landmines and explosive artifacts have been deactivated. Additionally, 12 women victims of violence have been trained in humanitarian demining and are currently participating in technical surveys and project planning.

In this way, the Tesalia-Alférez transmission line project, which runs from the municipality of Tesalia (Huila) to the Alférez Substation (Cali), will directly benefit 1,100 families, not including indirect beneficiaries.

Energy for Peace also includes activities to support the Forests for Peace program of the Ministry of the Environment and Sustainable Development, which identified sustainable production projects. These include initiatives related to plant nurseries for eco-efficient systems and coffee growing. Additionally, the indigenous community of Las Mercedes will work on bio-digester energy generation projects.

Another work front is on strengthening institutions through assistance to mayor's offices and local and community organizations on topics related to project formulation and resource management.

11 municipalities

of Valle del Cauca, Tolima and Huila will benefit from the Tesalia-Alférez transmission line and the Energy for Peace program.

Performance of this initiative in 2018 will involve training families in the area of influence to start up business ventures related to the comprehensive management of ecosystems and biodiversity, sustainable production systems, ecological conservation and restoration, and access to payment for environmental services.

(203-2) Social management of the projects undertaken by GEB produces positive effects in the regions in which it is present. Such impacts include:

- Additional income for owners from right of way payments.
- Improvement of rural roads and infrastructure in the regions.
- Performance of shared value projects.
- Training, information and transfer of knowledge to the communities.
- Boost to the local economy (hiring of labor and acquisition of local goods and services).
- Improvement in the quality, coverage and reliability of electric energy supplies in the regions.

PERFORMANCE OF THE FORESTS FOR PEACE PROJECT IN THIS REGION WILL HAVE A POSITIVE IMPACT ON CLOSE TO 189 HECTARES OF SENSITIVE ECOSYSTEMS, WITH PARTICIPATION OF UP TO 110 FAMILIES FROM THE LOCAL COMMUNITIES.

Social management to acquire and manage rights of way

Social management processes assist in the acquisition and management of rights of way for asset installation and operation, under principles of due diligence and non-violation of fundamental rights.

The following activities were performed in 2017 regarding land management:

- Adoption of a methodology for indemnity payments; unification of management to cover all projects; and centralization of land management under unified criteria.
- The updated procedures enabled an increase of releases from 40 per month to 200.
- Mixed release strategy. Part of the process is performed by in-house teams, and the rest by contractors. All contractors have binding contractual obligations and receive training.

In 2017, land management of the electricity transmission business in Colombia enabled the release of 1,166 areas for rights of way, including 561 tower sites, to develop the 12 projects under construction. In the second half of 2017, 362 additional enforcement lawsuits were filed, for a total of 442 in progress.

Social Development Program in Guatemala.

The overall total of rights of way for the projects as at December 31, 2017 is 1,711 released areas, and a total of 853 tower sites.

In addition to in-house management, eight contractors were retained for comprehensive property management and five for legal management of the lawsuits.

For the electric energy transmission projects in Colombia, a procedure and line of action was established for involuntary individual resettlements arising from infrastructure projects, pursuant to parameters established by the World Bank, the Inter-American Development Bank and the United Nations, as well obligations established in project licenses regarding the impacts arising from Group activities. In 2017 this procedure was implemented in five of the 12 expansion projects led by GEB in Colombia.

TGI GrupoEnergíaBogotá

Considering that natural gas transport is a public service, the Company promotes and coordinates the development of public policies related to the energy sector aimed at exercising corporate citizenship as a means for participating in the orderly and planned growth of its projects' neighboring populations. Additionally, TGI's 2017-2021 Corporate Strategic Plan outlines strategies aimed at preventing and mitigating social conflicts related to the operation and new projects, and which consequently affect the company's growth in the hydrocarbons industry. The most important factor to be taken into consideration in terms of social action priorities is the current outlook for potential conflictive situations in the communities.

To assist in this task, TGI is adjusting and designing a new structure for its Sustainable Social Management Plan (PGSS, for the Spanish original). In this regard, the commitment is to define the stance to be adopted in its economic, political, social and environmental scope of action.

The PGSS objectives are:

- To ensure project construction, operation and maintenance in the framework of the creation of shared value.
- To prevent, mitigate and address in a timely manner the social risks generated by project development.
- To arrange, support or establish local and regional strategic partnerships in order to become a legitimate player in the development of the area of influence of the gas pipeline.

Scan this code to view GEB policies.

For additional information on some of the programs performed by TGI in 2017, please see the attachments to this report.

Additionally, TGI measures the impact of its Social Management Plan through a stakeholders perception survey, performed by Centro Nacional de Consultoría (CNC).

All these mechanisms are based on the different regulations, guidelines and policies adopted by the Group. These include:

- The regulatory framework established in Laws 56/1981 and 388/1997 (on land management) and the Political Constitution.
- Sustainability Policy.
- Internal Control and Prevention of Fraud and Corruption Policy
- Risk Management Policy.
- Communications Policy.
- Code of Ethics.

TGI Results

- Relationship-building activities were carried out in 212 municipalities and 1,008 rural districts in the areas of influence of TGI infrastructure, with the objective of informing and discussing technical aspects of Company operations and managing, protecting and disseminating cultural heritage.
- Construction of the gas compression stations (GCSs) of Paratebueno and Villavicencio; the expansion of the GCSs of Miraflores, Puente Guillermo and Vasconia, and the expansion of the Mariquita-Cali gas pipeline (Armenia Loop), implied the development of work plans and risk mitigation strategies related to socialization of the project in neighboring communities, mechanisms for hiring local labor and selecting local suppliers of goods and services, temporary relocation of families that live near the work sites, and resolution of disputes.
- In the Coffee Belt and southwestern Colombia we worked with stakeholders during the process of transferring the Mariquita-Cali gas pipeline from the previous operator, TransGas de Occidente (BMOT), to TGI, which took over this infrastructure starting on August 26, 2017.

For additional information on some of the programs performed by TGI in 2017, please see the attachments to this report.

Trecsa GrupoEnergíaBogotá

It is essential to maintain genuine and permanent relations in the areas of influence and to enable stakeholders to express their concerns through different channels. Some of the activities carried out to identify the social impacts associated with rights of way included:

- Environmental Impact Assessments (EIA).
- Agreed, approved and implemented shared value projects. The objective of the shared value projects is to materialize contributions to sustainable development and enable Group companies to become players in territorial development. They are considered an evolved version of community benefit volunteer projects that were carried out to improve the

In 2017, TGI entered into 8 strategic partnerships through agreements with public and private organizations, with contributions in the amount of COP 496,461,621.

coexistence of the infrastructure and the communities.

- Visits by technical staff to the areas of influence.
- Meetings with regional and local authorities.
- Implementation and monitoring of PQRS mechanisms.
- Dissemination through local and national media.
- Press releases issued by community-based organizations.
- Relationship-building with individual and community property owners as part of the process of acquiring rights of way.

Shared value projects performed by Trecsa in 2017:

Trecsa Results

CONSTRUCTION OR REMODELING OF COMMUNITY CENTERS
10 community centers built and/or remodeled.

WATER DISTRIBUTION SYSTEMS
Replacement of plumbing, installation of 2 water pumps and construction of 1 storage tank in 3 communities in the area of influence.

MATERIALS TO CHANNEL RAINWATER
Implemented with a community in the area of influence.

SCHOOL IMPROVEMENTS
Roofing, building of porches in 3 classrooms, tile replacement, building of 4 new classrooms and surrounding sidewalks.

- As a result of social management in 2017, six municipal approvals were issued in the areas of influence of the transmission line LT Sololá-Brillantes (Plot F) at the following locations: Cuyotenango, San Francisco Zapotitlán, San Martín Zapotitlán, San Pablo Jocopilas, Mazatenango and Santa Cruz Mulua.
- The social management projects involved around 288 families and 263 students.
- An educational campaign was carried out called "With PET Engineer", aimed at raising awareness on the importance of protecting the electricity infrastructure, the risks and precautions to protect lives and safe coexistence with the electric towers and substations. 45 sessions were held at schools.

SCHOOL SUPPLIES
Acquisition of 20 computers for 10 schools in one community.

ROAD INFRASTRUCTURE
Improvements of roads, railways, laying of cobblestone and opening of paths at 4 communities, to benefit the local economy and enable commercialization of products.

PRODUCTION PROJECT
Acquisition of Mixtamal mills to add technology to a traditional form of production and contribute to the food security of a community in the area of influence.

INFRASTRUCTURE FOR COMMUNITY ORGANIZATION
Acquisition of an electrical plant for a community meeting house. This strengthens community participation and governance, and provides a meeting place for the community.

Knitting progress

Guatemala has a long tradition of colorful fabrics and embroideries made by indigenous women, who represent, through their designs, their country's cultural wealth.

As part of the trust-building process with indigenous communities, Grupo Energía Bogotá, through its company Trecsa, is promoting crafting of these embroideries to empower these women and enable them to generate income.

Slowly but surely, these women have received training on topics that are part of the essence of their culture, through which they have learned about production units and commercialization. This positive experience, which took place in the Kaqchikel community, in Santo Domingo Xenacoj, municipality of Sacatepéquez, is being replicated in the communities of Valparaíso, Santa Cruz Verapaz, Alta Verapaz, which involves knitting and embroidering *huipiles* (typical blouses or dresses), thereby creating job opportunities.

This work enabled over 60 indigenous women to sell their embroideries not only in Guatemala, but also in countries such as Mexico, Australia, Netherlands and Colombia. Trecsa has been working hand-in-hand with three local organizations: Comité Nueva Visión, Comité para la Defensa del Territorio de Xenacoj and Alcaldes y Alcaldesas Indígenas.

As a result of this effort, a cooperation agreement was signed that consists in acquiring sewing supplies and machinery to create traditional, handcrafted fabrics.

60 indigenous women

PRODUCE AND SELL TYPICAL FABRICS AND EMBROIDERIES THANKS TO TRECSA'S SUPPORT.

Communications mechanisms were established through the Citizen Participation Plan, aimed at facilitating coordination and exchanging information with local stakeholders, taking into consideration their collective rights, in order to prevent and mitigate potential negative environmental and social impacts.

The Company's social management is based on respect for national law and includes a Neighbor Information Plan before, during and after performance of civil works, and an Education Plan aimed at introducing the Company and establishing closer relationships with the communities before starting up works or entering a district.

At Cálidda, corporate sustainability is the best way to balance operating viability with social, environmental and economic development, by generating trust among stakeholders and implementing continuous improvement and positive transformations in the environment.

The following are the social management guidelines of Cálidda:

- GEB's Corporate Strategic Plan.
- GEB's Corporate Sustainability Policy.
- Social Policy.
- Community Relations Procedure.
- Education Plan supervised by Osinergmin.
- Sustainability models aligned with the prioritized SDGs and the Sustainability Policy.

As a result of its continuous improvement, the Company has gained recognition as a Socially Responsible Company and a Safe Company Against Gender Violence. It also participates in the Aequales survey on gender equality and applies the ISO 26000 guidelines, involving attainment of indicators and identification of gaps to develop action and compliance plans.

Cálidda Results

- Social mapping along 100% of the path of steel and polyethylene pipelines to identify stakeholders, identify possible social impacts and prevent potential social conflicts in the concession areas arising from the construction of natural gas networks.
- Social baselines were measured in the districts in which operations are to be started, aimed at learning about the social, cultural and economic features of the area, and identifying any potentially hazardous areas.
- Promotion of sustainable development programs in the targeted areas of operation, prioritizing social investment. The programs are periodically assessed to identify any significant impacts on local communities.
- The Cálidda Soup Kitchen Program, which is aimed at improving the life quality of the women leaders who work in these food programs for low-income people, involves providing each soup kitchen free natural gas connections and training women leaders on nutrition, food health and safety, and solid waste separation. It is aligned with fulfillment of Sustainable Development Goals 1, 2, 5, 7, 11, and 17. In 2017, the program benefited 704 soup kitchens equipped with natural gas stoves in 18 districts of Lima and Callao, which help improve the life quality of 68,000

Ranked in 19th place among 142 companies that participated in the Aequales gender equality survey in Peru.

The miracle of gas soup kitchens

At Pueblo Nuevo, province of Chincha in southern Peru, mornings are very busy. Five women run in and out, unloading sacks of vegetables, pasta and meat. Then they prepare free lunches for their low-income neighbors at the Nueva Jerusalén Soup Kitchen. In the past they used gas cylinders for cooking, but these were replaced for free natural gas connections installed by Contugas, a GEB company.

Rosa Chávez, one of the soup kitchen's leaders, says that the gas connection was a "miracle" that facilitates cooking, improves safety and reduces costs for the families. "I don't want the kids in my neighborhood to have to go without, like my kids did", explained Rosa on her motivation for working there on her own account and without pay. Today she is an empowered woman who, with the support of Nutri Contugas jointly with the Development Bank of Latin America, trains other women on soup kitchen management, food handling, nutrition, solid waste disposal and entrepreneurship.

This assistance program led by Cálidda, another GEB company in Peru, currently has 719 soup kitchens with free connections, which indirectly benefit close to 68,000 people who eat at these establishments.

They have both been so successful that the President of Peru himself, Pedro Pablo Kuczynski, attended the openings of several free connections provided by GEB companies in the country, given that the government promotes use of this fuel.

The 719 free connections benefit close to

68,000

low-income Peruvians.

THE ACTIVITIES TO IMPROVE THE CAPABILITIES OF SCHOOLS IN THE AREA OF INFLUENCE OF CONTUGAS IN 2017 BENEFITED 2,300 PEOPLE AND 28 SCHOOLS.

people who eat there every day. Since 2012, the Cálidda soup kitchen program has provided training on nutrition and food safety to 3,223 leaders.

The program also conducted a study to measure the difference in greenhouse gas emissions between cooking with natural gas and cooking with gas from cylinders during the period from 2010 to 2015. It was found that the Soup Kitchens that cook with natural gas have saved an overall total PEN 1,762,268 for the communities, preventing emissions of 295 tons of CO_2 into the environment over the studied period.

Also, through a partnership with Grupo Educa D – SISE, a "Responsible Cooking" program was implemented, with participation of 65 soup kitchen leaders, who received 14 hours of training.

Through a partnership with Universidad San Ignacio de Loyola, a Woman Entrepreneur program was implemented, which provided support for 44 entrepreneurial ventures by women leaders from Independencia, with 56 hours of conferences and consulting to develop their business plans. The women received courses on management, under the Canvas model, as well as courses on budgets, nutrition and cooking, provided by the Entrepreneurship Institute of USIL.

- The Tecnigas training program was launched through a partnership with the Ministry of Education, which certified 30 low-income youths as IG1 installation technicians.
- For the third consecutive year, it was awarded the Socially Responsible Company Seal by *Perú 2021*, a private-sector initiative promoted jointly with the Mexican Center for Philanthropy (CEMEFI, for the Spanish original).
- It was awarded the Seal of Safe Company Free from Violence and Discrimination against Women by the Ministry of Women of Peru, following a certification process on compliance with several indicators.
- It was included in the Companies that Inspire platform of the UN, BCP, Telefónica and ISA REP, which promotes corporate volunteer work.
- It was recognized by the Labor Ministry, through its *Perú Responsable* office, as an SOS Company, for our work for childre during the coastal emergency, during which we organized volunteers to collect donations of emergency aid supplies, among other activities.
- Four volunteer activities were implemented during the year, focusing on environmental issues, including tree planting, beach cleaning, embellishment of public areas and a Christmas event for children with hearing disabilities.

ConTugas GrupoEnergiaBogotá

The impacts associated with sustainable development programs are identified through discussions with stakeholders and subsequent meetings with those involved.

The company focuses on four central aspects to cover the needs of the various stakeholders and to adequately identify and mitigate needs arising from the social impacts of our operations:

- Matrix for the identification of socio-environmental impacts, contained in the Environmental Impact Assessment (EIA).

Grupo Energía Bogotá

To achieve the release of 2,300 rights of way in order to enable the projects to move forward. The effectiveness of the negotiation processes has improved by applying comprehensive indemnity criteria. This enabled us to increase from an average of 40 releases/month in 2016 to an average of 200 releases/month in 2017.

As part of the projects' social management, during the process of releasing rights of way assistance has been provided to people who do not hold formal ownership title over their properties, to help them formalize their status, to then negotiate fair terms.

To prepare the documentation required for right of way management and improve technical tools for database management for decision-making purposes.

To establish a more solid information system with adequate and sufficient tools.

TGI GrupoEnergíaBogotá

To update the Social Management Plan and align it with the Corporate Sustainability Policy, in order to strengthen the external stakeholder relations strategy.

To implement the action plan to close gaps related to ISO Guide 26000 on Corporate Social Responsibility.

To define social investment lines with a focus on sustainability in order to channel investment resources with a strategic approach for the Company, to facilitate issuance of the social license to operate in the various territories.

Cálidda GrupoEnergíaBogotá

To implement the Sustainability and Reputation Committee.

To close or reduce gaps in equality and non-discrimination.

To connect a greater number of soup kitchens and leverage the social program "*Comedores Cálidda*"(Cálidda Soup Kitchens).

Results of NutriContugas:

9 beneficiary soup kitchens serve 1,174 people.

7 Glass of Milk programs benefit 961 people.

1 CUNAMAS program supported with 150 children beneficiaries.

1 shelter with 30 elderly beneficiaries.

14 schools with 5,416 children assisted.

- Community Relations Plan.
- Identification of social perceptions during day-to-day relationships with the communities.
- Recording of social observations in the form of the Participative Socio-environmental Monitoring Program (PMSAP, for the Spanish original).

Contugas Results

At Contugas, the progress made in social management is measured through the percentage of completion of the activities of the Sustainable Development Plan, which, as of December 2017, had a 97% completion rate, with the following achievements:

- The implementation of activities to improve capabilities at schools in the Ica region, which covers the provinces of Chincha, Pisco, Ica and Nasca, aimed at raising awareness on natural gas through activities such as writing and literary creativity, youth leadership, fun science workshops, handing out school kits, installation of natural gas at school laboratories and cooking workshops, and entertaining educational activities for children.
- The *Previene* education plan is aimed at raising people's awareness on a natural gas culture and disseminating basic knowledge on the uses and benefits of this energy resource in the direct area of influence defined in the Environmental Impact Assessment (EIA).
- As a result of this plan, 100% of Contugas stakeholders have received training to provide support for emergency prevention mechanisms, dissemination and response actions. It also enables the neighboring populations to the gas pipelines to actively participate in monitoring and surveying the assets, thereby avoiding complications and risks in day-to-day operations.
- Through the Participative Socio-Environmental Monitoring Plan (PMSAP, for the Spanish original), Contugas provides the community reliable, accessible and verifiable information on the environmental impacts of the project. It also promotes the participation of local communities in monitoring environmental performance. Through this plan, information has been provided to close to 2,300 people.
- Strengthening and increasing the number of beneficiaries of the Nutri Contugas program, with support from the Development Bank of Latin America (CAF), which involves free natural gas service for soup kitchen programs and glasses of milk at schools, to benefit communities through energy savings, talks on leadership, personal development and self-esteem for women leaders and teachers, thereby contributing to SDGs 5 and 17.
- Activities of the Energy Managers Program, which trains youth in technical and university education programs on topics related to the energy sector, new information and knowledge technologies.
- Implementing the Transmedia program for training in communications and sustainable development. In 2017 the 3rd Forum for Journalists was held in the Ica region and an agreement was signed with Universidad San Luis Gonzaga in Ica to teach a specialist degree program on communications and sustainable development. Also, the radio show *Contigo* was produced, which was broadcast during two seasons and will be produced for television in 2018.
- For the third consecutive year, the 3rd Regional Narrative Contest "*Cuentigas*" was held, with 173 contestants and over 1,848 participating students from the Bandera del Perú school in Pisco.
- The Your Laboratory program carried out four workshops at schools in the Ica region to benefit over 100 children in science, experiments and entertainment and educational activities on the uses and benefits of natural gas.
- **(410-1)** The private security company Securitas provided Human Rights training to 100% of its security personnel.
- We continued our relationship-building efforts with the Afro-Peruvian community in the province of Chincha, where we expect to provide natural gas services in 2018, and to work on initiatives such as: change in zoning rules, service continuity and bringing main networks closer.

ConTugas GrupoEnergíaBogotá

- To increase coverage of beneficiaries of the *Crecer, PMSAP* and *Previene* programs.
- To organize the 4th Forum for Journalists in the Ica region.
- To maintain low social conflict indicators.
- Through Transmedia, launch a specialist degree program jointly with Universidad San Luis Gonzaga in Ica.
- To organize talks in the provinces of Chincha, Pisco, Ica and Nasca.

Trecsa GrupoEnergíaBogotá

- To systematize the participation in complementary activities to the operations and establish procedures based on lessons learned.
- To obtain approvals from the municipalities of Antigua Guatemala, Sumpango, Sololá and Nebaj.
- To acquire rights of way for the prioritized lines.
- To define and implement the shared value strategy in the prioritized areas.

4

Business Line Results

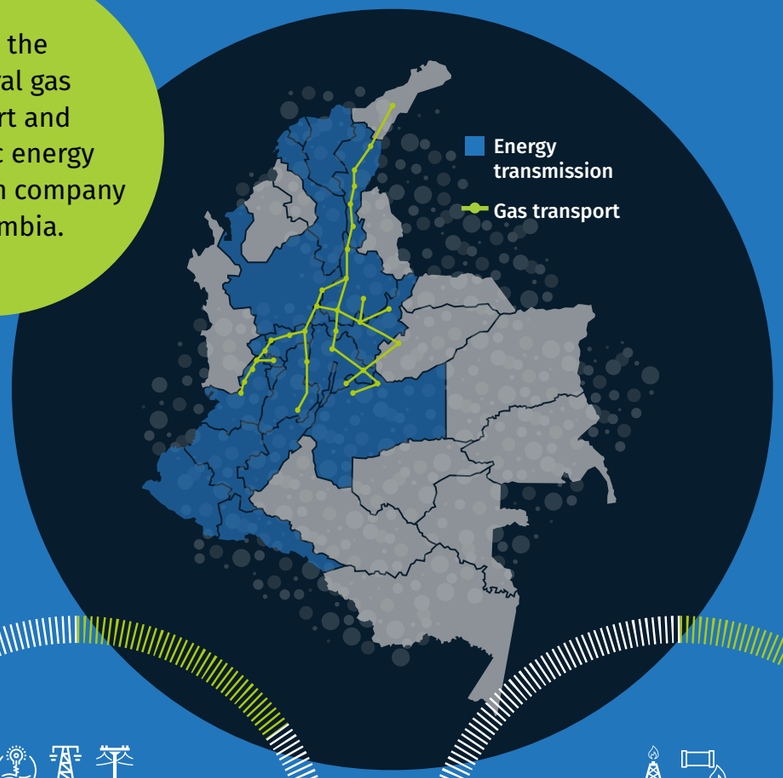
Contugas employees in Peru.

Business Line Results

(102-2)

Colombia

GEB is the #1 natural gas transport and #2 electric energy transmission company in Colombia.



15.2%

of the energy transmission market

55%

of gas networks in Colombia

PROJECTS

TGI

- Zarzal – La Tebaida Loop
- Cusiana Phase III expansion
- Cusiana Phase IV expansion
- Replacement of sections due to end of regulatory useful life
- Cusiana Phase III expansion

GEB

Expansion:

- UPME 01-2014 SE La Loma 500 kV
- UPME 13-2015 STR – Section SE La Loma 110 kV
- UPME 05-2012 Project - Second Circuit Cartagena, Bolívar

Operation

- UPME 06-2014 SE Río Córdoba 220 kV
- Termocandelaria 220 kV Substation

CENTRAL AREA

Expansion

- Cundinamarca, Boyacá Santander and Meta
- San Fernando Ecopetrol 230 kV project
- UPME 01-2013 SE Sogamoso – Norte – Nueva Esperanza 500 kV
- UPME 03-2010 SE Chivor II Norte Bacatá 230 kV

Operation:

- Central Corridor (Guavio - Circo) 230 kV
- South Corridor (Guavio - Reforma Tunal) 230 kV
- Bogotá System 230 kV

WESTERN AREA

- UPME 04-2014 SE Río Córdoba 500 kV
- UPME 05-2009 SE Tesalia and Tesalia - Alférez lines
- UPME 02-2009 SE Armenia

Operation:

- UPME 01-2010 SE Alférez 230 kV

SOUTH AREA

Operation:

- UPME 05-2009 SE Tesalia and Tesalia – Altamira lines
- Mocoa - Jamondino 230 kV line
- Interconnection with Ecuador 230 kV
- Interconnection with Ecuador 230 kV

Reconstruction:

- Mocoa - Renacer Substation

Expansion:

- UPME 15-2017 STR Altamira Substation expansion
- UPME 05-2009 SE Tesalia (Quimbo) and Tesalia – Altamira transmission lines

STRATEGIC GROUPS SUBSIDIARIES AND AFFILIATES

In Colombia, Grupo Energía Bogotá has subsidiaries and affiliates under its three Strategic Business Groups.

INTERCONNECTION FOR MARKET DEVELOPMENT

GEB
Public utilities company and parent of the Corporate Group.

TGI
Leading natural gas transport company in 16 departments in Colombia.
Shareholdings
99.9% **GEB**

URBAN ENERGY SOLUTIONS

CODENSA
The leading electric energy distribution and commercialization company in Colombia, with a 24% market share.
Shareholdings
51.5% **GEB**
49.5% **ENEL**

EMSA
It operates in the eastern region of Colombia. It distributes and commercializes electric energy for residential, commercial, industrial and government clients.
Shareholdings
55.8% **Colombian government**
16,2% **Department of Meta**
16.2% **GEB**
11.8% **Minority shareholders**

NATURAL GAS
Leading company in the distribution and commercialization of natural gas in 105 municipalities in Colombia.
Shareholdings
41.9% **Gas Natural Distribución Latinoamerica**
25% **GEB**
11.2% **GAMPER ACQUIRECO**
21.9% **Minority shareholders**

LOW EMISSION GENERATION

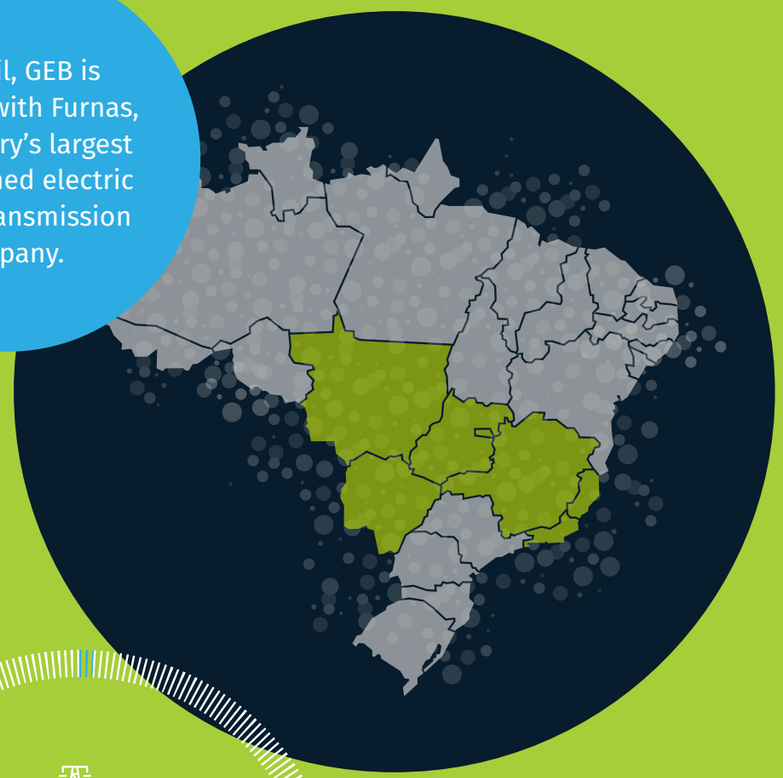
EMGESA
Colombian electric energy generation company.
Shareholdings
51.5% **GEB**
49.5% **ENEL**

Business Line Results

(102-2)

Brazil

In Brazil, GEB is affiliated with Furnas, the country's largest state-owned electric energy transmission company.



0.9%

of electricity transmission in Brazil

INSTALLED CAPACITY

Substations

10 **new and** 5 **under expansion**

1,100 kilometers of networks

PROJECTS

1. GOIAS Transmisión S. A.
Concession granted in February 2010. Ending in 2040. An electric energy transmission company in the state of Goias, with lines at 230 and 500 kV.

2. Transenergia Renovavel S. A.
Concession granted in December 2008. Ending in 2039. Its main business is electric energy transmission and it has facilities in the states of Goias, Mato Grosso and Mato Grosso do Sul. It is divided into two groups with lines at 138 and 230 kV.

3. GOIAS Transmisión S. A.
It is an electric energy transmission company in the states of Minas Gerais and Espírito Santo with lines at 345 and 500 kV.

4. Transenergia Sao Paulo S. A.
Concession granted in July 2009. Ending in 2039. Its main business is electric energy transmission in the state of Sao Paulo, where it operates the Itatiba substation at 500/138kV-1200MVA, which comprises three transformer connections and 10 133.3 MVA single-phase transformers.

STRATEGIC GROUPS

In Brazil, Grupo Energía Bogotá is affiliated with Furnas, the country's largest state-owned energy transmission and generation company. Currently, only the IDM SBG has presence in this country. On August 21, 2015, the acquisition of an equity interest equivalent to 51% of four electricity transmission concessions in Brazil was formalized: Goiás Transmissão S. A. (GOIÁS), MGE Transmissão S. A. (MGE), Transenergia Renovável S. A. (TER), Transenergia São Paulo S. A. (TSP), through the investment vehicle GEBBRAS Participaçoes Ltda (100% owned by GEB).

INTERCONNECTION FOR MARKET DEVELOPMENT

STRATEGIC PARTNERS

Furnas Centrais Elétricas S. A.
Established in February 1957, is a public-private closely held company based in Río de Janeiro, affiliated with the Ministry of Mines and Energy (MME) and controlled by Centrales Eléctrica Brasileiras S. A. (Eletrobrás). It was initially created to build and operate the first major hydroelectric power plant in Brazil and its associated transmission system, which inter-connected Minas Gerais, São Paulo and Río de Janeiro.

It currently has generation, transmission and commercialization operations in several regions throughout the country, including the Federal District, São Paulo, Minas Gerais, Rio de Janeiro, Paraná, Espírito Santo, Goiás, Mato Grosso, Pará, Tocantins, Rondônia, Rio Grande do Sul, Santa Catarina, Rio Grande do Norte, Ceará and Bahia.

Its generation assets include 25 power plants owned by the Company itself or jointly with private parties, of which: a) 20 are hydroelectric plants with total installed capacity of 16,586 MW; b) three are wind generation plants, held through SPE joint ventures, with total installed capacity of 187 MW; and c) two are thermoelectric plants, with total installed capacity of 530 MW.

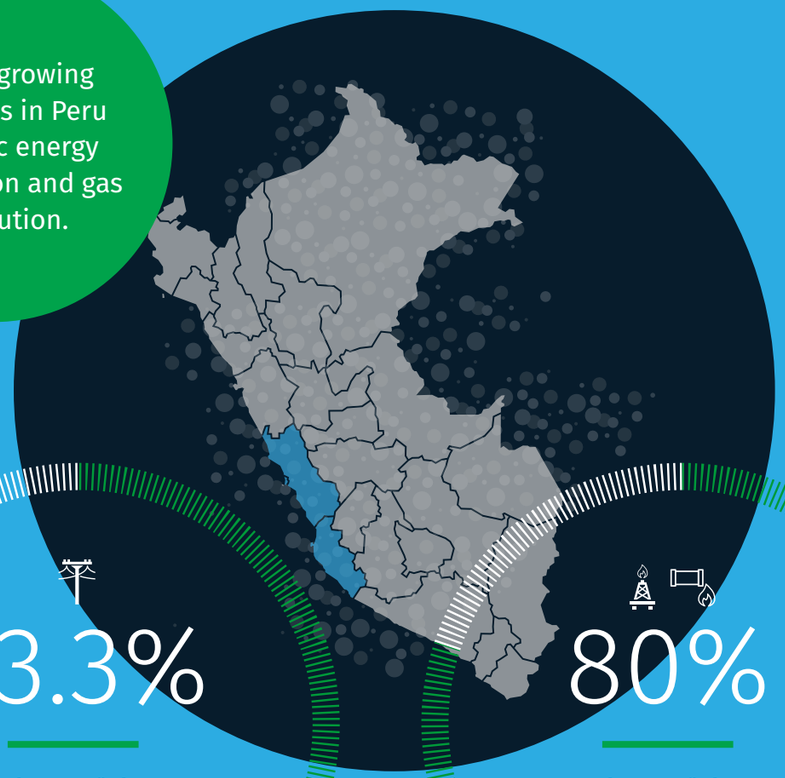
Its transmission assets include 25,563 km of lines, of which 5,438 km are held through SPE joint ventures, with 70 substations and total transformation capacity of 120,773 MVA.

Business Line Results

(102-2)

Peru

GEB has growing businesses in Peru in electric energy transmission and gas distribution.



63.3%

share of the energy transmission market

80%

share of the gas distribution market

INSTALLED CAPACITY

CONTUGAS
1,009 kilometers of networks

CÁLIDDA
8,347 kilometers of networks

PROJECTS

1. CÁLIDDA

- Expansion of the Protissa and ERP Cañete network, to supply for the first time industrial, commercial and household clients in the province of Cañete.
- Jorge Chávez International Airport, relocation of natural gas networks due to expansion of the terminal.
- Connection of residential and commercial customers.

2. CONTUGAS

- Construction of polyethylene networks in the departments of Ica, Chinca, Nazca, Pisco and Marcona.

STRATEGIC GROUPS SUBSIDIARIES AND AFFILIATES

In Peru, GEB has businesses in the Urban Energy Solutions SBG in the gas sector through Cálidda and Contugas, and in the Interconnection for Market Development SBG in electricity transmission through a 40% interest in ISA Transmantaro and ISA REP.

URBAN ENERGY SOLUTIONS

CÁLIDDA
Company in charge of natural gas distribution in Lima and the Constitutional Province of Callao, in Peru. It serves residential, commercial, vehicle and large customers (industrial and generation companies).
Shareholdings
60% GEB through EEB Perú Holdings
40% Promigas

CONTUGAS
This company has the concession to transport and distribute natural gas in Ica, Peru; specifically in the areas of Ica, Nazca, Chincha, Pisco and Marcona. It serves residential, commercial, vehicle and large customers (industrial and generation companies).
Shareholdings
68.5% GEB
31.5% TGI

INTERCONNECTION FOR MARKET DEVELOPMENT

ISA TRANSMANTARO
An electric energy transmission company with the concession for the Mantaro-Socabaya transmission line, which inter-connects the Center-North System with the South System of Peru.

Shareholdings
40% GEB
60% ISA

ISA REP
Operator of the electric energy transport network of Peru at voltages of 220, 138 and 60 kV, for the National Electricity Transmission System.
Shareholdings
40% GEB
60% ISA

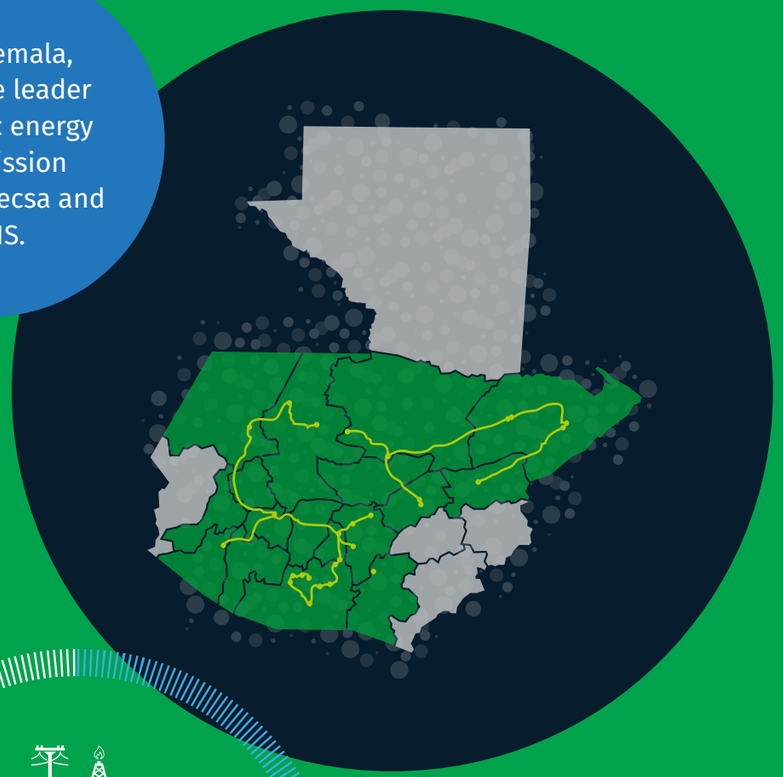
Note: GEB is an affiliate of Interconexión Eléctrica S. A. (ISA), a Colombian company that is a leader in the Latin American electric energy market, with 42,064 km of high-voltage circuits and 81,550 MVA of transforming capacity.

Business Line Results

(102-2)

Guatemala

In Guatemala, GEB is the leader in electric energy transmission through Trecsa and EEBIS.



19.9%

of the entire electric energy and gas chain in Guatemala

INSTALLED CAPACITY

421 kilometers of networks

PROJECTS

1. **Trecsa**
   Expansion Plan of the Energy Transportation System PET 001-2009, a national government project. It will provide Guatemalans accessible, reliable and economical electric energy services. Because of its impact on regional development, it was ranked as the twenty-fourth most important infrastructure project in Latin America. It covers 17 departments and 82 municipalities, with 853 km of transmission lines, 12 new substations and expansion of an additional 11 substations. Status 19 out of 23 planned substations have been completed, of which 16 have been powered up. 483 km out of 866 km planned transmission lines have been completed, of which 421 km are in operation, equivalent to 71% completion.

2. **Reactor Project, PET-01-2009.** Izabal and Morales substations. These require installation of reactive inductive bar compensation at 230 kV and 30 MVAr.

3. **La Vega II Project,** Construction and operation of the Aguacapa substation with 230 kV output, construction of a 230 kV transmission line from the Aguacapa substation to La Vega II Substation.

4. **EEBIS, Anillo Pacífico Sur Project:** Its area of influence is Escuintla and involves 92.2 km of transmission lines at 230kV, four new substations, two substation reconfigurations and one substation expansion. To date, this project is 97% complete. Pending completion of the Siquinalá - Pantaleón 230Kv line.
   The final objective of the project is to expedite delivery of power supplied by sugar mills to the system through a reliable and robust network.

STRATEGIC GROUPS SUBSIDIARIES

INTERCONNECTION FOR MARKET DEVELOPMENT

TRECSA
It is a Guatemalan electric energy transmission company.
Shareholdings:
96% GEB
4% Edemtec

EEBIS
It provides services to the electric energy industry, including engineering, design and construction of electricity transmission and distribution networks.
Shareholdings:
99.9% GEB
0.001% EEB Gas S.A.S.

5

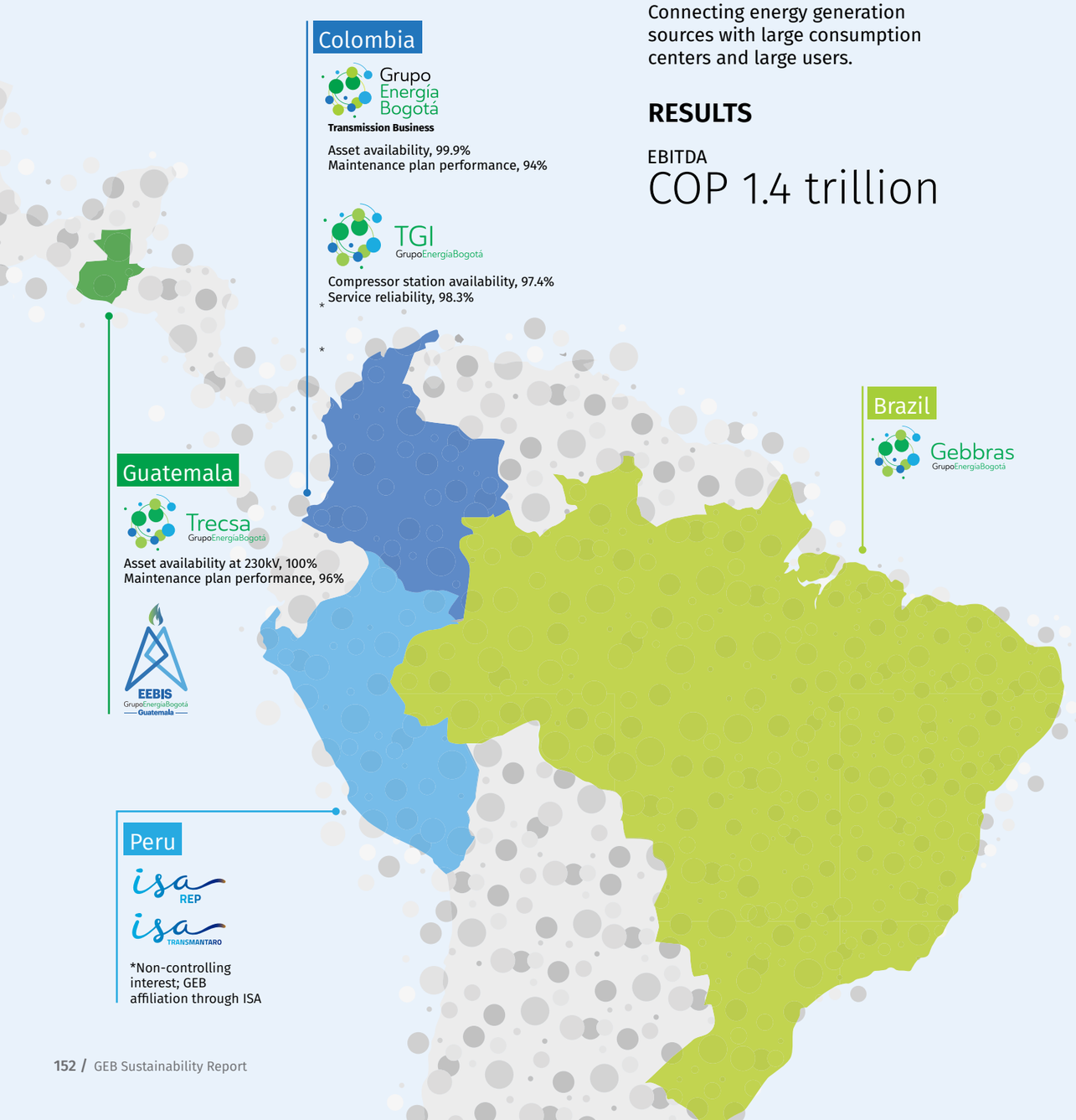
Interconnection for Market Development

SBG 1

Interconnection for Market Development

(103-1) (103-2) (103-3) (102-4)

OPERATING COMPANIES AND COUNTRIES



STRATEGIC FOCUS

Connecting energy generation sources with large consumption centers and large users.

RESULTS

EBITDA

COP 1.4 trillion

RESULTS

Revenues 28%

- Revenues of the Transmission business in Colombia increased by 28%. It was awarded construction of two transformer bays at 500/110 kV at the La Loma substation, and UPME STR 05-2017, for a second transformer in Altamira at 220/115 kV.
- It restored in record time the electric energy service in Mocoa, capital of Putumayo, affected by a landslide in April 2017.
- It refocused its business strategy and took over operation of the Mariquita-Cali gas pipeline, which is 740 kilometers long and supplies natural gas to 48 municipalities in Tolima, Caldas, Risaralda, Quindío and Valle del Cauca, in Colombia.
- In Guatemala, it arranged a 38-month time extension of the agreement for the Expansion Plan of the Energy Transmission System, the most important electric infrastructure project in Central America, covering 866 kilometers of transmission networks.
- In Brazil, Gebbras explored new investment opportunities and launched a cost and expense optimization plan.
- The Anillo Pacífico Sur Project is 98% complete, and will transport power of Guatemalan sugar mills.

PLANS FOR THE NEAR FUTURE

- Structure and establish the Transmission Unit of Grupo Energía Bogotá.
- Grow in high-consumption areas, connecting energy sources to large users.
- Explore potential partners to further expand in the region.
- Promote growth projects in the natural gas value chain.
- Drive revenue growth by redefining the business strategy and further leveraging asset use.

Performance Management of the Transmission Business in Colombia

(103-1) (103-2) (103-3) During 2017, GEB worked on 14 transmission network expansion projects, which will double the number of installed networks to over 3,000 kilometers. Of these projects, nine are part of the National Transmission System (STN, for the Spanish original) at 230 KV and 500 kV, three of the Regional Transmission System (STR, for the Spanish original) at 110 kV and two private networks, with Ecopetrol and Drummond at 230 kV, with total investment of close to USD 1 billion. Construction of three of these was completed in December: Río Córdoba STN, Río Córdoba STR and Drummond 230 kV, which will formally begin operations in January 2018.

The performance indicator for the project timetable (SPI) closed at 0.92%, compared to a planned 0.90%, equivalent to fulfillment of 102%. On the other hand, CAPEX spending on the projects was COP 439,252 million, compared to a budget of COP 498,644 million, equivalent to 88% fulfillment. Revenues increased by 29% compared to 2016 (from COP 233 billion to COP 300 billion), and Ebidta increased by 32% compared to 2016 (from COP 143 billion to COP 189 billion).

Currently, seven of the projects are receiving the expected annual revenues as established in the respective CREG resolutions, and none of the projects has failed to meet the official start-up date, which implied substantial lobbying to request time extensions from the Ministry of Mines and Energy, on the basis of delays in issuing of environmental licenses and force majeure events that are beyond the due diligence of GEB, thanks to which no late delivery penalties have been assessed.

Five gas transportation infrastructure projects were implemented by TGI in Colombia in 2017.

#	Project	Award	Planned start-up	Actual start-up	Estimated start-up	Investment USD (million)	Capex Actual/ Spent	Current status	Rev A/e USD (M)	Rev R since
1	*UPME 02-2009 S/E Armenia and associated transmission lines 230 kV	2/14/2013	11/3/2013	3/26/2018	3/26/2018	23.6	22.0	Construction	1.3	12/2013
2	*UPME 05-2009: S/E Tesalia (Quimbo) and associated transmission lines 230 kV	3/6/2012	8/31/2014	8/23/2018	9/24/2018	124	65.6	Construction	10.9	09/2014
3	UPME 03-2010: S/Es Chivor II, Norte, Bacatá and associated transmission lines 230 kV	4/16/2013	10/30/2015	2/6/2018	3/30/2020	100.5	35	Licensing	5.5	11/2015
4	*UPME 05-2012: Second Circuit Cartagena – Bolívar 220 kV	5/19/2014	3/7/2017	5/13/2018	4/15/2018	83.2	24.1	Construction	11.6	04/2017
5	UPME 01-2013: S/Es Sogamoso – Norte – Nueva Esperanza and associated transmission lines 500 kV	5/7/2014	9/30/2017	5/8/2019	8/30/2019	215.7	57.1	Licensing	21.1	10/2017
6	UPME 01-2014; S/E La Loma 500 kV	4/14/2015	11/30/2016	6/30/2018	12/31/2018	18.8	10.1	Construction	1.3	12/2016
7	UPME 04-2014: Southwestern reinforcement 500 kV	2/12/2015	9/30/2018	9/30/2018	11/9/2019	330	37.7	Licensing	24.4	NA
8	*UPME 06-2014: S-E Río Córdoba 220 kV	10/18/2014	11/30/2016	12/22/2017	1/3/2018	15.1	11.3	Operation	1.8	12/2016
9	**UPME STR 07-2014: Río Córdoba Transformers 220- 110 kV	4/9/2015	11/30/2016	12/22/2017	1/10/2018	5.8	5.1	Testing	0.7	NA
10	UPME 13-2015 STR- section S/E La Loma 110 kV	12/21/2015	6/30/2018	6/30/2018	2/28/2019	41.8	2.9	Study/ Design	7	NA
11	San Fernando Ecopetrol 230 kV project	4/15/2015	6/18/2017	6/26/2018	1/12/2019	31.6	15.3	Construction/Licensing	6	NA
12	*Connection Port Drummond LTD. S-E Río Córdoba 220 kV	12/29/2015	11/30/2016	1/3/2018	1/3/2018	4.2	1.9	Operation	0.9	NA
13	UPME STR 05-2017: Altamira Transformer 230-115 kV	8/15/2017	3/31/2019	3/31/2019	3/31/2019	6.7	0	Study/ Design	0.7	NA
14	Expansion two bays sections S/E La Loma 500 kV	7/24/2017	6/30/2018	6/30/2018	12/31/2018	5.8	0	Study/ Design	0.4	NA
Total Investment USD (million)						**1,007.6**	**288.0**			

Substantial lobbying was carried out with CREG to obtain more flexible regulatory deadlines for starting up the new substation Renacer and its associated transmission lines until March 30, 2020. To achieve this deadline, a Project Manager was appointed to follow up on the various environmental, social, property and construction activities of the lines affected by the new substation.

TGI GrupoEnergíaBogotá

Performance Management (103-2) (103-3)

During 2017, five projects led by the construction area were the most relevant in terms of ensuring supplies and increasing coverage of gas supplies in several municipalities throughout the country. These were performed while fully taking into consideration their social and environmental impacts, as described below:

Loop Zarzal – La Tebaida. Construction of the Armenia Loop, of 36 Km in 8-inch diameter pipe, between PK 219 and the main 20-inch pipeline and the branch derivation to the municipality of La Tebaida: It will increase gas transportation capacity to the municipalities of Caicedonia and Sevilla (Valle del Cauca), La Tebaida, Calarcá, Montenegro,

Armenia, Quimbaya, Filandia, Circasia and Salento (Quindío). The increase is of 8.3 million cubic meters per day (MMSCFD). Impacts: i) It satisfies demand for natural gas in these municipalities. ii) It creates job opportunities for skilled and unskilled labor in the region. iii) It increases consumption of goods and services in the areas of influence. iv) It increases revenues for the municipalities from the distribution of taxes assessed in the region. v) It reduces energy costs thanks to natural gas supplies in the region. vi) Archaeological pieces were found and preserved and geo-technical and environmental protection actions were carried out. Budget: USD 19.2 million

Cusiana Apiay Ocoa Expansion Project. Construction of two natural gas compression stations, one in the municipality of Paratebueno (Cundinamarca) and the other in the municipality of Villavicencio (Meta), with of objective of increasing natural gas transportation capacity by 32 MMSCFD between Cusiana and Apiay, to enable fulfillment of natural gas transportation requests from Cusiana, Apiay and Villavicencio. 7.7 MMSCFD will be channeled through the Apiay-Villavicencio-Ocoa gas pipeline. Impacts: It covers forecast demand for gas transportation for Villavicencio and the thermoelectric plants of Ecopetrol. It increases the transport capacity of the Cusiana-Apiay and Apiay-Ocoa gas pipelines. It creates job opportunities for skilled and unskilled labor in the region. It increases consumption of goods and services in the areas of influence. It increases revenues for the municipalities from the distribution of taxes assessed in the region. Budget: USD 48.2 million.

Cusiana Phase III expansion project. Construction and procurement of compression units, equipment and pipes to expand the Miraflores, Puente Guillermo, Vasconia stations, and upgrades to the Vasconia Hub, with the objective of increasing natural gas transport capacity of the Cusiana-Vasconia gas pipeline by 20 MMSCFD to cover supplier requirements. Impact: It will enable covering unsatisfied demand in important consumption centers in central Colombia, including Medellín and the coffee-growing region. It increases natural gas transport in Colombia and the industry's development. It will enable counterflow transportation at the Ballena-Barrancabermeja gas pipeline. It increases transport capacity on the Vasconia-Barrancabermeja section by 45 MMSCFD. It offers job opportunities for skilled and unskilled labor in the region. It increases consumption of goods and services in the areas of influence. It generates revenues for the municipalities from the distribution of taxes accrued in the region. Budget: USD 31.6 million.

Cusiana Phase IV expansion project. Construction of 39,6 Km of 30" diameter loops. Expansion of the Puente Guillermo gas compression station. Upgrades to the gas compression stations at Miraflores and Vasconia, in order to increase natural gas transport capacity by 58 MMSCFD between Cusiana and Vasconia, 17 MMSCFD starting in 2017 and 58 MMSCFD starting in 2018. Impacts: The project addresses client transport demand requirements (Open season: April 2015). It resolves existing bottlenecks in the system at the La Belleza- Vasconia section (main interested client: Gases de Occidente). It increases natural gas transportation in Colombia and develops the industry. It contributes to reliability and assurance of capacity. It creates job opportunities for skilled and unskilled labor in the region. It increases consumption of goods and services in the areas of influence. It increases revenues for the municipalities from the distribution of taxes assessed in the region. Budget: USD 70.7 million.

Replacement of sections due to end of regulatory useful life Replacement of the following branches in southern Bolívar: Yarigüíes-Puerto Wilches Branch, Z Branch. Industrial Cantagallo-Cantagallo, Cantagallo-San Pablo Branch, Total Galán-Casabe-Yondó, equivalent

Mobility:
Clean and economical

Transportation is one of the sectors that produces most pollution: it accounts for nearly half of gas emissions.

GEB, concerned about this issue, has been carrying out studies and testing aimed at improving air quality and reducing the effects of climate change. A garbage collection and compacting truck and a 250-passenger Transmilenio articulated bus, both equipped to run on natural gas, have clearly demonstrated the advantages of clean mobility for high-performance routes in Bogotá and the rest of the country.

The vehicles, which were factory-built to run on natural gas, demonstrated a 25% reduction in air pollution, 10 times lower noise emissions and 13% savings in fuel expenses compared to conventional vehicle engines. These results represent a golden opportunity for Colombian cities to achieve the standards of large sustainable cities such as London, Paris, Barcelona and Madrid.

The pilot tests on actual roads was a joint effort of GEB, through its affiliate Transportadora de Gas Internacional (TGI), and the Colombian energy sector to develop environmental-friendly mobility options. Gas Natural Fenosa and Ecopetrol participated in the program, with the support of Aguas de Bogotá, among others.

Clean mobility is an imperative need given current environmental pollution and climate change trends. For this reason, TGI expects increased demand for natural gas for use by households, business and transportation in Colombia, and particularly in gas-powered public service vehicles. Its strategy includes activities with vehicle manufacturers, transportation companies, the government and business.

In the world there are over

25 million

Vehicles powered by natural gas. Colombia has the opportunity of promoting this fuel as a sustainable alternative.

to approximately 15.7 Km of pipelines of 2″ diameter and 11.7 Km of pipelines of 4″ diameter, with the objective of replacing four branches that are at the end of their regulatory useful lives according to CREG Resolution 126/2016. **Impacts:** It helps address the problem of illegal connections along the Galán -Yondó pipeline, in order to safely supply natural gas to households that are currently illegally connected to the pipeline. It creates job opportunities for skilled and unskilled labor in the region. It increases consumption of goods and services in the areas of influence. It increases revenues for the municipalities from the distribution of taxes assessed in the region. Budget: USD 16.7 million.

Trecsa GrupoEnergíaBogotá EEBIS GrupoEnergíaBogotá Guatemala

Performance Management (103-2) (103-3)

Trecsa achieved substantial progress in Guatemala in 2017 in terms of the works for the Expansion Plan for the Energy Transport System (PET), and in procuring a time extension of 38 additional months, following successful lobbying with the country's authorities. The PET consists in building 866 kilometers of transmission lines, 11 new substations and expansion of an additional 12 substations. It was awarded to GEB in 2009, and it is the most important energy project in Guatemala, to such an extent that it was declared in the national interest because of its economic and social benefits, due to its positive impact on close to 340 communities in this Central American country.

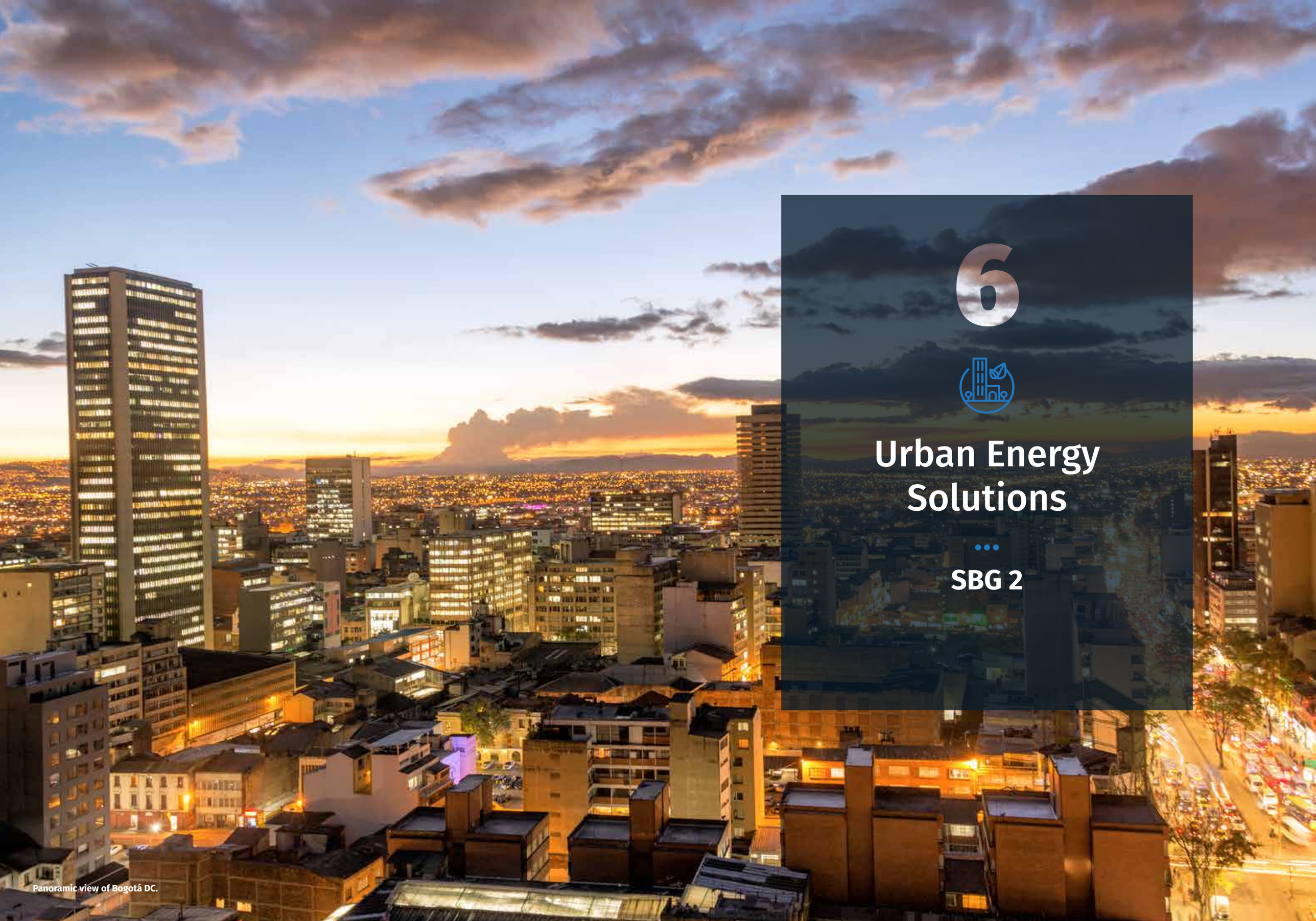
To date, 483 kilometers of transmission lines have been built, of which 421 km are in operation, equivalent to 49% of the project powered up.

On November 21, 2017, the Palestina 230/69 kV substation was powered up, achieving 70% completion of construction. The Palestina substation is an important reinforcement for the Guatemalan National System and for the Anillo Pacífico Sur Project, which will supply power to sugar mills, offering reliability and regulating current voltage in the department of Escuintla.

Similarly, on December 12 the Palestina-Palín section was powered up. Compliance with the availability indicators of the 230kV, 69-138kV assets, inductive and offsetting equipment is above target. It should be pointed out that as of the end of 2017 no penalties for unavailability were assessed against Trecsa.

Trecsa achieved a 49% rate of power-up in the Plan for Expansion of Energy Transport (PET), the most important electric energy project in Guatemala.

TGI Employees in Padua



Panoramic view of Bogotá DC.

6

Urban Energy Solutions

SBG 2

Urban Energy Solutions

103-1, 103-2, 103-3 and 102-4

STRATEGIC FOCUS

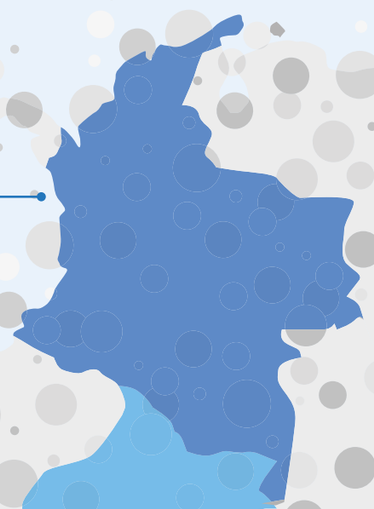
Development of smart energy solutions for large metropolitan areas through its electric energy and gas distribution companies.

RESULTS

EBITDA

COP 0.8 trillion

OPERATING COMPANIES AND COUNTRIES



Colombia

codensa*

gasNatural fenosa*

EMSA*

*Non-controlling interests

Peru

Cálidda GrupoEnergíaBogotá

Asset availability (distribution system), 100%
Maintenance plan performance, 98.4%

ConTugas GrupoEnergíaBogotá

Asset availability (distribution system) 100%

RESULTS

- Progress was made in identifying Latin American mega-cities and studying their natural gas and electricity distribution companies.
- The regulatory frameworks and energy market demand were studied in order to explore growth opportunities and focus management efforts.
- At Cálidda, in 2017 Ebitda increased by 10% compared to 2016, from USD 124 million to USD 137 million, and net income increased 6% from USD 55 million to USD 58 million.

EBITDA 10% | Net Income 6%

- In Peru, Cálidda achieved 114% fulfillment in terms of connected clients (138,405 in 2017) at its concession, covering 40,000 km² to serve 11 million Peruvians, and penetration of 14% in natural gas for vehicles in Lima (over 250,000 automobiles).
- Cálidda aligned with and successfully implemented the Strategic Sourcing Model of Grupo Energía Bogotá.
- Configuration of Cálidda's commercial strategy through its new business units: business-to-business (B2B) and *business-to-consumer* (B2C), and six new non-regulated businesses.
- Contugas deployed its strategy through its Urban Energy Solutions, Mobility Solutions, Industrial Solutions and Large Infrastructure Projects business units in Ica.
- The implementation of its new business strategy has made Contugas a key partner for industrial growth in the areas of Chincha, Ica, Nazca and Marcona in Peru.
- Large social impact of Cálidda and Contugas through their Gas Soup Kitchens and Lima Speaks programs.
- At Contugas, the number of residential users increased by 19.3% to 47,063, and 46 industrial clients were added, achieving an increase in natural gas consumption to 2,609 million cubic feet.

EBITDA 42% | Revenues 34%

- At Contugas, Ebitda increased by 42% from USD 10.4 million to USD 14.8 million and revenues increased by 34% from USD 55.8 million to USD 75 million.

PLANS FOR THE NEAR FUTURE

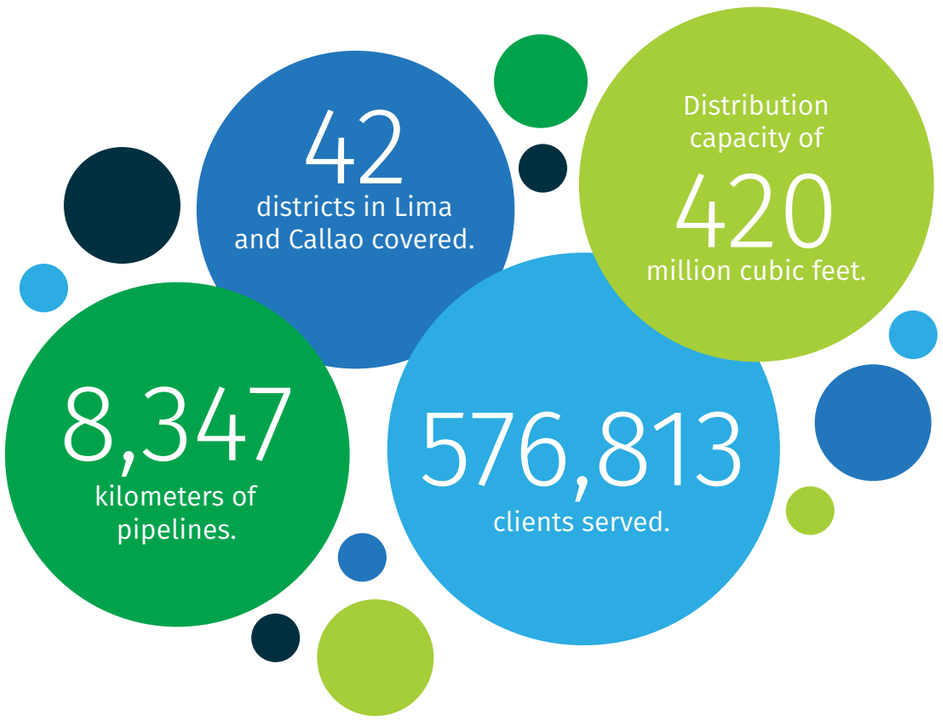
- Development and operation of electric energy and natural gas distribution infrastructure at large consumption centers and mega-cities in Latin America.
- Development of new value-added businesses and services related to smart and efficient use of electricity and natural gas through the SBG companies.

Business Performance Management

Cálidda
GrupoEnergíaBogotá

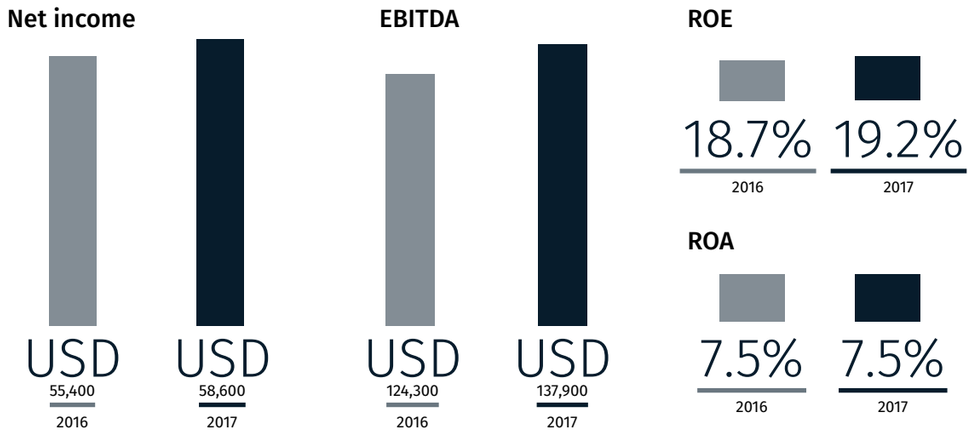
Performance Management (103-2) (103-3)

Cálidda operates the natural gas distribution concession of the department of Lima and the Constitutional Province of Callao. This concession was granted in 2002 for 33 years. Since then, the energy matrix in Lima and Callao has been changing to the point where, as at the end of 2017, Cálidda served over 576,813 clients in 42 districts through a pipeline network of 8,347 km, with distribution capacity of 420 million cubic feet per day (MMPCD).



Cálidda facilities, Peru

Generated, distributed and retained economic value



In 2017, Cálidda's value creation focused on the expansion of the natural gas network and a 31% increase in the number of connections. A household penetration level of 69.6% was achieved (users connected over total users covered by the networks), which implies that massive use of natural gas in Lima and Callao is not yet fully mature. The increase in operating revenues (collections) also translates into greater shared value with stakeholders.

The following are some of the main projects managed by Cálidda:

- Expansion of the Protis S.A. and ERP Cañete network, to supply for the first time industrial, commercial and household clients in the province of Cañete.
- Jorge Chávez Airport, relocation of natural gas networks due to expansion of the terminal.

Performance Management (103-2) (103-3)

In 2017, strategy at Contugas focused on the consolidation of large projects in the Ica region. Major projects were developed in the agro-industrial sector, as well as expansions at current clients' fish processing and ceramic plants.

THERMOELECTRIC PLANT HUMAY-GAZ ET LENERGIE (ADDENDA)

- **Use of gas:** Electricity generation
- **Client:** Gaz Et Lenergie.
- **Consumption:** 37.5 MMpcd (ToP 80%).
- **Monthly Billing (Distribution):** USD 1.8 million
- **Operations start date:** July 15/2019
- **Connection rights:** USD 6.4 million

AGRO-INDUSTRIAL PROJECT

- **Use of gas:** Electricity generation and steam
- **Client:** Sun Fruits, Bodegas Queirolo, Vitivinicola Tacama, among others.
- **Consumption:** 1.14 MMpcd.
- **Operations start date:** May/2018.
- **Connection rights:** USD 0.3 million
- **Monthly Billing (Distribution):** USD 0.1 million

EXPANSION OF INDUSTRIAL SOLUTIONS

- **Use of gas:** Steam
- **Industry Client:** CFG Investment, Pesquera Diamante, LAPROSUR and CAASA
- **Monthly Billing (Distribution):** USD 0.6 million
- **Connection rights:** USD 1.2 million
- **Consumption:** 5.4 MMpcd.

Natural Gas for Vehicles

During 2017, 595 light vehicles were converted to GNV (natural gas for vehicles, for the original in Spanish). The total number of vehicles powered by GNV grew 13.6% compared to 2016. Billings in 2017 grew by 59,793 m^3.

BOOT Results

The following are the results related to the commitments taken on by Contugas with the Peruvian government through the BOOT4 contract, in 2017:

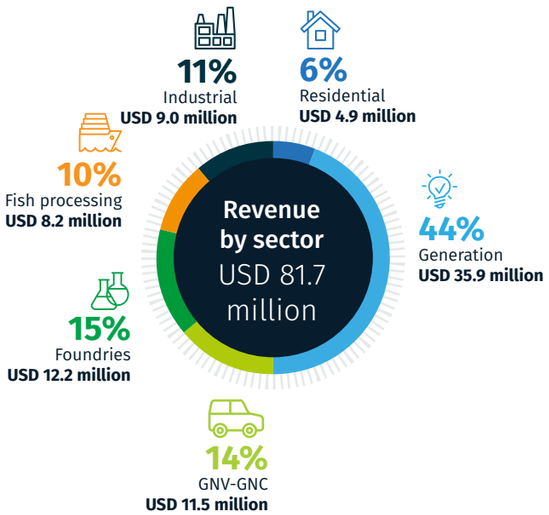
- Growth of 15% in the enablement of clients compared to 2016.
- Fulfillment of 102%, above the BOOT target, during the fourth year.

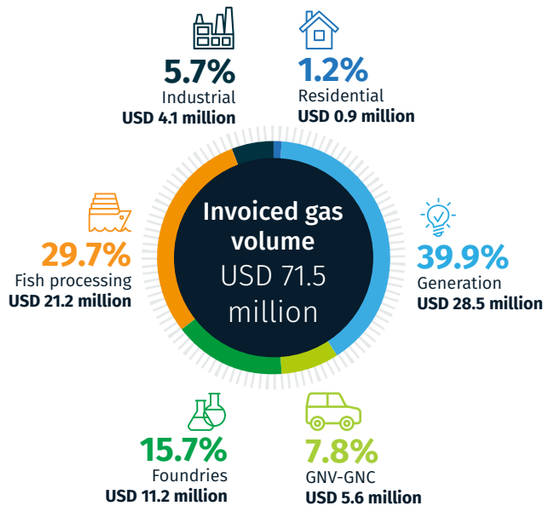
47,018 clients were enabled, out of 50,000 expected (this target is for early fulfillment of the BOOT contract, estimated for 2020).

TGI gas pipeline in Padua

Clients enabled as at year-end 2017

	Chincha	Pisco	Ica	Nazca	Marcona	Total
Commercial clients	76	96	73	2	21	**268**
Industrial clients	32	22	14	1	0	**69**
Residential clients	11,853	9,509	21,872	1,672	2,112	**47,018**





Contugas made substantial efforts to increase the number of clients and users, which enabled continuous progress in the region. As a result, billings of the targeted clients totaled USD 81.2 million in 2017, equivalent to a volume of 71.5 MMpcd.

At Home Billing

One of the main achievements of 2017 was the success of the At Home Billing system. This system enables reading, billing, printing out and delivering the bill in a single step. During the first year of operation, 454,431 bills were issued to residential and commercial clients in the Ica region.

One of the main benefits of the At Home Billing system was the reduction of complaints for non-delivery of bills, which has a high level of impact on customer service, as it may lead to cutting off the service due to non-payment and subsequent reconnection charges. Also, due to strict regulations enforced on this matter by Osinergmin, non-delivery of bills may lead to penalties for the Company.

The reduction of claims enhances service quality and enables compliance with current regulations.

UTILITY SERVICES OF HIGH QUALITY AND REGULATORY COMPLIANCE ARE THE POSITIVE OUTCOMES OF THE AT HOME BILLING PROGRAM OF CONTUGAS.

To the rescue of the archaeological heritage

Rescuing the cultural heritage is of great importance for GEB. The Group clearly understands that its duty goes beyond laying electricity or gas networks, and for this reason it has the support of archaeologists in Peru, Guatemala and Colombia, who help preserve various pieces.

In Colombia, for example, at the Volcanes rural district of Santa Rosa de Cabal (Risaralda), GEB archaeologists, assisted by some 30 people, rescued two stone tombs of the Quimbaya culture.

In Guatemala, through its Trecsa subsidiary, the Group provides support for an archaeological study with the objective of recording, rescuing and studying findings made in the area of influence of the expansion projects of the Transmission System (PET) and Anillo Pacífico Sur, through an agreement with the General Director of Cultural and Natural Heritage of Guatemala.

In Peru, Cálidda has found fragments of pottery from different cultures and periods, and assists in the preservation of the Mangomarca pre-Columbian objects, in the district of San Juan de Lurigancho, northeast from Lima, and in the construction of a cultural center. Other activities carried out include school workshops on the archaeological heritage of Lima and Callao and temporary archaeological exhibitions.

IN 2017, **249** archaeological findings WERE MADE, INCLUDING BURIAL SITES AND SACRED OBJECTS ASSOCIATED WITH DIFFERENT SITES OF THE LIMA, YCHMA AND INCA CULTURES.

Solar panels at GEB headquarters in Bogotá

7

Low Emission Generation

SBG 3

Economic dimension

STRATEGIC DEFINITION

(103-2) (103-3) Low Emission Generation addresses the global need to contribute to the fight against climate change and the efficient use of natural resources. Greater appreciation of environmental services for energy generation and the expected increase in energy demand suggest structural changes in the way we take on responsibility for consumption by end users and the way we manage energy assets.

Globally, energy generation investments have increasingly tended towards renewable sources to promote the reduction of greenhouse gas (GHG) emissions.

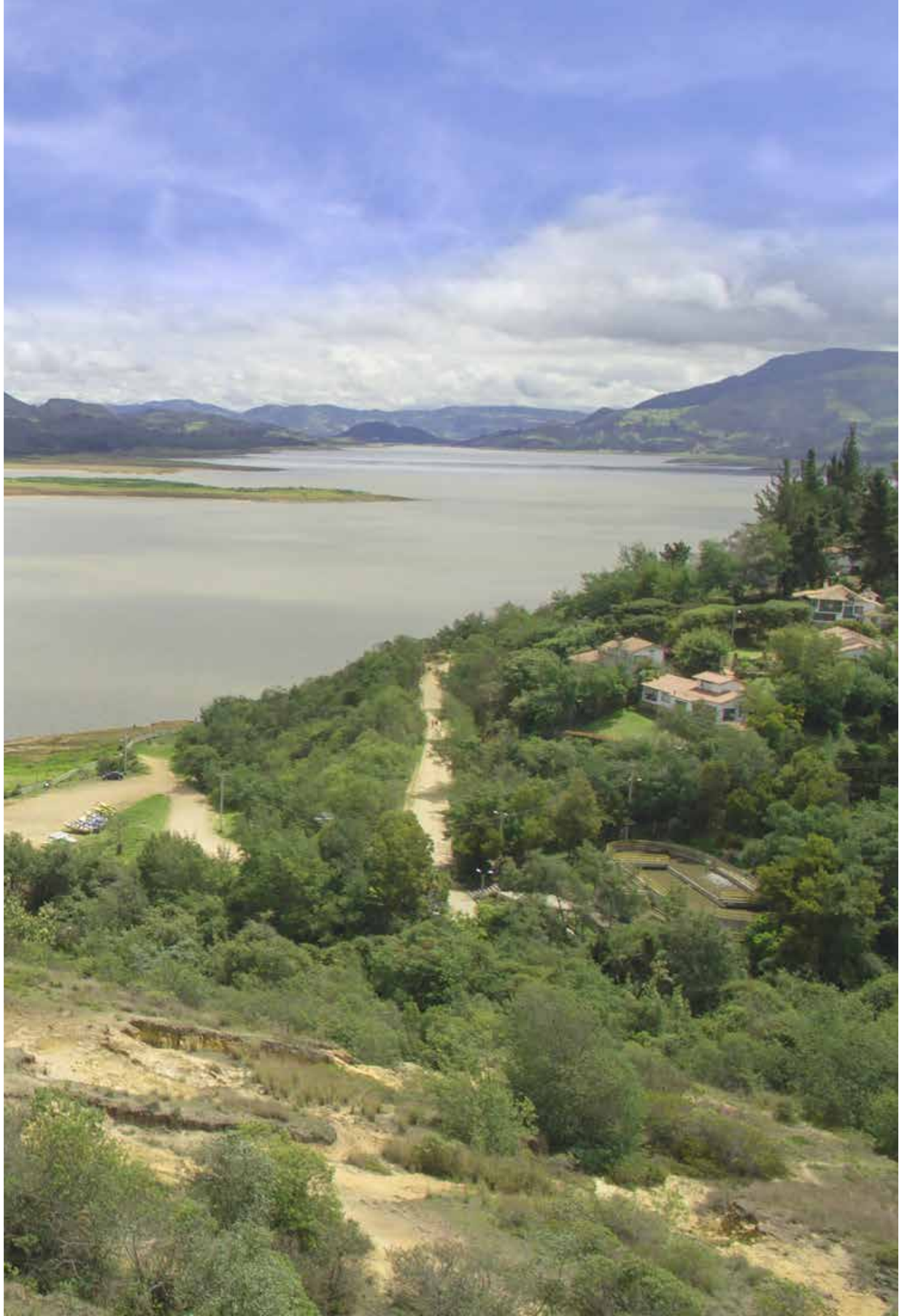
For the Low Emission Generation SBG, a top priority is to seize the market opportunity that arises from the region's alignment with international agreements on climate change and to identify opportunities that emerge from a new energy paradigm in the region.

Regulations on low emission generation and energy efficiency create opportunities for renewable energy, as well as challenges in terms of how to finance them, how to regulate traditional energy models, and technical development to maintain redundancy and reserve systems to ensure stability with generation alternatives other than hydroelectric power, which accounts for the bulk of installed capacity in Colombia.

RESULTS

EBITDA
COP 1.4 trillion

Note: SBG under development. No explicit information is included on the social and environmental dimensions.



Panoramic view of the Tominé reservoir.

According to the International Energy Agency, low-emission fuels and technologies are expected to diversify the energy matrix, and will progressively increase the participation of renewable and non-conventional energy, along with increased recognition of natural gas as a transitional energy source.

GEB, through its Low Emission Generation (GBE) SBG, seeks to protect the climate and natural resources as a long-term advantage and to position itself in the low emission generation value chain (electricity and gas). The SBG's development alternatives focus on renewable energy solutions to facilitate the transition of Colombia and the region towards a sustainable energy matrix, based on a solid innovation model that contributes to the Group's vision of the future.

	Strategic Urban Solutions	Interconnection for Market Development	Low Emission Generation
Strategic focus	Comprehensive energy infrastructure to cover the demands of big smart cities.	Gas market creator in Colombia, and consolidation of a Multi-Latin transmission group.	Development of a low emission generation portfolio based on strategic connections with the best partners.
Essential Capacity	Understanding of the different markets and the expansion needs of cities. Deep regulatory knowledge.	Interconnection of energy sources and big users.	In-depth knowledge of market regulations and demand, and on the inclusion of alternative energies.
Regional Scope	Bogotá, Lima and cities of more than 4 million with high energy consumption, demography and institutions.	Central America and Southeastern Brazil in electric transmission and South America's northern Pacific region in gas.	Colombia and markets where opportunities are identified in the transition of the energy matrix towards renewable energies.

Panoramic view of Bogotá, Colombia

In 2017, the activities of this SBG focused on the materialization of the defined strategy through the identification and assessment of investment opportunities in low emission generation assets in the target markets, as well as on the definition of the process for the identification and selection of potential partners to develop the business.

This work is carried out by an interdisciplinary team of professionals in energy and investments, led by a Vice President's Office that was incorporated into the GEB corporate structure, and which represents a starting point for the Low Emission Generation SBG.

RESULTS (103-2)

Based on its understanding of opportunities for expansion of current hydroelectric generation capacity and the advantages of this sector in terms of social and environmental sustainability and access to capital, GEB has undertaken the search for strategic partners to venture into renewal energy generation outside of Colombia.

Consequently, GEB has developed a mechanism to assess possible partnerships that includes responsible investment and sustainability criteria (also known as ESG), established as minimum requirements that must be fulfilled by possible partners and which will be subject to a closer assessment that will also review operating excellence, technical know-how, sustainability management capabilities and financial capacity.

GOALS (103-2)

To select a strategic partner based on sustainability criteria, to develop capabilities to become a launch pad for investment, growth and transfer of knowledge for GEB.

GEB will continue to advocate and contribute to strengthening regulations related to low emission generation through its participation in industry associations and public consultation events, and will continue to work on gaining a deeper understanding of markets, the competitive environment and the institutional capabilities of government to assertively steer the investments of this SBG in 2018.

It will also search for synergies with the other SBGs on developing solutions that promote the efficient use of energy and renewable resources in rural and urban settings, identifying business opportunities, managing competitive financing and exploring sources focused on the promotion of non-conventional and renewable energy such as the green bonds.

Note: Because this SBG is currently in the consolidation stage, no explicit information is included on the social and environmental dimensions.

8

Annexes

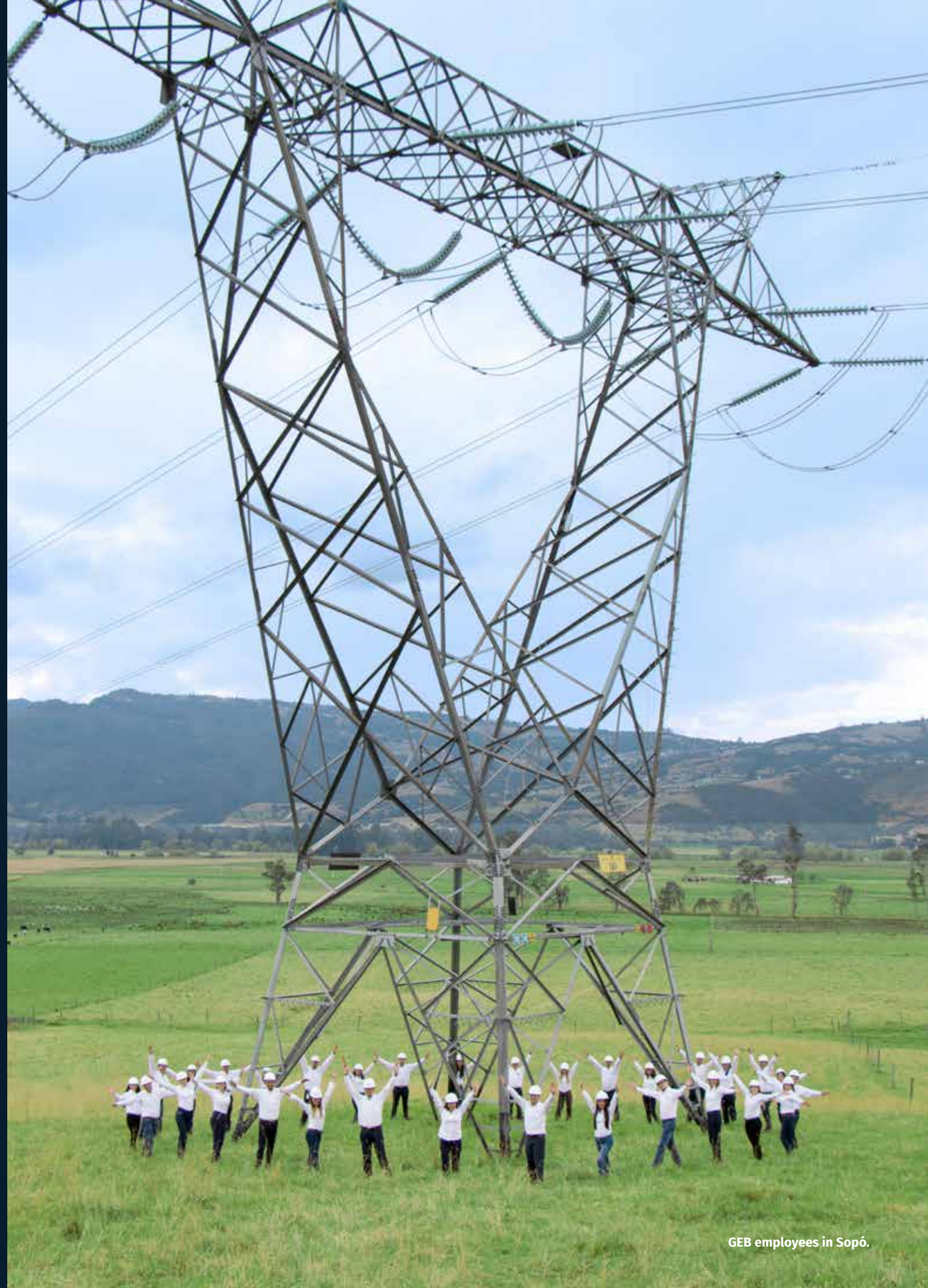
Statutory Auditor's Report

Independent Auditor's Assurance Report

Financial Statements

GRI Table

Sustainability Annexes



GEB employees in Sopó.

Statutory Auditor's Report

February 15, 2018.

To the shareholders of
GRUPO ENERGÍA BOGOTÁ S. A. E.S.P.
(formerly Empresa de Energía de Bogotá S. A. E.S.P.):

REPORT ON THE SEPARATE FINANCIAL STATEMENTS

I have audited the attached financial statements of GRUPO ENERGÍA BOGOTÁ S. A. E.S.P.(formerly Empresa de Energía de Bogotá S.A. E.S.P.), which comprise the statement of financial position as at December 31, 2017, the statements of income and other comprehensive income, of changes in net equity and of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and adequate presentation of these financial statements in accordance with Colombia's Generally Accepted Accounting and Financial Reporting Standards, and for the internal control that management considers appropriate for the preparation and adequate presentation of financial statements that are free from material misstatements, due either to fraud or error; for selecting appropriate accounting policies and for making accounting estimates that are reasonable under the circumstances.

Responsibility of the Statutory Auditor

My responsibility is to issue an opinion on said financial statements based on my audit. I have performed the audit in accordance with the International Auditing Standards accepted in Colombia. Such standards require me to fulfill certain ethical requirements and to plan and perform my audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatements. An audit consists in performing procedures to obtain audit evidence on the amounts and disclosures of the financial statements. The selected procedures depend on the professional judgment of the auditor, including his assessment of the risk of material misstatements in the financial statements. In assessing such risk, the auditor takes into consideration the Company's internal controls that are relevant for the preparation and reasonable presentation of the financial statements, in order to design audit procedures that are appropriate under the circumstances. An audit also includes an assessment of the accounting policies used and the significant accounting estimations made by management, as well as an assessment of the overall presentation of the financial statements.

I believe the audit evidence I have obtained provides a reasonable basis to issue my opinion.

Opinion

In my opinion, the attached financial statements, taken from the accounting books, reasonably present, for all material effects, the financial position of GRUPO ENERGÍA BOGOTÁ S.A E.S.P.(formerly Empresa de Energía de Bogotá S.A. E.S.P.) as at December 31, 2017, the results of its operations and the cash flows for the year then ended, in accordance with Colombia's Generally Accepted Accounting and Financial Reporting Standards.

Emphasis of Matter

Without changing my audit opinion, I call to your attention Note 5 to the attached financial statements, in that the Company decided it was necessary to record adjustments to retained earnings as of January 1 and December 31, 2016 in the amount of COP 400,415 million and COP 290,556 million, respectively, arising from early adoption of IAS 27, related to recording of the equity method of investments in affiliates. The financial statements that had been

issued previously for the year ended on December 31, 2016, have been retrospectively restated to reflect such changes, as if they had occurred on said date.

Other Matters

The financial statements as at December 31, 2016, that had been previously reported, and before the adjustments described in Note 5 to the attached financial statements, were audited by a different statutory auditor designated by Deloitte & Touche Ltda., who issued a clean opinion dated February 23, 2017.

As part of my audit of GRUPO ENERGÍA BOGOTÁ S. A. E.S.P.(formerly Empresa de Energía de Bogotá S. A. E.S.P.) for the year ended on December 31, 2017, I have also audited the adjustments described in Note 5 of the attached financial statements, which were made to restate the Statement of Financial Position as at January 1 and December 31, 2016. In my opinion, such adjustments are appropriate and have been adequately applied.

Consolidated Financial Statements

The attached separate financial statements were prepared in order to comply with legal requirements on statutory information the Company is subject to as an independent legal entity and, consequently, they do not include the adjustments or eliminations required for the presentation of the consolidated financial position and results of the Company and its subsidiaries. These separate financial statements must be read together with the consolidated financial statements of GRUPO ENERGÍA BOGOTÁ S.A E.S.P.(formerly Empresa de Energía de Bogotá S.A. E.S.P.) AND ITS SUBSIDIARIES.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Within the scope of my audit, I report that the Company has carried its accounting in accordance with legal requirements and accounting technique; the transactions recorded in the accounting books, correspondence, account vouchers, book of minutes and shareholder registry are adequately carried and preserved; the management report is consistent with the basic financial statements and includes a management statement on not obstructing the free circulation of invoices issued by vendors or suppliers; and the information contained in the self-prepared statements of payment to the Comprehensive Social Security System, and particularly the information related to affiliated employees and their income for payment effects, has been taken from the accounting records and supporting documents. As at December 31, 2017, the Company is not in arrears in its payments to the Comprehensive Social Security System.

According to Article 1.2.1.4 of Decree 2420/2015, the statutory auditor shall apply the ISAE, in performance of the duties set forth in Article 209 of the Commercial Code, regarding assessment of compliance with by-law provisions and decisions of the Shareholder Assembly or Board, and the assessment of internal control. Also, according to Article 1.2.1.5 of said Decree, for the effects of application of Article 1.2.1.4, the statutory auditor shall not be required to prepare a separate report, but shall be required to express an opinion on each matter contained therein. The Technical Public Accounting Council will issue the required technical guidelines to this effect.

Based on the evidence obtained during my statutory audit of the 2017 period, in my opinion, nothing has caught my attention that would lead me to believe: a) that the actions of the Company's management are not consistent with the bylaws and/or decisions of the shareholders assembly and b) that internal controls measures are non-existent or inadequate regarding accounting, the preservation and custody of Company assets or of third-party assets in its power.

JAIME ALBERTO VARGAS ZAMBRANO
Statutory Auditor License 81.100-T
Designated by Deloitte & Touche Ltda.

KPMG Advisory, Tax & Legal S.A.S.
Calle 90 No. 19C – 74
Bogotá D.C. – Colombia

Teléfono 57 (1) 6188100
www.kpmg.com.co

Report of the Independent Auditor of Limited Assurance for Grupo Energía de Bogotá S.A. E.S.P.

We were engaged by the Board of Directors of **Grupo Energía de Bogotá S.A. E.S.P.** to provide limited assurance on the **Sustainable Management Report** in its Spanish version (Informe de Gestión Sostenible) for the year ended Dec 31, 2017 of **Grupo Energía de Bogotá S.A. E.S.P.** ("the Report"). The revised information is confined in the Report's online published version on the web page https://www.grupoenergiabogota.com/sostenibilidad/informes-de-gestion-sostenible the 23rd of March of 2018.

The Limited Assurance Sustainability Parameters covered by our limited assurance engagement are:

Sustainability Parameters Insured	Standard Insured
Confirmed cases of corruption and measures taken.	205-3
Operation centers owned, leased or managed located within or next to protected areas or adjacent zones of areas with a high biodiversity value.	304-1
Direct GHG emissions (scope 1).	305-1
Indirect GHG emissions product of energy generation (scope 2).	305-2
Types of accidents and accident frequency rates, occupational diseases, lost days, absenteeism and number of deaths due to work-related accidents or occupational diseases.	403-2
Annual average training hours per employee.	404-1
Savings in the procurement procedures in 2017.	Own standard

Management's responsibility

Management are responsible for the preparation and presentation of the Limited Assurance Sustainability Parameters in accordance with the Global Reporting Initiative (GRI) standards Guideline and of the firm's own indicators according to the content described in the subchapter "About this report".

These responsibilities includes establishing such internal controls as management determines are necessary to enable the preparation of the Limited Assurance Sustainability Parameters that are free from material misstatement whether due to fraud or error.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that **Grupo Energía de Bogotá S.A. E.S.P.** complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and Sustainability Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibility

Our responsibility is to express a limited assurance conclusion on **Grupo Energía de Bogotá S.A. E.S.P.** preparation and presentation of the Limited Assurance Sustainability Parameters included in the Report.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

ISAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the Limited Assurance Sustainability Parameters are free from material misstatement. We confirm that we have executed this assignment for the **Grupo Energía de Bogotá S.A. E.S.P.** independently and free of conflicts of interest.

Limited assurance on the Assured Sustainability Parameters

Our limited assurance engagement on the Limited Assurance Sustainability Parameters consisted of making enquiries, primarily of persons responsible for the preparation of the Limited Assurance Sustainability Parameters, and applying analytical and other procedures, as appropriate. These procedures included:

- Interviews with senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- Enquiries of management to gain an understanding of **Grupo Energía de Bogotá S.A. E.S.P.** processes for determining material issues for **Grupo Energía de Bogotá S.A. E.S.P.** key stakeholder groups.
- Enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Limited Assurance Sustainability Parameters.
- Enquiries about the design and implementation of the systems and methods used to collect and report the Limited Assurance Sustainability Parameters, including the aggregation of the reported information.
- Comparing the Limited Assurance Sustainability Parameters to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report.
- Visits to the headquarters in Bogotá D.C., selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria.
- Reading the Limited Assurance Sustainability Parameters presented in the Sustainability Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of **Grupo Energía de Bogotá S.A. E.S.P.**
- Reading the remainder of the Sustainability Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

KPMG

Bogotá D.C. – Colombia
Calle 90 No. 19C - 74

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the Limited Assurance Sustainability Parameters.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for **Grupo Energía de Bogotá S.A. E.S.P.** for the purpose of assisting the Directors in determining whether **Grupo Energía de Bogotá S.A. E.S.P.** Limited Assurance Sustainability Parameters are prepared and presented in accordance with the GRI standards and the Global Reporting Initiative (GRI), as well as the firm's own indicators, and for no other purpose or in any other context.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than **Grupo Energía de Bogotá S.A. E.S.P.** for any purpose or in any other context. Any party other than **Grupo Energía de Bogotá S.A. E.S.P.** who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than **Grupo Energía de Bogotá S.A. E.S.P.** for our work, for this independent assurance report, or for the conclusions we have reached.

Our report is released to **Grupo Energía de Bogotá S.A. E.S.P.** on the basis that it shall not be copied, referred to or disclosed, in whole (save for than **Grupo Energía de Bogotá S.A. E.S.P.** own internal purposes) or in part, without our prior written consent.

Our conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the limited assurance parameters as defined above of the Sustainable Managemet Report of **Grupo Energía de Bogotá S.A. E.S.P.** for the year ended December 31, 2017 is not prepared, and presented, in accordance with the GRI standards, as well as the firm's indicator's calculations developed for the report.

In another document, we will provide the Management of the **Grupo Energía de Bogotá S.A. E.S.P.** an internal report that contains our findings and areas for improvement.

KPMG Advisory, Tax & Legal S.A.S.

Fabián Echeverría Junco
Partner
May 2018

Financial Statements

Grupo Energía Bogotá S. A. E.S.P. and its subsidiaries
(formerly Empresa de Energía de Bogotá S. A. E.S.P and its Subsidiaries)

Consolidated Statement of Financial Position

As at December 31, 2017 and 2016 | In millions of Colombian Pesos

ASSETS	2017	2016 (Restated)	2016 (Restated)
Current assets	December 31		January 01
Cash and cash equivalents (Note 8)	1,569,021	1,341,886	872,430
Financial assets (Note 9)	145,540	207,253	275,962
Accounts receivable (Note 10)	543,917	504,800	487,350
Accounts receivable from related parties (Note 35)	152,642	221,487	213,219
Tax assets (Note 11)	180,873	99,503	90,585
Inventories (Note 12)	175,416	162,280	183,831
Assets available for sale (Note 12)	550,941	-	-
Other assets (Note 14)	27,261	28,752	32,974
Total current assets	**3,345,611**	**2,565,961**	**2,156,351**
Non-current assets			
Investments in affiliates and joint ventures (Note 16)	6,951,662	7,240,141	6,978,405
Property, plant and equipment (Note 17)	9,018,704	8,614,199	9,350,656
Investment properties (Note 18)	210,796	212,559	227,827
Financial assets (Note 9)	14,061	214,382	401,138
Accounts receivable (Note 10)	226,033	172,060	176,107
Goodwill (Note 19)	50,171	50,171	50,171
Intangible assets (Note 20)	3,744,080	3,490,260	3,487,672
Tax assets (Note 11)	105,820	113,536	102,423
Deferred tax assets (Note 26)	97,225	92,504	899,962
Other assets (Note 14)	24,238	33,054	37,536
Total non-current assets	**20,442,790**	**20,232,866**	**21,711,897**
Total assets	**23,788,401**	**22,798,827**	**23,868,248**

LIABILITIES AND EQUITY	2017	2016 (Restated)	2016 (Restated)
Current liabilities	December 31		January 01
Financial liabilities (Note 21)	153,611	401,261	560,640
Accounts payable (Note 22)	431,668	256,411	767,438
Accounts payable to related parties (Note 35)	5,604	1,835	4,307
Employee benefit provisions (Note 23)	79,624	77,841	83,552
Other provisions (Note 24)	141,821	34,195	36,424
Tax liabilities (Note 25)	179,047	229,028	52,038
Other liabilities (Note 27)	193,363	189,209	239,047
Total current liabilities	**1,184,738**	**1,189,780**	**1,743,446**
Non-current liabilities			
Financial liabilities (Note 21)	8,730,150	7,912,933	8,354,222
Current tax liabilities (Note 25)	781	-	-
Accounts payable to related parties (Note 35)	-	-	1,630
Employee benefit provisions (Note 23)	169,514	150,027	165,028
Other provisions (Note 24)	260,918	257,372	246,829
Deferred tax liabilities (Note 26)	1,451,903	1,598,047	2,345,504
Other liabilities (Note 27)	24,246	350,989	365,081
Total non-current liabilities	**10,637,512**	**10,269,368**	**11,478,294**
Total liabilities	**11,822,250**	**11,459,148**	**13,221,740**
Shareholders' equity (Note 29)			
Issued capital	492,111	492,111	492,111
Share premium	837,799	837,799	837,799
Reserves	2,555,404	2,175,357	2,079,205
Retained earnings	6,090,854	5,788,996	4,548,505
Other comprehensive income	1,604,301	1,667,689	2,138,625
Total equity of the parent company	**11,580,468**	**10,961,952**	**10,096,245**
Non-controlling interest	**385,683**	**377,727**	**550,263**
Total equity	**11,966,151**	**11,339,679**	**10,646,508**
Total equity and liabilities	**23,788,401**	**22,798,827**	**23,868,248**

The attached notes form integral part of the financial statements.

ASTRID ÁLVAREZ HERNANDEZ
CEO

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional License No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory auditor (See my attached report)
Designated by Deloitte & Touche Ltda.

Grupo Energía Bogotá S. A. E.S.P. and its subsidiaries
(formerly Empresa de Energía de Bogotá S. A. E.S.P and its Subsidiaries)

Consolidated Statements of Income and Other Comprehensive Income

For the years ended on December 31, 2017 and 2016 | In millions of Colombian pesos, except earnings per share

REVENUE	2017	2016
Natural gas distribution (Note 38)	1,761,679	1,542,174
Natural gas transport (Note 38)	1,221,394	1,316,145
Electricity transmission (Note 38)	339,347	274,508
Total operating revenue	**3,322,420**	**3,132,827**
COSTS AND EXPENSES		
Natural gas distribution (Note 30)	(1,472,090)	(1,384,331)
Natural gas transport (Note 30)	(491,127)	(423,058)
Electricity transmission (Note 30)	(189,453)	(172,350)
Administrative expenses (Note 31)	(137,410)	(103,968)
Other revenues (expenses), net (Note 32)	69,924	30,398
Operating income	**1,102,264**	**1,079,518**
Financial revenues (Note 33)	204,011	173,909
Financial expenses (Note 34)	(597,670)	(509,773)
Gain (loss) in foreign currency translation, net	(35,997)	142,404
Share of profits of affiliates and joint ventures recorded using the equity method (Note 16)	1,029,542	911,481
Pre-tax income	1,702,150	1,797,539
MINUS INCOME TAX (Note 26)		
Current	(299,444)	(281,161)
Deferred	166,189	(160,450)
Consolidated net income for the period	**1,568,895**	**1,355,928**
OTHER COMPREHENSIVE INCOME		
Items not reclassified through profit or loss		
Re-measurement of defined benefit obligations (Note 23)	(22,211)	(53,331)
Net gain in the fair value of assets available for sale	74,486	98,128
Items to be reclassified through income in the future		
Differences in currency translation of foreign transactions	(85,262)	(668,787)
Gain or loss from other comprehensive income of affiliates	(499)	(25,956)
Total other comprehensive income for the period	**(33,486)**	**(649,946)**
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	**1,535,409**	**705,982**
Consolidated net income for the period attributable to:		
Controlling interest	1,500,121	1,288,984
Non-controlling interest	68,774	66,944
	1,568,895	1,355,928
Consolidated comprehensive income for the period attributable to:		
Controlling interest	1,527,453	878,518
Non-controlling interest	7,956	(172,536)
	1,535,409	705,982
EARNINGS PER SHARE		
Basic and diluted	COP 163	COP 140

The attached notes form integral part of the financial statements.

ASTRID ÁLVAREZ HERNANDEZ
CEO

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional License No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory auditor (See my attached report)
Designated by Deloitte & Touche Ltda.

Grupo Energía Bogotá S. A. E.S.P. and its subsidiaries
(formerly Empresa de Energía de Bogotá S. A. E.S.P and its Subsidiaries)

Consolidated Statement of Cash Flow

For the years ended on December 31, 2017 and 2016 | (In millions of Colombian pesos)

CASH FLOWS FROM OPERATING ACTIVITIES:	2017	2016
Net income	1,568,895	1,355,928
Adjustments to reconcile net income to net cash provided by operating activities:		
Income tax recognized through income	133,255	441,611
Share of net income of affiliates and joint ventures	(1,029,542)	(911,481)
Financial expenses	597,670	509,773
Financial income	(204,011)	(173,909)
Depreciation and amortization	331,072	397,643
Loss or (gain) on sale or de-recognition of fixed assets	1,246	(831)
Difference in foreign currency translation	35,997	(142,404)
Provisions and recoveries	17,302	40,597
	1,451,884	**1,516,927**
NET CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Accounts receivable	170,390	(42,915)
Inventories	(28,522)	9,056
Other assets	142,456	8,383
Accounts payable	131,205	(515,146)
Provisions for employee benefits	8,361	48,987
Provisions	210,846	34,379
Other liabilities	2,721	(62,796)
Taxes paid	(374,178)	(86,517)
Net cash flow provided by operating activities	**1,715,163**	**910,358**
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Investments in affiliates	15,243	(88,512)
Dividends received	763,797	916,301
Gain on sale of fixed assets	111	951
Interest received	83,594	77,521
Related parties	11,662	(754,001)
Financial assets	295,315	442,855
Property, plant and equipment	(731,948)	(612,290)
Intangible assets	(414,040)	(310,605)
Net cash flow provided by (used in) investment activities	**23,734**	**(327,780)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends paid	(908,937)	(333,069)
Effect of merger of Codensa - DECSA - EEC	-	279,084
Related parties	(11,410)	(4,102)
Interest paid	(573,847)	(452,062)
Loans received	1,586,008	610,961
Loans paid	(1,616,748)	(221,740)
Net cash flow used in financing activities	**(1,524,934)**	**(120,928)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**213,963**	**461,650**
Effects of exchange rate variations on cash and cash equivalents	**13,172**	**7,806**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS:	**1,341,886**	**872,430**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**1,569,021**	**1,341,886**

The attached notes form integral part of the financial statements.

ASTRID ÁLVAREZ HERNANDEZ
CEO

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional License No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory auditor (See my attached report)
Designated by Deloitte & Touche Ltda.

Grupo Energía Bogotá S. A. E.S.P. and its subsidiaries
(formerly Empresa de Energía de Bogotá S. A. E.S.P and its Subsidiaries)

Consolidated Statement of Changes in Equity

For the years ended on December 31, 2017 and 2016 | In millions of Colombian pesos

	Issued capital	Share premium	Legal	For system upgrades, expansions and replacements	Reserve on equity method of companies	Occasional Reserve Art. 130 Tax Statute	Occasional	Total	Retained earnings	Net gain (loss) in the fair value of assets available for sale	Re-measurement of defined benefit obligations	Differences in currency translation of foreign transactions	Gain or loss from other comprehensive income of affiliates	Total other total comprehensive income items	Non-controlling interest	Total
			Reserves							Other comprehensive income items						
Balances as at January 1, 2016 (restated)	**COP 492,111**	**COP 837,799**	**COP 332,496**	**COP 125,695**	**COP 1,007,093**	**COP 44,557**	**COP 569,364**	**COP 2,079,205**	**COP 4,548,505**	**COP (21,424)**	**COP 10,892**	**COP 1,897,401**	**COP 251,756**	**COP 2,138,625**	**COP 550,263**	**COP 10,646,508**
Appropriations	-	-	-	-	177,148	7,360	(88,356)	96,152	(96,152)	-	-	-	-	-	-	-
Re-measurement of defined benefit obligations	-	-	-	-	-	-	-	-	-	-	(53,331)	-	-	(53,331)	-	(53,331)
Differences in currency translation of foreign transactions	-	-	-	-	-	-	-	-	-	-	-	(429,307)	-	(429,307)	(239,480)	(668,787)
Net gain (loss) in the fair value of assets available for sale	-	-	-	-	-	-	-	-	-	98,128	-	-	-	98,128	-	98,128
Effect of the sale of ISAGEN	-	-	-	-	-	-	-	-	60,470	(60,470)	-	-	-	(60,470)	-	-
Effect of the TGI - IELAH merger	-	-	-	-	-	-	-	-	211,539	-	-	-	-	-	-	211,539
Gain or loss from other comprehensive income of affiliates	-	-	-	-	-	-	-	-	-	-	-	-	(25,956)	(25,956)	-	(25,956)
Dividend distribution	-	-	-	-	-	-	-	-	(224,350)	-	-	-	-	-	-	(224,350)
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,288,984**	**-**	**-**	**-**	**-**	**-**	**66,944**	**1,355,928**
Balances as at December 31, 2016 (restated)	**492,111**	**837,799**	**332,496**	**125,695**	**1,184,241**	**51,917**	**481,008**	**2,175,357**	**5,788,996**	**16,234**	**(42,439)**	**1,468,094**	**225,800**	**1,667,689**	**377,727**	**11,339,679**
Appropriations	-	-	-	-	401,886	8,892	(30,731)	380,047	(380,047)	-	-	-	-	-	-	-
Re-measurement of defined benefit obligations	-	-	-	-	-	-	-	-	-	-	(22,211)	-	-	(22,211)	-	(22,211)
Differences in currency translation of foreign transactions	-	-	-	-	-	-	-	-	-	-	-	(24,444)	-	(24,444)	(60,818)	(85,262)
Net gain (loss) in the fair value of assets available for sale	-	-	-	-	-	-	-	-	-	74,486	-	-	-	74,486	-	74,486
Effect of the sale of ISAGEN	-	-	-	-	-	-	-	-	90,720	(90,720)	-	-	-	(90,720)	-	-
Gain or loss from other comprehensive income of affiliates	-	-	-	-	-	-	-	-	-	-	-	-	(499)	(499)	-	(499)
Dividend distribution	-	-	-	-	-	-	-	-	(908,936)	-	-	-	-	-	-	(908,936)
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,500,121**	**-**	**-**	**-**	**-**	**-**	**68,774**	**1,568,895**
Balances as at January 31, 2017 (restated)	**COP 492,111**	**COP 837,799**	**COP 332,496**	**COP 125,695**	**COP 1,586,127**	**COP 60,809**	**COP 450,277**	**COP 2,555,404**	**COP 6,090,854**	**COP -**	**COP (64,650)**	**COP 1,443,650**	**COP 225,301**	**COP 1,604,301**	**COP 385,683**	**COP 11,966,151**

The attached notes form integral part of the financial statements.

ASTRID ÁLVAREZ HERNANDEZ
CEO

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional License No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory auditor (See my attached report)
Designated by Deloitte & Touche Ltda.

Grupo Energía Bogotá S. A. E.S.P.
(formerly Empresa de Energía de Bogotá S. A. E.S.P.):

Separate Statement of Financial Position

As at December 31, 2017 and 2016 | In millions of Colombian Pesos

ASSETS	**2017**	**2016** (Restated)	**2016** (Restated)
Current assets	December 31		January 01
CURRENT ASSETS			
Cash and cash equivalents (Note 8)	COP 968,678	COP 382,589	COP 120,478
Financial assets (Note 9)	134,459	128,467	56,212
Accounts receivable (Note 10)	30,761	22,013	21,469
Accounts receivable from related parties (Note 36)	128,243	176,443	154,682
Tax assets (Note 11)	54,444	25,195	23,314
Inventories (Note 12)	10,729	9,095	7,805
Other assets (Note 13)	1,409	1,252	1,631
Total current assets	**1,328,722**	**745,054**	**385,591**
Non-current assets			
Investments in subsidiaries (Note 14)	4,929,736	4,750,431	6,494,305
Investments in affiliates (Note 15)	6,280,927	6,012,406	5,845,818
Property, plant and equipment (Note 16)	1,400,425	988,175	721,967
Investment properties (Note 17)	210,796	212,559	214,371
Financial assets (Note 9)	444,655	647,463	855,718
Accounts receivable (Note 10)	13,024	13,723	8,452
Accounts receivable from related parties (Note 36)	1,281,607	1,289,546	1,323,931
Intangible assets (Note 18)	4,253	4,535	4,697
Deferred tax assets (Note 24)	27,509	30,839	117,158
Total non-current assets	**14,592,932**	**13,949,677**	**15,586,417**
Total assets	**COP15,921,654**	**COP 14,694,731**	**COP 15,972,008**

LIABILITIES AND EQUITY	**2017**	**2016** (Restated)	**2016** (Restated)
Current liabilities	December 31		January 01
Financial liabilities (Note 19)	COP 61,570	COP 275,457	COP 65,659
Accounts payable (Note 20)	152,356	39,882	482,645
Accounts payable to related parties (Note 36)	1,329	244,129	499,901
Employee benefit provisions (Note 21)	43,987	43,036	38,598
Tax liabilities (Note 22)	7,818	5,802	6,973
Total current liabilities	**267,059**	**608,307**	**1,093,776**
NON-CURRENT LIABILITIES			
Financial liabilities (Note 19)	3,603,660	2,680,886	2,528,197
Employee benefit provisions (Note 21)	169,514	150,027	96,950
Other provisions (Note 23)	119,555	119,358	113,786
Deferred tax liabilities (Note 24)	178,604	171,602	174,411
Other liabilities (Note 25)	2,794	2,600	2,674
Total non-current liabilities	**4,074,127**	**3,124,473**	**2,916,018**
Total liabilities	**4,341,186**	**3,732,780**	**4,009,794**
Inventories (Note 27)			
Issued capital	492,111	492,111	492,111
Share premium	837,799	837,799	837,799
Reserves	2,555,404	2,175,357	2,079,205
Retained earnings	5,366,088	5,064,230	5,722,597
Other comprehensive income	2,329,066	2,392,454	2,830,502
Total equity	**11,580,468**	**10,961,951**	**11,962,214**
Total equity and liabilities	**COP 15,921,654**	**COP 14,694,731**	**COP 15,972,008**

The attached notes form integral part of the financial statements.

ASTRID ÁLVAREZ HERNANDEZ
CEO

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional License No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory auditor (See my attached report)
Designated by Deloitte & Touche Ltda.

Grupo Energía Bogotá S. A. E.S.P.
(formerly Empresa de Energía de Bogotá S. A. E.S.P.):

Separate Statements of Income and Other Comprehensive Income

For the years ended on December 31, 2017 and 2016 | In millions of Colombian pesos, except earnings per share

REVENUE		
Electricity transmission (Note 28)	298,942	241,609
Equity securities portfolio (Note 29)	1,520,856	1,384,699
COSTS AND EXPENSES		
Electricity transmission (Note 30)	(133,485)	(110,706)
Expenses on equity securities portfolio (Note 31)	(80,186)	(60,744)
Administrative expenses (Note 32)	(49,841)	(55,509)
Other revenues (expenses), net (Note 33)	32,994	26,130
Operating income	**1,589,280**	**1,425,479**
Financial revenues (Note 34)	207,021	151,650
Financial expenses (Note 35)	(294,419)	(240,162)
Net difference in foreign currency translation	8,574	47,523
Pre-tax income	1,510,456	1,384,490
MINUS INCOME TAX (Note 24)		
Current	(4)	(11,995)
Deferred	(10,331)	(83,511)
Net income for the period	**1,500,121**	**1,288,984**
OTHER COMPREHENSIVE INCOME		
Items not reclassified through profit or loss		
Re-measurement of defined benefit obligations (Note 21)	(22,211)	(53,331)
Net gain in the fair value of assets available for sale	74,486	98,128
Items to be reclassified through income in the future		
Valuation of affiliates	(499)	(25,956)
Differences in currency translation of foreign transactions	(24,444)	(396,419)
Total other comprehensive income for the period	**27,332**	**(377,578)**
COMPREHENSIVE INCOME	**1,527,452**	**911,406**
EARNINGS PER SHARE	**COP 163.39**	**COP 140.39**
Basic and diluted		

The attached notes form integral part of the financial statements.

ASTRID ÁLVAREZ HERNANDEZ
CEO

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional License No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory auditor (See my attached report)
Designated by Deloitte & Touche Ltda.

Grupo Energía Bogotá S. A. E.S.P.
(formerly Empresa de Energía de Bogotá S. A. E.S.P.):

Separate Statement of Cash Flow

For the years ended on December 31, 2017 and 2016 | In millions of Colombian pesos

CASH FLOWS FROM OPERATING ACTIVITIES:	**2017**	**2016**
Net income	COP 1,500,121	COP 1,288,984
Adjustments to reconcile net income to net cash provided by operating activities:		
Income tax	10,336	95,506
Gain from equity method	(1,520,856)	(1,384,699)
Depreciation and amortization	20,993	20,195
Gain or loss on sale or de-recognition of fixed assets	1,265	517
Difference in foreign currency translation	(8,574)	(47,523)
Provisions and recoveries	(6,344)	(3,528)
Financial expenses	294,419	240,162
Financial income	(207,021)	(151,650)
Hedging transactions	-	14,045
NET CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Accounts receivable	(16,683)	(11,883)
Inventories	(1,634)	(1,290)
Other assets	(158)	(661)
Accounts payable	112,275	259,382
Related parties	17,017	(379,391)
Intangibles	(617)	162
Provisions for employee benefits	7,782	16,777
Other provisions	10,598	10,883
Other liabilities	(145)	-
Taxes paid	(27,238)	(13,165)
Net cash flow provided by operating activities	**185,536**	**(47,177)**
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Investments in affiliates	(129,186)	(88,512)
Dividends received	1,238,346	916,301
Interest received	159,665	97,058
Financial assets	291,099	233,037
Property, plant and equipment	(432,351)	(298,009)
Net cash flow provided by investment activities	**1,127,573**	**859,875**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(908,936)	(333,069)
Loans to related parties	(246,226)	(255,772)
Interest paid	(250,725)	(171,479)
Loans received	1,300,000	743,000
Loans paid	(627,079)	(512,659)
Net cash provided by financing activities	**(732,966)**	**(529,979)**
Effects of exchange rate variations on cash and cash equivalents	**5,946**	**(20,608)**
NET INCREASE IN CASH	**586,089**	**262,111**
OPENING CASH BALANCE	**382,589**	**120,478**
CASH AT END OF PERIOD	**COP 968,678**	**COP 382,589**

The attached notes form integral part of the financial statements.

ASTRID ÁLVAREZ HERNANDEZ
CEO

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional License No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory auditor (See my attached report)
Designated by Deloitte & Touche Ltda.

Grupo Energía Bogotá S. A. E.S.P. (formerly Empresa de Energía de Bogotá S. A. E.S.P.):

Separate Statement of Changes in Equity

For the years ended on December 31, 2017 and 2016 | In millions of Colombian pesos

	Issued capital	Share premium	Legal	For system upgrades, expansions and replacements	Reserve on equity method of companies	Occasional Reserve Art. 130 Tax Statute	Occasional	Total		Retained earnings	Net gain (loss) in the fair value of assets available for sale	Re-measurement of defined benefit obligations	Valuation of affiliates	Differences in currency translation of foreign transactions	Total	Total equity
			Reserves								Other comprehensive income items					
Balances as at January 01, 2016 (restated)	**COP 492,111**	**COP 837,799**	**COP 332,496**	**COP 125,695**	**COP 1,007,093**	**COP 44,557**	**COP 569,364**	**COP 2,079,205**		**COP 5,722,597**	**COP (21,424)**	**COP 10,891**	**COP 41,332**	**COP 2,799,703**	**COP 2,830,502**	**COP 11,962,214**
Net income for the period	-	-	-	-	-	-	-	-		1,288,984	-	-	-	-	-	1,288,984
Appropriations	-	-	-	-	177,148	7,360	(88,356)	96,152		(96,152)	-	-	-	-	-	-
Effect of the TGI - IELAH merger	-	-	-	-	-	-	-	-		(1,687,319)	-	-	-	-	-	(1,687,319)
Net gain (loss) in the fair value of assets available for sale	-	-	-	-	-	-	-	-		-	98,128	-	-	-	98,128	98,128
Effect of the sale of ISAGEN	-	-	-	-	-	-	-	-		60,470	(60,470)	-	-	-	(60,470)	-
Re-measurement of defined benefit obligations	-	-	-	-	-	-	-	-		-	-	(53,331)	-	-	(53,331)	(53,331)
Valuation of affiliates	-	-	-	-	-	-	-	-		-	-	-	(25,956)	-	(25,956)	(25,956)
Differences in currency translation of foreign transactions	-	-	-	-	-	-	-	-		-	-	-	-	(396,419)	(396,419)	(396,419)
Dividend distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**(224,350)**	**-**	**-**	**-**	**-**	**-**	**(224,350)**
Balances as at Saturday, December 31, 2016 (restated)	**492,111**	**837,799**	**332,496**	**125,695**	**1,184,241**	**51,917**	**481,008**	**2,175,357**		**16,234**	**(42,440)**	**15,376**	**2,403,284**	**2,392,454**	**10,961,951**	377,727
Net income for the period																-
Appropriations	-	-	-	-	-	-	-	-		-	-	-	-	-	1,500,121	-
Net gain (loss) in the fair value of assets available for sale	-	-	-	-	401,886	8,892	(30,731)	380,047		-	-	-	-	-	-	(60,818)
Effect of the sale of ISA	-	-	-	-	-	-	-	-		74,486	-	-	-	74,486	74,486	-
Re-measurement of defined benefit obligations	-	-	-	-	-	-	-	-		(90,720)	-	-	-	(90,720)	-	-
Valuation of affiliates	-	-	-	-	-	-	-	-		-	(22,211)	-	-	(22,211)	(22,211)	-
Differences in currency translation of foreign transactions	-	-	-	-	-	-	-	-		-	-	(499)		(499)	(499)	-
Dividend distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**(24,444)**	**(24,444)**	**(24,444)**	68,774
Balances as at January 31, 2017 (restated)	**COP 492,111**	**COP 837,799**	**COP 332,496**	**COP 125,695**	**COP 1,586,127**	**COP 60,809**	**COP 450,277**	**COP 2,555,404**		**COP -**	**COP -**	**COP -**	**COP -**	**COP -**	**COP (908,936)**	COP 11,580,468

The attached notes form integral part of the financial statements.

ASTRID ÁLVAREZ HERNANDEZ
CEO

JULIO HERNANDO ALARCÓN VELASCO
Accounting Manager
Professional License No. 53.918-T

JAIME ALBERTO VARGAS ZAMBRANO
Statutory auditor (See my attached report)
Designated by Deloitte & Touche Ltda.

GRI Contents Index

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
GRI 101: Foundation 2016						
General disclosures						
GRI 102: General disclosures 2016						
Organizational profile						
102-1	Name of the organization	Grupo Energía Bogotá		✔		
102-2	Activities, brands, products and services	Profile Pages 144 to 151		✔		
102-3	Location of headquarters	Main Office Cra. 9 # 73-44 Piso 6 Telephone number: (57 1) 3268000 - FAX: (57 1) 3268010 Bogotá D.C., Colombia		✔		
102-4	Location of operations	Profile Pages 154 and 164		✔		
102-5	Ownership and legal form	Grupo Energía Bogotá S.A. E.S.P.		✔		
102-6	Markets served	Profile Pages 154 and 164		✔		
102-7	Scale of the organization	Profile Pages 104, 108 and 125 Annexes on human talent		✔		
102-8	Information on employees and other workers	Profile, Pages 104, 108 and 125 Annexes on human talent. All employees are hired on a full-time basis. Sections d. and e. do not apply to GEB, because no significant changes have taken place. GEB does not have a significant labor force of contractors or third parties acting on its behalf.		✔	8	
102-9	Supply chain	Pages 46, 47, 89 and 91		✔		2
102-10	Significant changes to the organization and its supply chain	Pages 93 and 96		✔		2
102-11	Precautionary Principle or approach	Page 56 to 58. Environmental management at GEB also applies the precautionary principle in accordance with Principle 15 of the Rio Declaration of the UN on the Environment and Development.		✔		
102-12	External initiatives	Asociación de Empresas de Servicios Públicos ANDESCO Asociación Nacional de Empresarios de Colombia (ANDI) Asociación Nacional de Instituciones Financieras (ANIF) Asociación Colombiana de Generadores Energía Eléctrica (ACOLGEN) Asociación Nacional de Empresas Generadoras (ANDEG) ProBogotá Comisión de Integración de Energía Regional (CIER) Comité Colombiano de la CIER (COCIER) Instituto Colombiano de Gobierno Corporativo Corporación Centro de Investigación y Desarrollo Tecnológico del Sector Eléctrico (CIDET) World Energy Council (WEC) Dow Jones Sustainability Index since 2012 in the emerging markets category Carbon Disclosure Project - CDP Driving Sustainable Economies Issuers of the Colombian Securities Exchange and IR recognition for transparency and information disclosure practices. Members of the Corporate Governance Committee of the Colombian Securities Exchange Corporación Reconciliación Colombia – Founding members Red Pacto Global Colombia – Business for Peace Red Nacional de Programas Regionales de Desarrollo y Paz Colombian Security Council Integrated Management System in accordance with ISO 9001, ISO 1401, and OSHAS 18001 standards Energy management system in accordance with ISO 50001:2011 standards		✔		
102-13	Membership of associations			✔		18

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
Strategy						
102-14	Statement from senior decision-maker	Page 8		✔		19
Ethics and integrity						
102-16	Values, principles, standards, and norms of behavior	Pages 34 to 43		✔	16	12, 13 and 14
102-17	Mechanisms for advice and concerns about ethics	Pages 36 to 43			16	12, 13 and 14
Governance						
102-18	Governance structure	Pages 25 to 31		✔	5	1
102-20	Executive-level responsibility for economic, environmental, and social topics	Pages 30 and 31				1, 2
102-22	Composition of the highest governance body and its committees	Pages 26 to 29			5, 16	1
102-23	Chair of the highest governance body	Page 26			16	1
102-24	Nominating and selecting the highest governance body and its committees	Pages 31 and 32			5, 16	1
102-25	Processes through which the highest governance body prevents and manages possible conflicts of interest	Page 33			16	1, 2, 20
102-32	Highest governance body's role in reviewing and approving sustainability reports and ensuring that all material matters are included	Page 7				1, 2
102-35	Remuneration policies for the highest governance body and senior management	Page 32	Senior management remuneration policies are not reported			1
Stakeholder participation						
102-40	List of stakeholder groups	Page 53		✔		21
102-41	Collective bargaining agreements	Page 125 Annexes on human talent		✔	8	
102-42	Identifying and selecting stakeholders	Page 53		✔		21
102-43	Approach to stakeholder engagement	Page 52 Annex on stakeholders		✔		21
102-44	Key topics and concerns raised	Page 52 Annex on stakeholders		✔		21
Practices for preparation of this report						
102-45	Entities included in the consolidated financial statements	Page 7 The information contained in this Sustainability Report includes information of Grupo Energía Bogotá S.A. E.S.P., Transportadora de Gas Internacional S.A. E.S.P., Transportadora de Energía de Centroamérica S.A., Contugas S.A.C and Cálidda Gas Natural de Lima y Callao S.A.		✔		
102-46	Defining report content and topic Boundaries	Page 54		✔		
102-47	List of material topics	Page 55		✔		
102-48	Restatements of information	Throughout this report any changes in figures, scope and limits are reported, as applicable		✔		
102-49	Changes in reporting	The 2016 only included information of Grupo Energía Bogotá S.A. E.S.P.		✔		
102-50	Reporting period	Page 7		✔		
102-51	Date of most recent report	Page 7		✔		

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
102-52	Reporting cycle	Page 7		✔		
102-53	Contact point for questions regarding the report	Page 7		✔		
102-54	Claims of reporting in accordance with the GRI Standards	Page 7		✔		
102-55	GRI Contents Index	Pages 180 to 191		✔		
102-56	External assurance	Page 7		✔		
SPECIFIC CONTENTS - MATERIAL TOPICS						
Legal and regulatory compliance GRI 103: Management approach 2016 | GRI 205: Anti-corruption 2016						
103-1	Explanation of the material topic and its Boundary	Page 34				
103-2	The management approach and its components	Pages 34 to 43				
103-3	Evaluation of the management approach	Pages 34 to 43				
205-2	Communication and training about anti-corruption policies and procedures	Page 40	The percentage of suppliers, employees, in-house contractors and investors who were trained in anti-corruption is not reported		16	12, 13, 14
205-3	Confirmed incidents of corruption and actions taken	Page 38 No legal cases have been filed regarding corruption against the organization or its employees.		✔	16	12, 13, 14
Corporate governance: GRI 103: 2016 Management Approach						
103-1	Explanation of the material topic and its Boundary	Pages 24 and 25				
103-2	The management approach and its components	Pages 32 and 33				
103-3	Evaluation of the management approach	Pages 24 and 25				

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
GOB1	Attendance of members of the Board of Directors	Pages 26 and 27			16	
Creating value for shareholders: GRI 103: Management approach 2016 | GRI 201: Economic Performance						
103-1	Explanation of the material topic and its Boundary	Pages 12 to 21				
103-2	The management approach and its components	Pages 12 to 21				
103-3	Evaluation of the management approach	Pages 12 to 21				
201-1	Economic value generated, distributed and retained	Annexes			9	15
VAL1	Capital structure	Page 14			16	
VAL2	Operating revenue, net income and Ebitda	Page 14			16	
Service reliability GRI 103: 2016 Management Approach						
103-1	Explanation of the material topic and its Boundary	Pages 154, 156 and 164				
103-2	The management approach and its components	Pages 154 to 161 and 165 to 171				
103-3	Evaluation of the management approach	Pages 154 to 161 and 165 to 171				
Sustainable supply chain: GRI 103: Management approach 2016 | GRI 204: Procurement practices 2016 | GRI 308: Supplier environmental assessment 2016 | GRI 414: Supplier social assessment 2016						
103-1	Explanation of the material topic and its Boundary	Pages 88 to 99				
103-2	The management approach and its components	Pages 88 to 99				

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
103-3	Evaluation of the management approach	Pages 88 to 99				
204-1	Proportion of spending on local suppliers	Page 91	Only the amount paid to national and international suppliers is reported. No percentage breakdowns are provided			
308-1	New suppliers that were screened using environmental criteria	Page 93	The percentage of suppliers screened using these criteria is only reported for Cálidda and TGI			
414-1	New suppliers that were screened using social criteria	Page 93	The percentage of suppliers screened using these criteria is only reported for Cálidda and TGI			
Safety and health at work GRI 103: Management approach 2016 | GRI 403: Occupational health and safety						
103-1	Explanation of the material topic and its Boundary	Pages 115 to 124				
103-2	The management approach and its components	Pages 115 to 124				
103-3	Evaluation of the management approach	Pages 115 to 124				
403-1	Workers representation in formal joint management–worker health and safety committees	Page 118 and 124				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Pages 119, 120 and 123	Injury and absenteeism rates are not broken down by region and gender. The indicators cover critical contractors (highest risk) in operating, maintenance, project and corporate activities. Sick leaves are recorded starting on the date on which they were issued. Lost days are quantified based only on working days.	✔	3	2, 6, 7, 8
403-3	Workers with high incidence or high risk of diseases related to their occupation	Page 120				
403-4	Health and safety topics covered in formal agreements with trade unions	Page 120	Only information for GEB is reported			
EU17	Days worked by contractors and sub-contractors involved in construction, operation and maintenance activities	Page 120	Information on hours worked is only reported for GEB			
SST1	Indicators on frequency and severity of incidents leading to lost time by employees and contractors	Pages 119 and 123			3	2, 6, 7, 8
Talent Management: GRI 103: Management approach 2016 | GRI 202: Market presence 2016 | GRI 401: Employment 2016 | GRI 402: Labor/management relations 2016 | GRI 404: Training and education 2016 | GRI 405: Diversity and equal opportunity 2016 | GRI 406: Non-discrimination						
103-1	Explanation of the material topic and its Boundary	Pages 100 to 114				
103-2	The management approach and its components	Pages 100 to 114				
103-3	Evaluation of the management approach	Pages 100 to 114				

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
202-2	Proportion of senior management hired from the local community	Page 111	The indicator is only reported for Cálidda and Contugas. At Contugás, 50% of the members of the executive committee are Peruvian			
401-1	New employee hires and employee turnover	Page 125 Annexes on human talent	Hiring information is not reported		8	6, 7, 8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	108, 111	Only information for GEB and Cálidda is reported		8	6, 7, 8
401-3	Parental leave	Page 125 Annexes on human talent			5	6, 7, 8
402-1	Minimum notice periods regarding operational changes	GEB does not have a pre-defined minimum number of weeks of advance notice prior to significant operating changes that would substantially affect employees.				6, 7, 8
404-1	Average hours of training per year per employee	Pages 106, 107, 109, 110, 111 and 113	During 2017, a process of aligning procedures to measure employee training was carried out at GEB companies, and consequently no standardized information is available by employee type, and some records do not include hours of training (as in the case of Cálidda). In 2018, the information will be consolidated to cover the entire Group.	✔	5, 8	6, 7, 8
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 106 and 111	Only information for GEB and Cálidda is reported		8	6, 7, 8
404-3	Percentage of employees receiving regular performance and career development reviews	Pages 107, 109, 112 and 114	Only information for GEB and Contugas is reported		5, 8	6, 7, 8

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
405-1	Diversity of governance bodies and employees	Page 125 Annexes on human talent			5, 8	6, 7, 8
405-2	Ratio of basic salary and remuneration of women to men	Page 125 Annexes on human talent			5, 1	6, 7, 8
406-1	Incidents of discrimination and corrective actions taken	Page 108	Only information for GEB is reported			6, 7, 8
EU15	Percentage of employees eligible for retirement within the next 5 and 10 years by employee type and region	Pages 108 and 114	Only information for GEB and Contugas is reported		8	6, 7, 8
Community development: GRI 103: Management approach 2016 | GRI 203: Indirect economic impacts 2016 | GRI 412: Human Rights Assessment | GRI 413: Local communities 2016						
103-1	Explanation of the material topic and its Boundary	Pages 125 to 141				
103-2	The management approach and its components	Pages 125 to 141				
103-3	Evaluation of the management approach	Pages 125 to 141				
203-2	Significant indirect economic impacts	Page 130	Only information for GEB is reported		11	
412-1	Operations that have been subject to human rights reviews or impact assessments	Page 126	Only information for the Interconnection for Market Development SBG is reported		11	

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
413-1	Operations with local community engagement, impact assessments, and development programs	Page 129 Annex on social development initiatives	Only information for GEB and TGI is reported		11	
Promotion and respect for Human Rights: GRI 103: Management approach 2016 | GRI 407: Freedom of association and collective bargaining 2016 | GRI 408: Child labor 2016 | GRI 409: Forced or compulsory labor 2016						
103-1	Explanation of the material topic and its Boundary	Pages 61 and 62				
103-2	The management approach and its components	Pages 61 and 62				
103-3	Evaluation of the management approach	Pages 61 and 62				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 99				
408-1	Operations and suppliers at significant risk for incidents of child labor	Page 99				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 99				

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
410-1	Security personnel trained in human rights policies or procedures	Page 141	Only the indicator for Contugas is presented			
Contribution to Sustainable Development Goals GRI 103: 2016 Management Approach						
103-1	Explanation of the material topic and its Boundary	Pages 50 and 51				
103-2	The management approach and its components	Pages 50 and 51				
103-3	Evaluation of the management approach	Pages 50 and 51				
SPECIFIC CONTENTS - NON-MATERIAL TOPICS						
Environmental performance: GRI 103: Management approach 2016 | GRI 302: Energy 2016 | GRI 303: Water 2016 | GRI 304: Biodiversity 2016 | GRI 305: Emissions 2016 | GRI 306: Effluents and waste 2016						
103-1	Explanation of the material topic and its Boundary	Pages 64 to 85				
103-2	The management approach and its components	Pages 64 to 85				
103-3	Evaluation of the management approach	Pages 64 to 85				
304-1	Operational sites in, or adjacent to, protected areas and areas of high biodiversity value	Pages 66, 67, 68 and 79 Environmental performance annex	Only information for GEB, Trecsa and Contugas is reported Electric energy transmission at 230 kV is performed through air cables, and for the effects of this report the distance in km is taken into consideration.	✔		
304-2	Significant impacts of activities, products, and services on biodiversity	Pages 68 to 70 and 79 Environmental performance annex	Examples of impacts are only presented for GEB (transmission) and Contugas			
304-3	Habitats protected or restored	Pages 70 to 72 and 80	Information is only presented for GEB, Trecsa and Cálidda		6, 14, 15	9, 10, 11

GRI Standard	Table of Contents	Location	Omissions	External assurance	SDG	Advanced Global Compact
305-1	Direct and indirect GHG emissions (scope 1) (ton, CO2)	Pages 73 to 75 and 83	Group companies are in the process of measuring the greenhouse gas inventories according to corporate guidelines. An organizational carbon footprint covering all operations is expected to be consolidated in 2018. The progress made by Contugas in 2017 is reported, with the following omissions: it does not include the GHG included in the inventory, biogenic CO2 emissions in CO2 equivalent metric tons, the baseline year for calculation, the source of the emission factors, the global warming potential (GWP) rates used or a reference to a GWP source and standards, the methodologies, the assumptions and/or the calculation tool used. The scope of information assurance only covers direct and indirect emissions of the operation in Colombia of GEB transmission.	✔	13, 14	9, 10 and 11
305-2	Direct and indirect GHG emissions (scope 2) (ton, CO2)	Page 73 and 83	Group companies are currently in the process of measuring greenhouse gas inventories according to corporate guidelines. An organizational carbon footprint covering all operations is expected to be consolidated in 2018. The progress made by Contugas in 2017 is reported, with the following omissions: it does not include the GHG included in the inventory, biogenic CO2 emissions in CO2 equivalent metric tons, the baseline year for calculation, the source of the emission factors, the global warming potential (GWP) rates used or a reference to a GWP source and standards, the methodologies, the assumptions and/or the calculation tool used. The scope of information assurance only covers direct and indirect emissions of the operation in Colombia of GEB transmission	✔	13, 14	9, 10 and 11
305-3	Other indirect GHG emissions (scope 3) (ton, CO2)	Page 75 and 83	Emissions are only reported for GEB and Contugas		13, 14	9, 10 and 11
305-5	Reduction of GHG emissions	Page 74	Only information for GEB is reported		13, 14	9, 10 and 11

STAKEHOLDERS

(102-40) (102-43) (102-44) Stakeholders, mechanisms and frequency of relations, and relevant topics

Stakeholder group	Mechanisms for relations	Frequency of relations	Relevant topics	2017 Results
Shareholders and investors	Sustainability Report	Annual	Stock performance information with shareholders and investors, graphs on stock performance, financial achievements and challenges for the upcoming year.	
	Corporate governance report	Annual	Progress on implementation of *Código País* and Regulation 028/2015 and challenges for the upcoming year.	
	Quarterly performance reports of GEB, TGI and Cálidda	Quarterly	Financial, commercial and operating	
	Conference on performance of GEB, TGI and Cálidda	Quarterly	Financial, commercial and operating	
Customers	Only Calidda and Contugas have customers / satisfaction surveys, performance indicators, talks, workshops and activations	Annual	Mechanisms are in place for petitions, claims and complaints, citizen participation, education plans, information for neighbors and feedback that enable managing impacts, promote the safe use of natural gas and prevent damages.	
Employees	Blog	Weekly	› Corporate governance › Audit and internal control › Human Talent Management › Wellbeing › Organizational changes › Benefits and non-salary and extra-contractual remuneration › Work environment › Organizational culture › Strategic planning	
	Digital platforms	Ongoing		
	E-mail	Ongoing		
	Ethical Channel	As required		
	Work coexistence committee	Quarterly		
	TVs in offices	Weekly		
	Strategy meetings	Annual		

Stakeholder group	Mechanisms for relations	Frequency of relations	Relevant topics	2017 Results
Authorities	Environmental compliance reports	Biannual	› Offsetting for loss of biodiversity › Change in soil use › Rehabilitation of habitats for non-vascular epiphytes › Social investment projects › Strategic partnerships › Creation of jobs and opportunities › Environmental management plans	
	Biannual report on lifting of bans	Biannual		
	Negotiations on environmental offsetting	Monthly		
	Field visits	As required		
	Meetings, briefings	As required		
	Newsletters	As required		
	Response to complaints, petitions and claims	As required		
	Website	Ongoing		
	E-mail	Ongoing		
	Work meetings	As required		
	Telephone line	Ongoing		
	Sustainability Report	Annual		
Communities	Invitations to meetings	Ongoing	› Shared Value Projects › Forestry offsetting to be performed in the area of indirect influence › Price negotiation and offsetting of effects › Negotiation of rights of way (land) › Negotiation of environmental matters › Environmental Impact Assessment results › Ethics and transparency › Biodiversity and water protection › Construction process and gas installation	
	Citizen and/or community participation workshops	Ongoing		
	Communications office and social management area	As required		
	Relationship-building meetings	As required		
	Meetings, briefings	As required		
	Newsletters	As required		
	Response to complaints, petitions and claims	Ongoing		
	Website	Ongoing		
	Telephone line	Ongoing		
	E-mail	Ongoing		
	Sustainability Report	Annual		
	Broadcast pieces	As required		
	Ethical Channel	Ongoing		
Opinion formers	Events, talks, press conferences and press releases	Monthly	Financial information, stock information, relevant events	
Suppliers	Website	Ongoing	› Contracting process › Bidding processes › Social management › Ethics and transparency › Policies › Manuals and procedures › Sourcing model › Cooperation strategic partnerships	
	Surveys	As required		
	E-mail	Ongoing		
	On-site inspections	Unannounced		
	Ethical Channel	Ongoing		
	Telephone line	Ongoing		
	Sustainability Report	Annual		
	Work meetings	As required		

ECONOMIC PERFORMANCE

(201-1) Direct economic value generated and distributed

	Amounts in millions of Pesos
Operating revenues	3,322,420
Financial revenues (interest, dividends, others)	204,011
Income from equity method	1,029,542
Other non-operating revenues	69,924
DIRECT ECONOMIC VALUE GENERATED	**4,625,896**
Operating costs (property leases, license fees, royalties, contractor payments, among others)	1,477,267
Salaries and employee benefits (salaries, pension contributions, insurance, indemnities, payroll taxes, among others)	215,571
Dividends to shareholders (profit distribution proposal)	908,936
Interest payments	597,670
Payments to governments, by country (taxes, fines, penalties, permits, among others)	**427,572**
Colombia	338,454
Peru	84,989
Guatemala	4,082
Brazil	47
Investments in communities	**9,246**
Colombia	7,213
Peru	1,103
Guatemala	930
DIRECT ECONOMIC VALUE DISTRIBUTED	**3,636,261**
ECONOMIC VALUE RETAINED	**989,635**

SOCIAL DEVELOPMENT-IDM

(413-1) Development programs, impact assessments and participation in local communities of GEB

GEB transmission / Areas	Projects	Current stage	Program type	Description
NORTH AREA, based in Santa Marta (Magdalena): It covers the departments of Atlántico, Magdalena, Cesar and Bolívar and expansion projects	UPME 01-2014 SE La Loma 500 kV	Construction	As defined in the Environmental Management Plan	1. Community information and participation program 2. Community assistance program 3. Community education program 4. Labor hiring program 5. Population resettlement program 6. Preventive archaeological program 7. Right of way management program
	UPME 13-2015 STR – Section SE La Loma 110 kV	Environmental Impact Assessment	Impact identification workshops	The workshops on the identification of impacts and management measures were performed in a participatory manner with each community in the area of influence of the projects during the Environmental Impact Assessment (EIA) stage.
	UPME 01-2014 SE La Loma 500 kV	Construction	As defined in the Environmental Management Plan	1. Community information and participation program 2. Community assistance program 3. Community education program 4. Labor hiring program 5. Population resettlement program 6. Preventive archaeological program 7. Right of way management program
	UPME 05-2012 Project - Second Circuit Cartagena, Bolívar	Construction		
	UPME 06-2014 SE Río Córdoba 220 kV	Operation and maintenance		
	Termocandelaria 220 kV Substation	Operation and maintenance		

GEB transmission / Areas	Projects	Current stage	Program type	Description
CENTRAL area, based in Bogotá: It covers the departments of Cundinamarca, Boyacá y Meta and expansion projects:	San Fernando Ecopetrol 230 kV project	Study and Design	This project is currently in the study and design stage. The National Environmental License Authority (ANLA, for the Spanish original) initiated the environmental license process by means of Resolution No. 04068 (September 20, 2017).	
	UPME 01-2013 SE Sogamoso – Norte – Nueva Esperanza 500 kV	Environmental licensing process was suspended	The project completed the environmental study stage in 2016, and in 2017 the ANLA environmental license procedure was suspended, and consequently in general it does not apply to the UPME 01 – 2013 Sogamoso project.	
	UPME 03-2010 SE Chivor II Norte Bacatá 230 kV	Study and Design	Awarded to the Company on April 16, 2013; it is currently in the study and design stage. The term for assessment was suspended by means of Resolution No. 279 dated February 10, 2017 of the National Environmental License Authority (ANLA).	
	Central Corridor (Guavio - Circo) 230 kV	Operation	Completion of installation of eco-efficient stoves and of firewood orchards for 50 families of Zone B in Ubalá, Cundinamarca, of the LLTT Guavio - Circo at 230kV project (central corridor).	
	South Corridor (Guavio - Reforma Tunal) 230 kV			
	Bogotá System 230 kV			
WEST AREA, based in Pereira: It covers the departments of Antioquia, Quindío, Risaralda, Caldas and Valle del Cauca. And the expansion projects:	UPME 04-2014 Southwest Reinforcement 500 kV	Study and Design	Not applicable	
	UPME 05-2009 SE Tesalia (Quimbo) and Tesalia – Alférez transmission lines	Construction		1. Socio-environmental training and awareness-raising program for personnel and the community in the area of influence of the project. 2. Community information and participation program 3. Local labor hiring program 4. Preventive archaeological program 5. Social offsetting program 6. Program to assist institutional management capabilities 7. Resettlement program 8. Coffee-growing Cultural Landscape management program (PCC for the Spanish original)
	UPME 02-2009 SE Armenia	Construction		
	UPME 01-2010 SE Alférez 230 kV	Operation		
SOUTH AREA, based in Pasto: It covers the departments of Tolima, Cauca, Nariño, Putumayo and Huila, and only has projects in operation:	Interconnection with Ecuador 230 kV	Operation		1. Education and training program 2. Community information and participation program 3. Local labor hiring program 4. Relocation of houses and infrastructure 5. Archaeological rescue and monitoring 6. Program to support institutional management capabilities 7. Right of way management program
	Mocoa - Jamondino 230 kV line	Operation		
	UPME 05-2009 SE Tesalia (Quimbo) and Tesalia – Altamira transmission lines	Operation - Construction Tesalia Alférez 230kV line		
	Reconstruction of the Mocoa - Renacer Substation	Study and Design		Amendment to License Resolution No. 2268 dated November 2, 2006 and Resolution No. 1312 dated July 13, 2010 - MAVDT-ANLA
	UPME 15-2017 STR Altamira Substation expansion	Study and Design	Initially under UPME Resolution No. 272 dated May 26, 2017, as an urgent project that is part of the 2015-2029 Generation-Transmission Expansion Plan	

(413-2) Social programs performed by TGI during 2017

Program name	Program type (impact assessment and development programs)	Programs with local communities: Description	Programs with local communities: Percentage of operations
Risk Management Program	**Development programs:** › Update community development programs (PDC, for the Spanish original) databases (Municipal and District sheets). › Discuss the PDCs of TGI SA ESP with the regional and municipal bodies of SNGRD. › Perform dissemination events with neighboring schools and partnerships aimed at mitigation of two-way risks (man-made and technological) **Development programs:** › Implementation of educational processes through entertaining training events on human values and delivery of promotional/ corporate materials to students. › Raise awareness among communities and stakeholders on environmental issues to promote adoption of ecologically responsible attitudes. › Enter into strategic partnerships with specialist entities (SENA, CAR's, Family Police, ICBF, NGOs, among others) to undertake coordinated activities towards attaining Global Compact goals.	Inform about potential risks associated with gas pipeline operations and strengthen response capabilities of families in the area of influence of TGI S.A. ESP infrastructure, in the event of an emergency, to mitigate harmful effects on lives, properties and natural gas transport systems.	Number of Risk Management activities: 1132 Number of beneficiaries: 19,427
Education and training program	**Development programs:** › Implementation of educational processes through entertaining training events on human values and delivery of promotional/ corporate materials to students. › Raise awareness among communities and stakeholders on environmental issues to promote adoption of ecologically responsible attitudes. › Enter into strategic partnerships with specialist entities (SENA, CAR's, Family Police, ICBF, NGOs, among others) to undertake coordinated activities towards attaining Global Compact goals.	Performance of awareness-raising and/or participative action strategies with neighboring schools and communities to strengthen the principles of healthy coexistence with the natural gas transport system and the adoption of environmentally responsible attitudes.	Number of environmental workshops: 176 Number of beneficiaries: 7,021
Development Management Program	**Development programs:** › Promote local development by hiring local skilled and unskilled labor through TGI contractor companies. › Promote citizen participation and oversight activities and economic sustainability initiatives to enable stakeholders to self-manage the development of better living conditions. › Advise and manage the submission of beneficial projects through the investment lines by means of inter-administrative agreements, involving territorial entities, communities and TGI S.A. ESP, within the following activities framework: - Submission of projects - Co-financing - Business plans - Project sustainability	Advise and support performance of strategies and/or projects aimed at strengthening the social and economic sustainability of the communities in the areas of influence of the TGI SA ESP gas pipelines, in the framework of Corporate Social Responsibility and/ or Social Offsetting.	Number of signed agreements: 23 Number of closed agreements: 5 Number of unskilled workers hired: 1126 Number of skilled workers hired: 106
Information and Communication Program	**Development programs:** › Manage petitions, complaints, claims and requests (PQRS, for the Spanish original) and critical cases submitted by community members and/or institutions involved in the gas pipeline operation. › Train TGI SA ESP contractor personnel on Industrial Safety, Social and Environmental Responsibility and the role to be taken on with the communities during performance of their specific duties.	Consolidate the positive corporate image of TGI SA ESP through performance of projects aimed at promoting channels to communicate and share information and receive feedback and opinions, and to shape attitudes among the various stakeholders regarding O&M of the gas pipeline.	Number of PQRS received: 82 Number of PQRS addressed: 38 Number of PQRS closed: 45 Number of training sessions for contractors: 90 Number of information packets delivered: 386

Grupo Energía Bogotá

Impacts on local communities

Name of project or facility	Associated significant social impacts and their description	Social context of the operation	Does the impact represent community exposure to specific risks?	Social impact control measures
Project UPME 04 - 2014 Southwestern Reinforcement at 500 kV Project UPME 05-2009 Tesalia - Alférez section 3 transmission line at 230 kV Project UPME 02-2009 Armenia Substation at 230 kV and associated transmission line UPME 01-2010 Alférez substation at 230 KV	› Created expectations › Restriction of soil use along right of way fringe › Conflict generation Effects on road conditions (secondary and country roads) › Interference with the social, community and economic infrastructure › Damages and effects on crops and property improvements › Changes in tourism and recreational activities › Involuntary displacement of the population › Changes to the natural vegetation cover › Effects on wildlife › Changes to wildlife habitats › Temporary job creation › Boost to the local economy (supply and demand of goods and services) › Loss or damage of archaeological heritage › Changes to the Coffee-growing Cultural Landscape	Direct area of influence (DAI) of each project	Impacts identified with the communities during the environmental Impact Assessments Potential	1. Community information and participation program 2. Community assistance program 3. Environmental educational program 4. Community education program 5. Labor hiring program 6. Population resettlement program 7. Preventive archaeological program 8. Coffee-growing Cultural Landscape management program
UPME STR 06-2014 Rio Córdoba UPME STR 07-2014. Rio Córdoba UPME STR 05-2012 Cartagena UPME STR 13-2015. Loma 110 UPME STR 01-2014 Loma 500 Termocandelaria transmission line.	› Created expectations › Restriction of soil use along right of way fringe › Conflict generation Effects on road conditions (secondary and country roads) › Interference with the social, community and economic infrastructure › Damages and effects on crops and property improvements › Involuntary displacement of the population › Temporary job creation › Boost to the local economy (supply and demand of goods and loss or damage of archaeological heritage)	Direct area of influence of each project	Impacts were identified and management measures (programs) were agreed on with the communities in the projects' DAI. They do not generate any type of risk for the communities	1. Community information and participation program 2. Community assistance program 3. Community education program 4. Labor hiring program 5. Population resettlement program 6. Preventive archaeological program 7. Right of way management program

Trecsa GrupoEnergíaBogotá

Impacts on local communities

Name of project or facility		Associated significant social impacts and their description	Social context of the operation	Does the impact represent community exposure to specific risks?	Social impact control measures
Plot A		Indemnities to owners - obtaining of rights of way	Municipalities where the project's infrastructure crosses through large plots of land (plantations)	No	Process established by the Company for obtaining rights of way
Plot B	Start of feasibility study of the Chiantla - Huhuetenango II line	Approval of 5 PVBCs	In rural areas with highest poverty indicators, PVBCs have enabled starting the project's works	No	Supervision reports; projects launched.
Plot B	Sustainability of Covadonga - Uspantán	Approval of 1 PVBC	Organization of a group of women of the Ixil ethnic group from a rural area with high poverty index	No	Supervision reports; projects launched.
Plot D	Sustainability for Tactic- Izabal line	Approval of 4 PVBC	Municipalities with high levels of social conflict, existence of squatters on private properties.	No	Supervision reports; projects launched.
Plot E	Sustainability for the Chixoy II - San Agustín line	Approval of 1 PVBC	Municipality that is difficult to reach, on the Biological Corridor of Bosque Nuboso, economy primarily based on coffee plantations. Q'eqchi' ethnic group	No	Supervision reports; projects launched.
Plot F	Viability for SE Brillantes	Approval of 2 PVBC	Communities near the Brillantes Substation; their livelihoods are primarily based on sugar cane and rubber plantations.	No	Supervision reports; projects launched.
Plot F	Construction of Towers 82 through 84 Las Cruces - Sololá (municipality of Tecpán)	Approval of 1 PVBC	In the rural area of Tecpán, the livelihoods of the Kaqchikel ethnic group members are primarily from agriculture	No	Supervision reports; projects launched.
Plot F	Conflict resolution in the Las Cruces- Sololá section (municipality of Sumpango)	Approval of 1	The strategic work focus in on building relations with nearby communities belonging to the Kaqchikel ethnic group.	No	Supervision reports; projects launched.

ENVIRONMENTAL PERFORMANCE - IDM

(304-1) Operating Facilities at Protected and Non-protected Areas of Great Value for Biodiversity | Contugas-Peru

At each owned, leased or managed operation center located in or alongside protected areas, or areas of substantial value for biodiversity located outside of protected areas, submission of the following information is required:

	Paracas National Reserve	San Fernando National Reserve
i. geographic location	It is located in the desert along the Peruvian coast, in the Ica Region, Pisco and Ica Province. It covers 335,000 hectares, 200,000 of which are in the Pacific Ocean.	District of Santiago in the province of Ica and in the districts of Changillo, Nazca and San Juan de Marcona , in the Nazca province, Ica Region.
ii. Land and underground areas that may be owned, leased or managed by the organization	Pisco Operating Center (COPI, for the Spanish original) DDv Humay - Pisco Branch	DDV of Nasca Branch DDV of Humay - Marcona branch
iii. Location with respect to the protected area (in, next to or partly inside the protected area) or area of great value for biodiversity outside the protected area	Both components are located in the ANP buffer zone (with no evidence of foreseeable impacts)	DDV Humay - Marcona branch inside the Reserve Area. DDV Nazca branch (5 km) inside the reserve and 10 km in the buffer zone
iv. Type of operation (office, manufacturing, production or extraction);	Pisco Operating Center (offices, warehouse areas, pressure pipes, parking and distribution areas	Marcona City Gate, located at Kp 194 +000 from the Humay - Marcona branch (offices, warehouse areas, pressure pipes, parking and distribution areas)
v. Size of the operations center in km2 (or other appropriate unit of measure)	0.555716 (Km2)	0.277858 (Km2)
vi. Value of biodiversity in terms of the characteristics of the protected area or area of great value for biodiversity outside the protected area (land, marine or fresh water ecosystems)	The Paracas National Reserve (RNP, for the Spanish original) is one of the two designated Protected Natural Areas (ANP, for the Spanish original) that protects representative samples of our marine and coastal ecosystems. Its importance lies in that it protects large biological diversity that is indispensable for maintaining different biological cycles that guarantee the preservation of the species; it also generates economic income for thousands of inhabitants. It also protects various archaeological remains of the Paracas culture that settled in many areas of this reserve.	The San Fernando National Reserve preserves marine and coastal ecosystems of great value such as benthic species and marine and coastal wildlife. In the area of influence of the components of the steel pipeline, there are primarily plant ecosystems such as tillasandial and short-stem cacti.
vii. Value of biodiversity: it is included in the protected list (one of the categories for protected area management of UICN, the Ramsar Convention and national legislation).	The RNP is included in the list of wetlands of global importance (RAMSAR sites). In 2003 the International Maritime Organization (OMI) declared the RMP a highly sensitive maritime zone. The list of vulnerable species in this ANP includes: The Peruvian diving petrel, the fur seal, the otter, the leatherback turtle, the green turtle, the parrot beak turtle and the hawksbill turtle.	The *Arctocephalus australis* is considered an endangered species and the *Otaria byronia* and *vultur gryphus* are considered vulnerable species (INRENA, D.S. No 013-99-AG, 1999); however, in San Fernando they still live in a balanced ecosystem that preserves their life.

Protected Areas (304-1)

North Zone – Río Córdoba Project

The following are details on the areas to be offset for this project: The project is not within or next to protected areas or areas of great value for biodiversity. Offsetting for this project is currently under discussions with the communities and CORPOMAG

Environmental Authority	Administrative Act	Type of offsetting	Area to be offset (hectares)
ANLA	Resolution 0969/2016	Change in soil use	6.03
	Resolution 0237/2017	Loss of biodiversity	1.94
MADS	Resolution 2289/2015	Reforestation of habitats for non-vascular epiphytes	0.14
		Total	**8.11**

North Zone – Cartagena Project

The project is not within or next to protected areas or areas of great value for biodiversity.
The following is the area to be offset:

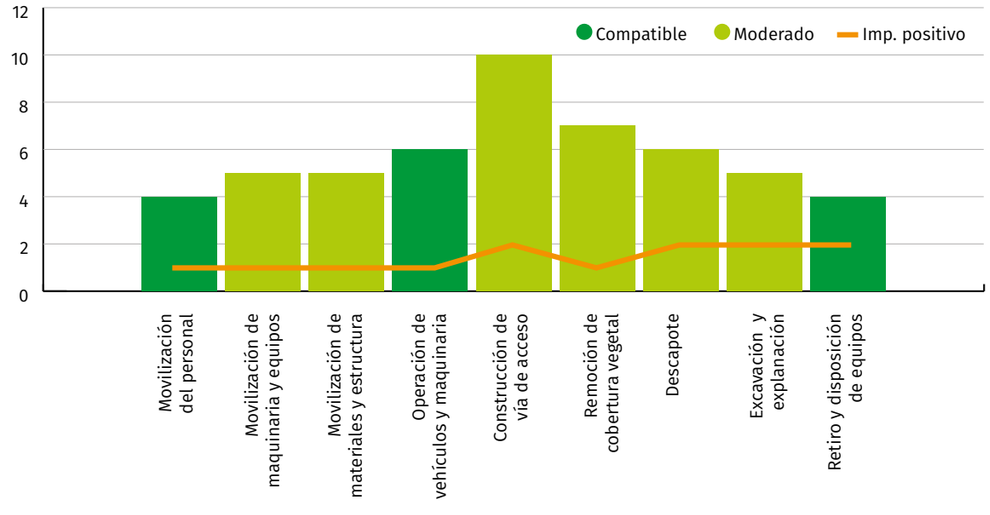
Biome	Ecosystem/Bio-geographic district	Intervened area	Offsetting factor	Area to be offset
Peri. Caribbean	Secondary low vegetation of the colluvial-alluvial valley, dry tropical Caribbean biome zone	0.001 ha	2.63	0.002 ha
	Secondary tall vegetation of colluvial-alluvial foothills, dry tropical Caribbean biome zone	0.032 ha	2.36	0.085 ha
	Gallery forest of structurally eroded rolling hills, dry tropical Caribbean biome zone	0.033 ha	9.50	0.309 ha
	Gallery forest of the colluvial-alluvial plain, dry tropical Caribbean biome zone	0.025 ha	9.50	0.238 ha
	Secondary tall vegetation of fluvio-marine plains, dry tropical Caribbean biome zone	0.191 ha	2.63	0.502 ha
	Secondary vegetation of fluvio-marine low plains of Caribbean halobiome	0.073 ha	2.63	0.191 ha
	Secondary tall vegetation of structurally eroded rolling hills, dry tropical Caribbean biome zone	0.048 ha	2.63	0.127 ha
	Secondary tall vegetation of alluvial foothills, dry tropical Caribbean biome zone	0.639 ha	2.63	1.676 ha
	Secondary low vegetation of fluvio-marine plains, dry tropical Caribbean biome zone	0.010 ha	2.63	1.767 ha
	Secondary low vegetation of alluvial foothills, dry tropical Caribbean biome zone	0.064 ha	2.63	0.167 ha
	Gallery forest of the alluvial valley, dry tropical Caribbean biome zone	0.015 ha	9.50	0.141 ha
	Gallery forest of the colluvial-alluvial valley, dry tropical Caribbean biome zone	0.072 ha	9.50	0.688 ha
Cartagena	Secondary tall vegetation of colluvial-alluvial foothills, dry tropical Caribbean biome zone	0.076 ha	2.63	0.200 ha
Total		**1.376 ha**		**4.608 ha**

(304-2) Direct or Indirect Impacts on Biodiversity

North Zone – Río Córdoba Project

Impacts from construction of the Río Córdoba substation

Actividades de mayor impacto en la construcción de la Subestación Río Córdoba 220kV



List of GEB transmission social projects and programs

GEB Transmission	Projects	Current stage	Program type	Description	Comments
NORTH AREA, based in Santa Marta (Magdalena): It covers the departments of Atlántico, Magdalena, Cesar and Bolívar and expansion projects:	UPME 01-2014 SE La Loma 500 kV	Construction	As defined in the Environmental Management Plan	1. Community information and participation program 2. Community assistance program 3. Community education program 4. Labor hiring program 5. Population resettlement program 6. Preventive archaeological program 7. Right of way management program	Currently in property management:
	UPME 13-2015 STR – Section SE La Loma 110 kV	Environmental Impact Assessment	Impact identification workshops	The workshops on the identification of impacts and management measures were performed in a participatory manner with each community in the area of influence of the projects during the Environmental Impact Assessment (EIA) stage.	In the studies stage
	UPME 05-2012 Project - Second Circuit Cartagena, Bolívar	Construction	As defined in the Environmental Management Plan	1. Community information and participation program 2. Community assistance program 3. Community education program 4. Labor hiring program 5. Population resettlement program 6. Preventive archaeological program 7. Right of way management program	
	UPME 06-2014 SE Río Córdoba 220 kV	Operation and maintenance	Not applicable	Start-up is scheduled for 2018	On June 27 a contractor began a Shared Value Project that consists in electrical upgrades at the school Carlos García Mayorca of the rural district Cordobita (95% progress). The connection request was submitted to Electricaribe. Connection is expected by mid-January, 2018.
	Termocandelaria 220 kV Substation	Operation and maintenance	Not applicable		
	San Fernando Ecopetrol 230 kV project	Study and Design	Not applicable	Not applicable	This project is currently in the study and design stage. The National Environmental License Authority (ANLA) initiated the environmental license process by means of Resolution No. 04068 (September 20, 2017).
	UPME 01-2013 SE Sogamoso – Norte – Nueva Esperanza 500 kV	Environmental licensing process was suspended	Not applicable	Not applicable	The project completed the environmental study stage in 2016, and in 2017 the ANLA environmental license procedure was suspended, and consequently in general it does not apply to the UPME 01 – 2013 Sogamoso project.
	UPME 03-2010 SE Chivor II Norte Bacatá 230 kV	Study and Design	Not applicable	Not applicable	
WEST AREA, based in Pereira: It covers the departments of Antioquia, Quindío, Risaralda, Caldas and Valle del Cauca. And the expansion projects:	Central Corridor (Guavio - Circo) 230 kV	Operation	Coexistence with infrastructure project	During 2017 in the Central Corridor (Guavio - Circo) 230 kV, workshops were held at schools in the direct area of influence of the transmission line, aimed at raising awareness of school-age residents on the importance of the various types of energy, and the precautions that should be taken with electric infrastructure in operation. Pedagogical material was also handed out to students at 29 schools in 12 municipalities, to the benefit of 934 children.	
	South Corridor (Guavio - Reforma Tunal) 230 kV		Coexistence with infrastructure project	During 2017 in the South Corridor (Guavio - Reforma Tunal) 230 kV, workshops were held at schools in the direct area of influence of the transmission line, aimed at raising awareness of school-age residents on the importance of the various types of energy, and the precautions that should be taken with electric infrastructure in operation. Pedagogical material was also handed out to students at 34 schools in 3 municipalities, to the benefit of 804 children.	
	Bogotá System 230 kV				
	UPME 04-2014 Southwest Reinforcement 500 kV	Study and Design	Not applicable	Not applicable	

GEB Transmission	Projects	Current stage	Program type	Description	Comments
SOUTH AREA, based in Neiva and satellite offices in Mocoa, Pitalito and Pasto. It covers the departments of Tolima, Cauca, Nariño, Putumayo and Huila, and only has projects in operation:	UPME 05-2009 SE Tesalia (Quimbo) and Tesalia – Alférez transmission lines	Construction	As defined in the Environmental Management Plan	1. Socio-environmental training and awareness-raising program for personnel and the community in the area of influence of the project. 2. Community information and participation program 3. Local labor hiring program 4. Preventive archaeological program 5. Social offsetting program 6. Program to assist institutional management capabilities 7. Resettlement program 8. Coffee-growing Cultural Landscape management program (PCC by the Spanish original)	
	UPME 02-2009 SE Armenia	Construction			Launch of a shared value project in 8 rural districts of the municipalities of Pereira, Dosquebradas and Santa Rosa de Cabal in the department of Risaralda. The project is carried out in partnership with the Chamber of Commerce of Santa Rosa de Cabal, Grupo Next and the SBG to develop and promote a tourist destination in the region under the principles of sustainability and promotion and conservation of the natural and cultural heritage.
	UPME 01-2010 SE Alférez 230 kV	Operation			
	Interconnection with Ecuador 230 kV	Operation	As defined in the Environmental Management Plan	1. Education and training program 2. Community information and participation program 3. Local labor hiring program 4. Relocation of houses and infrastructure 5. Archaeological rescue and monitoring 6. Program to assist institutional management capabilities 7. Right of way management program	
	Mocoa - Jamondino 230 kV line	Operation	As defined in the Environmental Management Plan		
	UPME 05-2009 SE Tesalia (Quimbo) and Tesalia – Altamira transmission lines	Operation - line Construction Tesalia Alférez 230kV			
	Reconstruction of the Mocoa - Renacer Substation	Study and Design	Not applicable	Not applicable	Amendment to License Resolution Number 2268 dated 2/November/2006. Resolution No. 1312 of July 13, 2010 – MAVDT-ANLA
	UPME 15-2017 STR Altamira Substation expansion	Study and Design	Not applicable	Not applicable	Initially under UPME Resolution No. 272 dated May 26, 2017, as an urgent project that is part of the 2015-2029 Generation-Transmission Expansion Plan

TALENT MANAGEMENT-IDM-SEU

(102-7) (102-8) (102-41) (401-1) (401-3) (405-1) (405-2) Overall labor indicators

Human Talent Management		Unit	Interconnection for Market Development			Urban Energy Solutions	
Total number of employees			**GEB**	**Trecsa**	**TGI**	**Cálidda**	**Contugas**
1	Women	Number	222	27	97	105	50
2	Men	Number	328	90	326	286	130
Position category							
3	Senior Management (Women)	Number	7	0	4	3	2
4	Senior Management (Men)	Number	10	1	3	7	4
5	Middle Management (Women)	Number	12	0	8	12	2
6	Middle Management (Men)	Number	32	3	33	16	12
7	Advisers (Women)	Number	98	4	1	19	8
8	Advisers (Men)	Number	162	14	6	37	25
9	Professionals (Women)	Number	75	4	63	36	29
10	Professionals (Men)	Number	86	18	128	118	43
11	Support (Women)	Number	30	19	21	35	9
12	Support (Men)	Number	38	54	156	108	46
Age							
13	Less than 30 years old	Number	70	15	26	45	74
14	Between 30 and 40 years old	Number	288	54	162	199	84
15	Between 40 and 50 years old	Number	118	38	166	112	39
16	Between 50 and 60 years old	Number	63	7	60	31	8
17	Over 60 years old	Number	11	3	9	4	0
Type of contract							
18	Fixed-term	Number	276	1	0	29	52
19	Permanent	Number	274	116	423	362	128
20	Covered by collective bargaining agreements	Number	156	0	355	23	0
21	Covered by collective bargaining agreements	%	28%	0%	84%	6%	0%
Turnover							
22	Employee turnover rate	%	19%*	15.44%*	5.4%*	4%	Including interns: 36.27% Excluding interns: 24.78%
23	Voluntary employee turnover rate	%	8.36%**	73.33%**	3.54%**	7%	25% Not including interns
Terminations							
24	Mutual agreement	Number	0%	200%	0%	4	7
25	Retirement or contract expiration	Number	36	0	1	4	15
26	Voluntary resignation	Number	46	7	15	13	14

	Human Talent Management	Unit	Interconnection for Market Development			Urban Energy Solutions	
27	Firings	Number	20	6	7	5	1
28	Total number of terminations	Number	102	15	23	26	37
	Turnover by age group						
29	Less than 30 years old*	%	18%	0.75%**	0%	1%	54%
30	Between 30 and 40 years old*	%	45%	1%	43.47%**	3%	70%
31	Between 40 and 50 years old*	%	27%	1%	26%	2%	24%
32	Between 50 and 60 years old*	%	10%	0%	30%	0%	0%
33	Over 60 years old*	%	0%	0%**	0%	0%	0%
	Turnover by sex						
34	Female	%	45%	0.75%**	35%	3%	35.7%
35	Male	%	55%	2%	65%	4%	64.3%
	Maternity or paternity						
36	Employees entitled to maternity or paternity leave	Number	2000%	700%	900%	29	7
37	Employees who took maternity or paternity leave	Number	100%	700%	900%	29	7
38	Employees who returned to work upon finalization of their maternity or paternity leave	Number	20	6	9	29	7
39	Employees who remain at the company 12 months after having taken their maternity or paternity leaves	Number	19	0	9	29	7
40	Return-to-work rate	%	100%	86%	100%	1	1

CALCULATION FORMULAS

Grupo Energía Bogotá

*Calculation formula: total terminations*100/total employees as at Dec. 31
**Calculation formula: number of voluntary resignations*100/total employees as at Dec. 31
***Calculation formula: number of terminations in the category / total number of terminations *100 (formula applies to terminations by age group and gender)

Trecsa GrupoEnergíaBogotá

*Calculation formula: V + D / 2 * 100 / PE (V= hiring, D= termination, PE= effective average for the respective period. It is obtained by adding existing employees at the start and at the end of 2017, divided by 2.
**Calculation formula: TD + DVRV/ DRV * 100/ TD (TD= total terminations, DRV= total voluntary resignations
*** Calculation formula: TD*DG30/100(TD= Total terminations, DG30 = Terminations in 30s age group.
**** Calculation formula: TD*DF/100(TD= Total terminations, DF = Female terminations.

TGI GrupoEnergíaBogotá

*Calculation formula: total terminations*100/total employees as at Dec. 31
**Calculation formula: number of voluntary resignations*100/total employees as at Dec. 31
***Calculation formula: terminations in the category *100 / total terminations (formula applies to all terminations by age group and gender)