



# Sustainability **report** 2021

We improve  
lives through  
**sustainable  
and competitive  
energy**

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Grupo Energía Bogotá

# Content

<b>About this report</b>	<b>11</b>
<b>Letter to stakeholders</b>	<b>13</b>
<b>Our alliances and future challenges</b>	<b>17</b>
<b>Materiality analysis</b>	<b>27</b>
<b>1. Corporate model</b>	<b>31</b>
• 1.1. Corporate strategy	33
• 1.2. Sustainability strategy	51
• 1.3. Risk management	55
• 1.4. Business continuity	61
• 1.5. Cybersecurity and information security	67
<b>2. Social and environmental management</b>	<b>73</b>
• 2.1. Shared prosperity	75
• 2.2. Human rights	85
• 2.3. Responsible supply chain management	91
• 2.4. Environmental performance	101
• 2.5. Climate change	113
<b>3. Agil and strengthened government + talent and culture</b>	<b>125</b>
• 3.1. Corporate governance	127
• 3.2. Ethics and transparency	135
• 3.3. Human talent management	147
• 3.4. Well-being, occupational safety and health	157
<b>4. Sustainable and competitive portfolio</b>	<b>165</b>
• 4.1. Economic performance	167
• 4.2. Operational excellence and service quality	177
• 4.3. Energy transition and low carbon development	185
<b>5. Innovation and digital transformation</b>	<b>193</b>
• 5.1 Innovation and digital transformation	195

Operación en ElectroDunas, Perú.

# Leader in the Latin American energy markets

(102-2) (102-4) (102-6)



Source: AMM, COES, Ministry of Energy and Mines of Peru, Perú Petro, Ministry of Mines and Energy of Brazil, UPME, SUI, XM.  
Note: Includes controlled and non-controlled companies in which GEB has an equity interest.

# Our presence

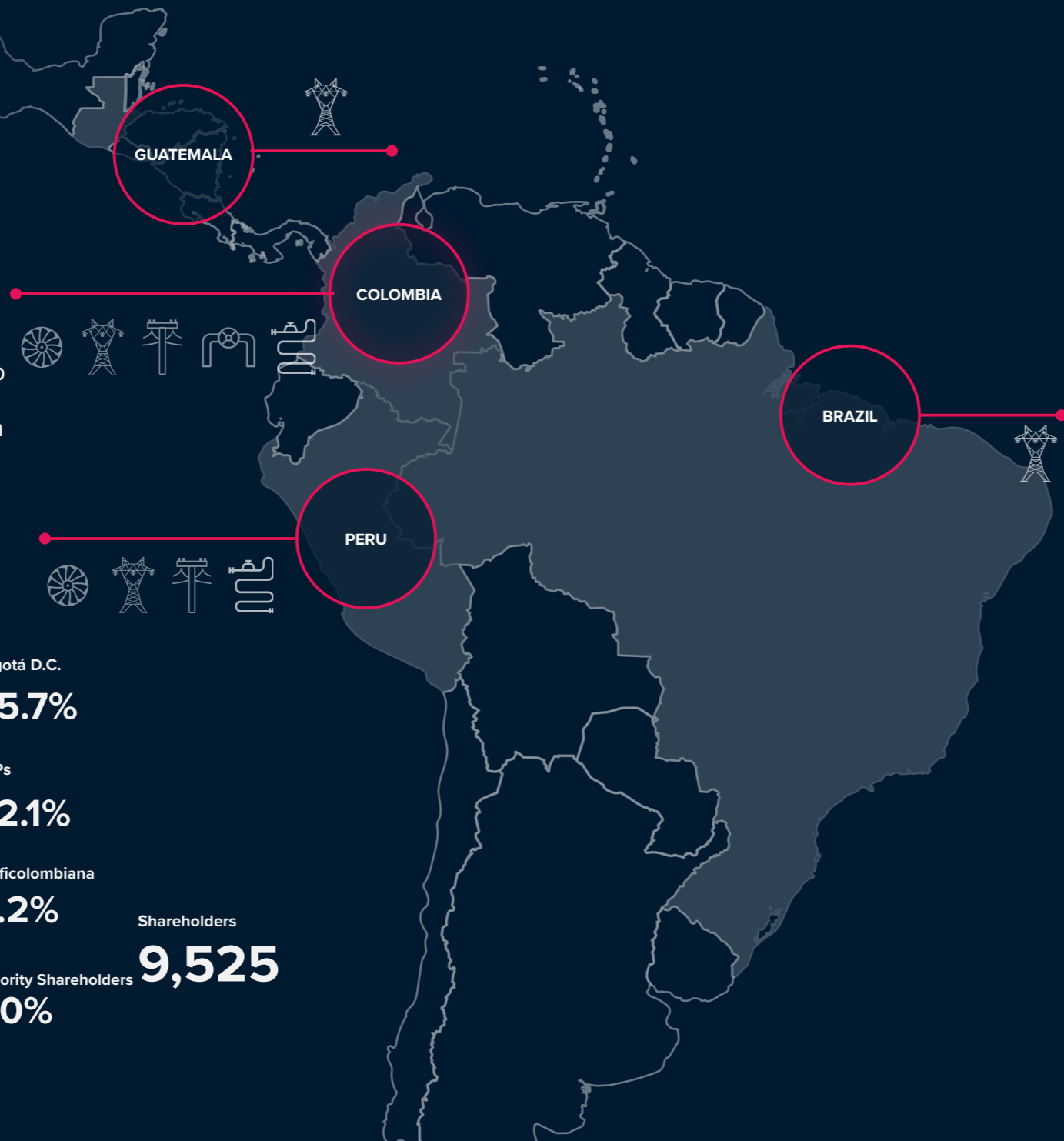
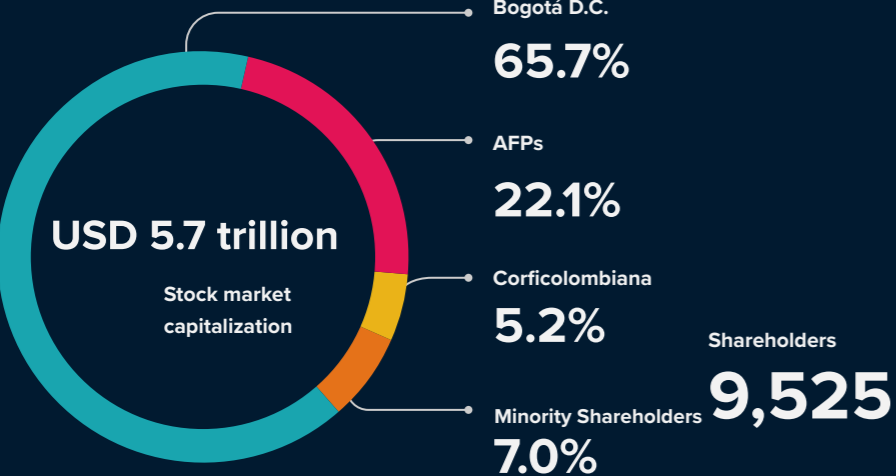
(102-4)

## Strategic player for energy transition

(102-7)

We are a multi-Latin business group with **over 125 years of history**, with stakes throughout the energy chain in Latin America in generation, transmission, and distribution of electric power, and transportation and distribution of natural gas.

### SHAREHOLDINGS AS OF DEC-21



### BUSINESSES AND INVESTMENTS

(102-7)

**Power Generation**  
+3,500 MW of installed capacity and +6,500 GWh of generation

**Power transmission**  
+15,500 Km of transmission lines

**Gas transport**  
+4,300 Km of gas pipelines  
+800 MMSCFD of installed capacity

**Power distribution**  
+4 million connections

**Gas distribution**

**AAA / BBB, Baa2**

National/International Rating

**3x**

Net debt / EBITDA

**16.7%**

ROE

**COP 273<sup>(1)</sup> (10.9%)**

Dividends and returns

**4.48 trillion**

EBITDA

(102-7)  
**2,068 employees (GEB + subsidiaries)**  
Women: 679  
Men: 1389



List: Colombian Securities Exchange  
Closing price 2021: COP 2,500

(1) Includes ordinary dividends of COP 147 (YoY +5.0%) and extraordinary dividends of COP 126.

# About this report



(102-50) As part of our commitment to transparency and accountability to our stakeholders, we present our Sustainability Report for 2021 which details our social, economic and environmental performance, and matters of corporate governance

of the operations of Grupo Energía Bogotá and our companies in Colombia, Peru, Guatemala and Brazil. This report covers the period between January 1st and December 31st, 2021.

### Operations of Grupo Energía Bogotá and our companies



Colombia



Peru



Guatemala



Brazil

As part of our commitment to transparency and accountability to our stakeholders, we present our Sustainability Report for 2021

1. The Directors Committee of the holding formed by the Group's President and Vice Presidents and directors of the organization.

(102-32) The report has been approved by the President's Committee<sup>1</sup> and the Group's Board of Directors. In case there is a modification of a formula, basis for calculation of an indicator in comparison

with data presented in previous reports, changes, coverage details or the scope of those indicators, each section includes the corresponding explanation.

(102-49) Whenever there is a reference to GEB's information, this includes data from GEB Corporate (the Group's holding) and the Transmission Branch. Any exception to this understanding is noted in the corresponding section of

the report. When actions carried out by one (1) or several subsidiaries are presented, the company that carried out the action will be specifically mentioned.

(102-45) We have followed the guidelines of the International Financial Reporting Standards (IFRS) to present the financial information included in the consolidated statements of the Group, as well as the financial statements corresponding to GEB (Corporate and Transmission Branch), which

have been audited by KPMG, an External Auditor. This information stems from documented records produced by various areas of the organization, within processes framed by our management systems, subject to internal and external audits throughout the year.



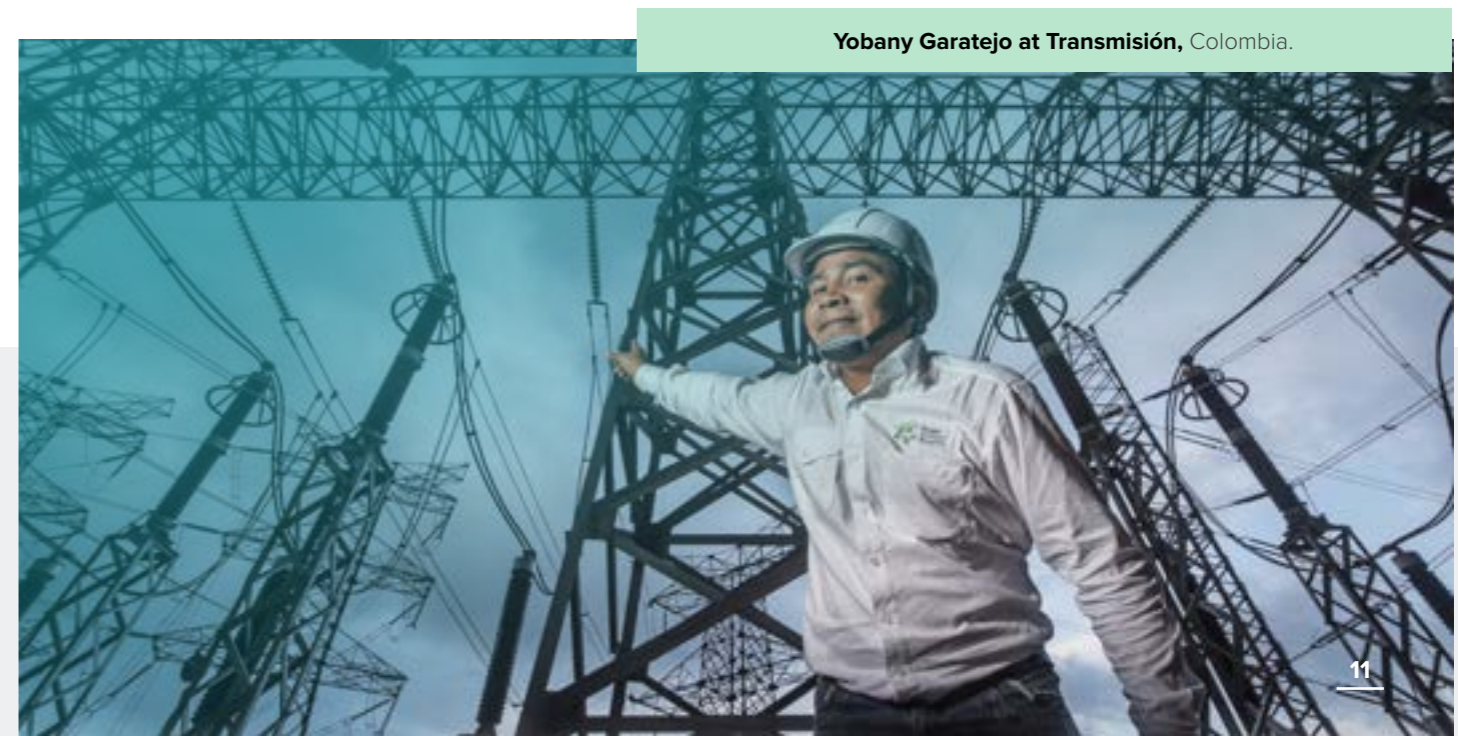
(102-54) We have prepared this report following the *Global Reporting Initiative* standard GRI 2016, under the "Essential" conformity option.  
  
External advisers:  
*PricewaterhouseCoopers A.G. - PwC.*



(102-56) This report has been verified by the firm *Ernst & Young Global Limited*. Their independent verification report may be consulted in the Annexes.



(102-53) Inquiries related to this report will be addressed by the Sustainability and Communications Department, which can be contacted by e-mail at [sostenibilidad@geb.com.co](mailto:sostenibilidad@geb.com.co).



## Letter to stakeholders

(102-14)

Recent years have presented us with difficult, demanding and even uncertain challenges: global warming and the climate crisis; the need to electrify economies and create awareness about the efficient use of resources by means of a circular economy; the persistent impact of the COVID-19 pandemic on human relations, physical and emotional health and the global economy; the rapid technological transformations of energy transition and the urgent call to innovation and adaptation; the fundamental role energy plays in people's quality of life and in the development of economies among other aspects. To respond to these challenges, as a multi-Latin Business Group at the forefront of generation, transmission and distribution of electricity and gas, and with presence in Colombia, Peru, Guatemala, and Brazil, and a commitment without borders, we have set as our purpose **“to improve lives through sustainable and competitive energy,”** not only placing sustainability at the core of our business, but making it our business.

Sustainability is our business because we take action to promote innovation, to adapt infrastructures to environmental, social and technological needs and propose creative solutions that allow long-term solutions that respond to the needs of energy transition, the climate crisis and social prosperity, because we build trust relations with our shareholders, with our institutional environment, with the communities that require energy to live and coexist with our infrastructure, with people who work in and with

our companies, our partners and competitors, and we base that trust on the continuous strengthening of corporate governance and our processes, the highest standards, and due to the technical rigor, traceability in decision-making, and how the clear and efficient assignment of competences to the branches of corporate governance, because we understand that austerity and efficiency in resource management is a determining factor for the fulfillment of the Corporate Strategic Plan, as well as to generate financial results that benefit not only our shareholders, but all our stakeholders, because we contribute to the consolidation of smart cities and to the soundness of the institutions that support them. Our business is sustainability, because through our day-to-day work we improve the lives of millions of persons who benefit from the energy generated, transmitted and distributed by the companies that are part of GEB.

Thus, in 2021, with the awareness that life always comes first, we assume the responsibility of advancing in this higher purpose and of fulfilling the Corporate Strategic Plan, with empathy, teamwork, focus on results and integrity. This allowed us to reach important achievements that today, in this Sustainability Report, we are proud to present to our shareholders and stakeholders, highlighting that the choice for sustainability has allowed us to be even more profitable and competitive.

This year we once again are part of the **Dow Jones Sustainability Index** with the highest score in our history, and with the fourth highest world score of companies in this



sector. We were highlighted in aspects such as environmental report, risk and crisis management systems, innovation management, and supply chain management. For their part, our TGI subsidiary obtained a high score in the Index, and was included in S&P Global's sustainability yearbook. These results set challenges for us in 2022, such as continue advancing to promote the inclusion of diversity, the permanent strengthening of corporate governance, cultural transformation and innovation.

Another highlight milestone mentioning is the successful negotiation with our partner Enel Américas, which will allow us not only to leave past controversies behind, but to set in motion our growth strategy for Non-Conventional Renewable Energy (NCRE) sources and expand the generation and distribution businesses in Colombia and Central America. This renewed alliance has allowed us to address new opportunities to contribute to sustainable urban development through our **smart cities** strategy, promoting and facilitating spaces for dialog and negotiation to strengthen institutions that must intervene for their development, to improve the quality of life and air quality, and reducing particulate matter emissions, and electrification of transport in cities and territories where we have presence.

Our Transmission Branch continues advancing in the execution of the Colectora Project, which will be the highway of clean energy generation in wind farms at La Guajira. We managed to advance consulting processes in over 130 communities, and these will continue to advance hand-in-hand with

long-term programs such as solar panels in schools, work for taxes projects, teaching and training for regional leaders, professionals and technicians through agreements with local institutions.

Our subsidiaries and companies in which we have interests are fundamental pieces, and their operational and financial contributions are determining factors to turn our higher purpose into a reality. In 2021, a constant relation with our partners Red Eléctrica, ISA, Promigas and Enel, among others, was aimed to continue the growth path for sustainable businesses, reaching important milestones in the consolidation of our corporate strategy.

Precisely, regarding the strengthening of the transmission business, in Brazil, through Argo we continued our expansion with the acquisition of the Riatma III asset, jointly with Red Eléctrica, consisting in a concession for the states of Ceará and Piauí for the construction and operation of 312 km of 500 kV lines. In Guatemala we managed significant achievements such as the expansion of the PET-001-2009 Project from our Trecca subsidiary in zones affected by social conflicts. We also innovated our cable-laying methods using drones and constructed taller transmission towers to preserve biodiversity, and were recognized with the first place CIER Innovation award in the category of carbon reduction in all Latin America.

Electro Dunas in Peru entered into the generation market with energy resources distributed by the deployment of the photovoltaic system at the ICA North site, and, in general, this company obtained excellent financial results, achieving a 13.5% growth of EBIDTA compared



to 2020. For our part, our non-controlled company ISA Rep continues managing its business efficiently and profitably, attaining excellent operational results such as the repowering of the Carabayllo, Chimbote and Trujillo 500 kV transmission line, the reinforcement of the second expansion of La Planicie substation and the 500 kV Piura Nueva-Frontera transmission line, apart from strengthening their social impact projects.

Regarding our operations in the gas sector, we are convinced of the importance of the role gas plays as a strategic backup source in the context of energy transition, and as an alternative for fulfilling the goals associated with air quality and the improvement of living conditions of vulnerable people. For this reason, our gas distribution and transportation companies in Colombia and Peru work tirelessly to expand their networks and take gas to residential, commercial and industrial sectors. In Colombia, TGI achieved a net profitability of USD 92.8 million and income for commercial ventures and demand behavior in the order of USD 11.3 million. In Peru, through Cálida very positive financial results were attained, as well as a historic record in residential and commercial connections, and in vehicle conversions (1.3 million), proving our commitment to widespread growth of gas in this country. For their part, Contugas finished important agreements with commercial partners. These two companies benefit over 5.4 million Peruvians through the use of natural gas, with more than 13,000 km of distribution

lines in Lima and ICA that allow the use of this energy to generate electricity, in industry, in transportation and in the residential sector.

At GEB we are convinced that the equity we have been entrusted with is sacred and must be preserved with the highest standards of corporate governance, transparency, integrity and accountability. In this line, it is a priority to maintain a strong and sound structure of corporate governance to attain the most robust processes for decision-making, and thus during the year several reforms of the bylaws were launched to guarantee a minimum of three women in the Board of Directors, to strengthen independence criteria, and to ensure that the governing bodies of the company have independent leadership. Additionally, we adapted a new Contracting Manual with updated processes for contractor selection, preparation and management of contract execution, joined to a strategy to strengthen the documentation management system. In 2021 we inaugurated GEB's History Memorial Center, guaranteeing the highest standards for upright, trustworthy and verifiable administrative management.

Likewise, being convinced that control is a fundamental aspect of good corporate governance, in 2021 under the leadership of the Audit and Risk Committee, we adopted a new Ethics and Compliance Strategy to build a robust and effective program based upon the pillars of prevention,

detection, monitoring and reporting. As a result of this process, we strengthened the Compliance Department with a highly-experienced and internationally recognized human team.

By making sustainability our business and being committed to the generation of value and profitability for our shareholders and other stakeholders, the financial results obtained in 2021 were outstanding. In this year of economic recovery, profits achieved were 13.4% higher than budgeted, reaching COP 2.52 trillion. Likewise, we attained a good performance of the operating profit with an increase of COP 286 billion and an 11% growth compared to 2020, as well as in proactive expense savings in the order of US 5 million, which allowed us to continue helping citizens of Bogotá to deliver a contribution to the Capital District of COP 5.163 million to face the effects of the pandemic. These financial results demonstrate that putting faith in sustainability is good business and creates value for shareholders and stakeholders.

In 2022, GEB will continue seeking greater levels of professional training for all its employees, by strengthening of the training and

succession policies at all levels, including Senior Management, also, as part of the year's objectives, specific goals have been set so that GEB's culture may essentially include plurality, diversity, inclusion, respect and gender-equality, as well as innovation.

Bolstering a diverse, plural and innovation culture is the only way to face the upcoming changes and to be prepared to understand and interpret new growth opportunities with greater clarity. Culture will be our greatest legacy to the company, but more importantly, it will be our contribution to the search for solutions when facing the great challenges that follow global warming, the social crisis, the transformation of the global economy and the efficient use of resources. Incorporating all these elements to our culture is what really will allow achieving our higher purpose of **"improving lives through sustainable and competitive energy."** This is not an easy challenge, but one we assume with rigor, responsibility and, above all, with hope. In uncertain times, we remain firmly convinced that our daily work –rigorous, transparent and empathic– will allow us to contribute to the generation of prosperity.

Most sincerely and respectfully.



Juan Ricardo Ortega López  
CEO



Andres Escobar Arango  
Chairman of the Board Of Directors

## Our alliances and future challenges

ENERGY TRANSITION NOW APPEARS AS A STRATEGIC AND URGENT CHALLENGE. APART FROM NEW TECHNOLOGIES, THE TRANSITION REQUIRES A REGULATORY FRAMEWORK THAT ENCOURAGES INVESTMENT, AS WELL AS RIGOROUS PROCESSES FOR PLANNING, ASSET AND ENERGY SYSTEM MANAGEMENT.

An example of the above is the agreement reached with Enel, a major partner in the energy generation and distribution business in Colombia.

This will lead to the consolidation of reliable, diversified and resilient energy systems that encourage, in a socially acceptable and financially viable way, the achievement of emission reduction goals. To take advantage of the opportunities that energy transition, digitalization, the growing complexity of infrastructure, smart city regulation and development bring to GEB, we have attracted new talent,

simplified and optimized the company's structure and united the subsidiaries with the corporate objectives and purposes of the Group and of our strategic partners. An example of the above is the agreement reached with Enel, a main partner in the energy generation and distribution business in Colombia.



La Loma transmission substation, César, Colombia

### AGREEMENT WITH ENEL

(102-10)

Grupo Energía Bogotá and Enel Américas reached a transcendental agreement, the result of a comprehensive negotiation that included three main components:



(i) the renegotiation of the Investment Framework Agreement, which establishes rules governing the relationship between the parties as shareholders in Emgesa and Codensa.



(ii) the merger agreement between Emgesa –as acquiring company–, Codensa, Enel Green Power Colombia and Essa 2 SpA de Chile, and



(iii) the conciliation agreement before an arbitration panel which was being heard between the parties at the Center for Arbitration and Reconciliation of the Chamber of Commerce of Bogotá.



This agreement thus allows us to have a company with greater value, more robust, stable and sustainable

The content of this agreement reflects GEB's commitment to protect the equity it has been charged with and to sustainability, creates favorable conditions to strengthen the relationship between partners and shareholders, and allows GEB to participate in a company that aside

from integrating non-conventional renewable energy sources to its assets, has a regional coverage that includes assets in Central America. This agreement thus allows us to have a company with greater value, more robust, stable and sustainable.

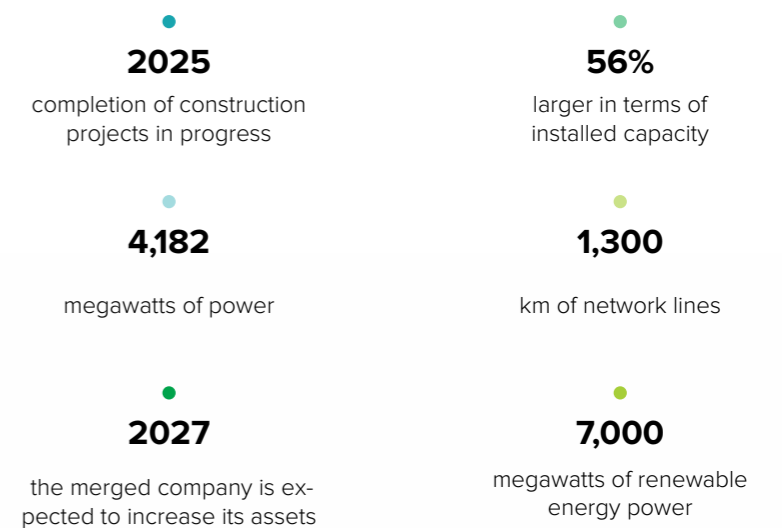


Termocandelaria substation, Bolívar, Colombia.

Thanks to the agreement, GEB is now participating in a business with a generation capacity of 4,182 megawatts, 1,300 km of network lines and over 3.5 million customers. We expect that by 2027 the merged company will increase its assets and scope to almost 7,000 megawatts of renewable energy power.

Additionally, the agreement with Enel will allow us to capture greater growth opportunities, be a more diversified organization and leverage synergies and benefits to carry out our operations. Once the merger is completed, GEB will participate as a shareholder in a company operating in four countries that by 2025, once the construction of projects currently in progress finishes, will be 56% larger in terms of installed capacity, and focused above all on non-conventional renewable energy sources. The agreement represents the strengthening of the relationship with a globally recognized strategic partner and demonstrates the viability of public-private alliances as profitable and sustainable vehicles capable of generating value and social well-being.

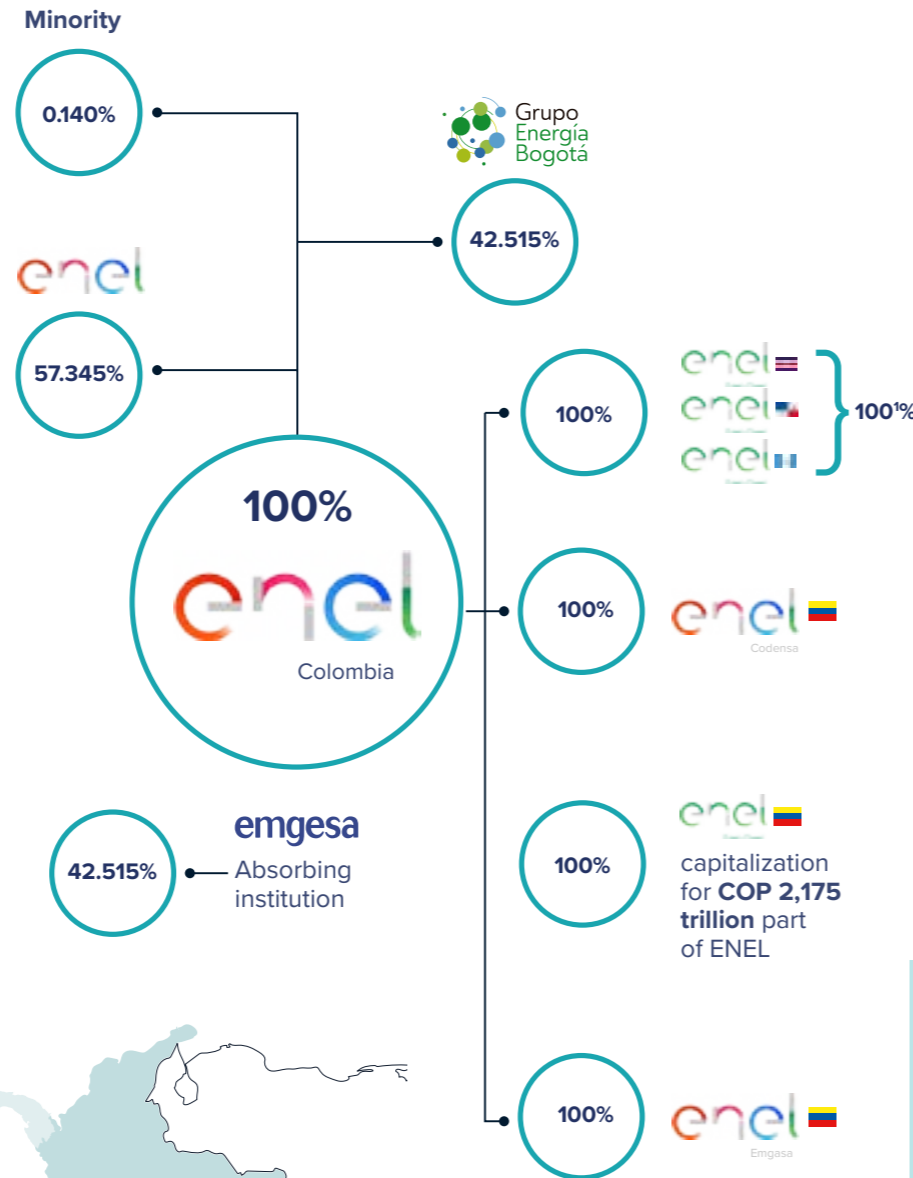
The agreement with Enel also allows GEB to play a starring role in Latin America's energy transition and to contribute to the creation of favorable conditions for improving the quality of life. In the case of cities, GEB will be able to play a key role in the development of smart public lighting, distributed generation, self-generation and sustainable mobility. Thanks to the agreement, GEB is now participating in a business with a generation capacity of 4,182 megawatts, 1,300 km of network lines and over 3.5 million customers. We expect that by 2027 the merged company will increase its assets and scope to almost 7,000 megawatts of renewable energy power.



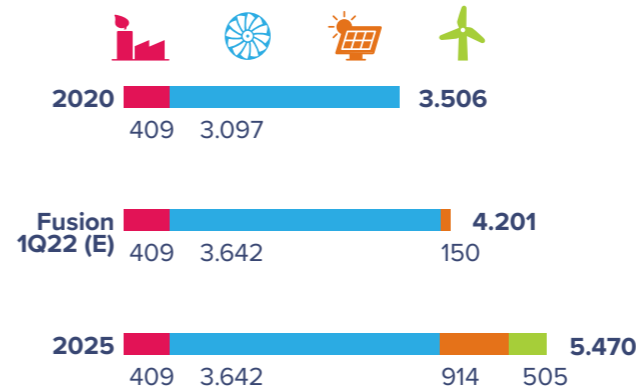
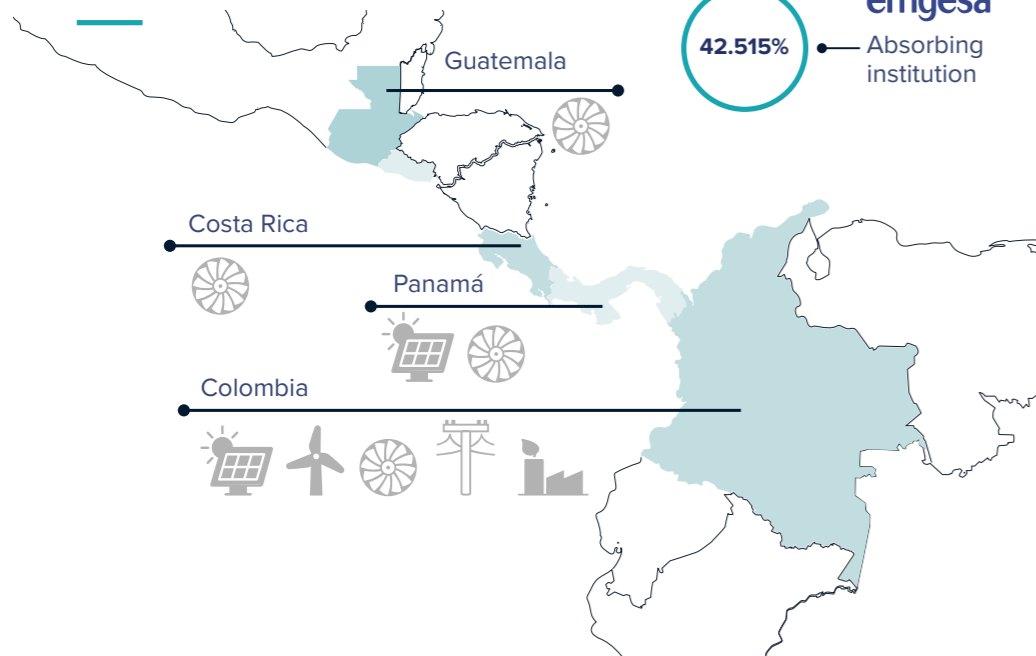
# GEB – Enel Enel Colombia

New world-class company, leveraged on the synergies of its partners, with projection in NCRE business and energy and technological solutions that will benefit Bogotá and its citizens. Bigger, more stable, greener and with a higher value.

The General Meeting of Shareholders of GEB approved the merger with 99.9% of shareholders present (94.5%).



## JOINT FRAMEWORK OF EXCLUSIVITY

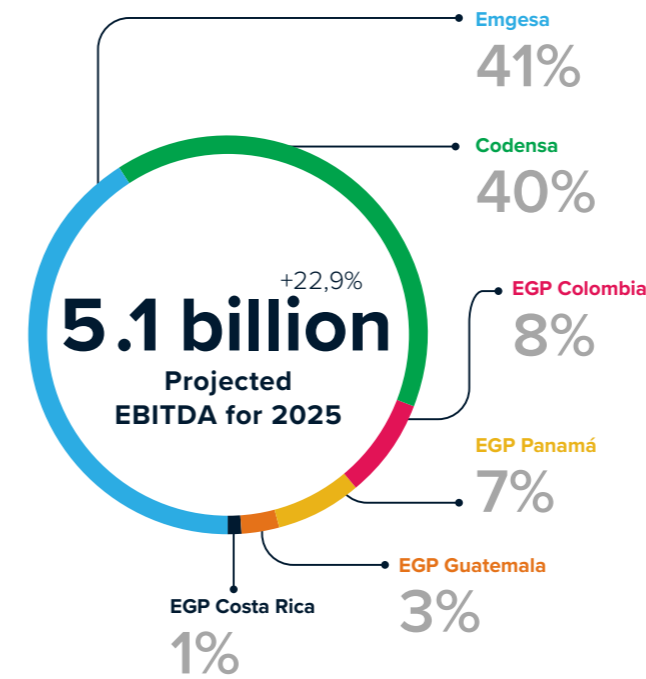
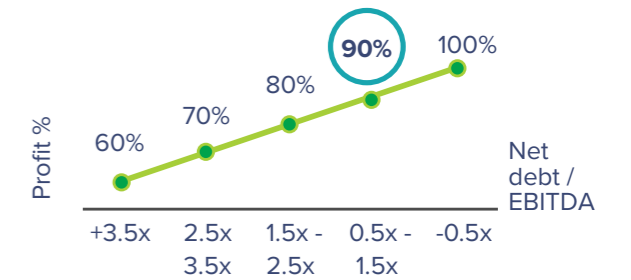


**+1,964Mw** <sup>72% In NCRE</sup>  
Installed capacity

**+56%**

**+2,426Mw**  
Early stage projects

By 2025, we spect a company with **25% more net profit** than Emgesa and Codensa.



**2.7 billion**  
Net income by

**DIVIDEND POLICY**

**NON-TRADITIONAL BUSINESS LINES**

**+ 72.000 Km Network Lines**

**+3,5 million clients**

**enel x**  
Other Non-Traditional Businesses (smart lighting, E-Buses, DG, services, etc.)

**Market**  
Power commercialization

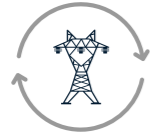
Financing company: microcredit, credit cards, advances, etc.

**CHALLENGES  
AND ALLIANCES**

GEB Transmission is developing the Colectora project in the Department of La Guajira, which includes 480 kilometers of transmission lines and three substations, which will turn it

into an example that will integrate wind and solar energy generated in the Caribbean Coast to the National Interconnected System (NIS).

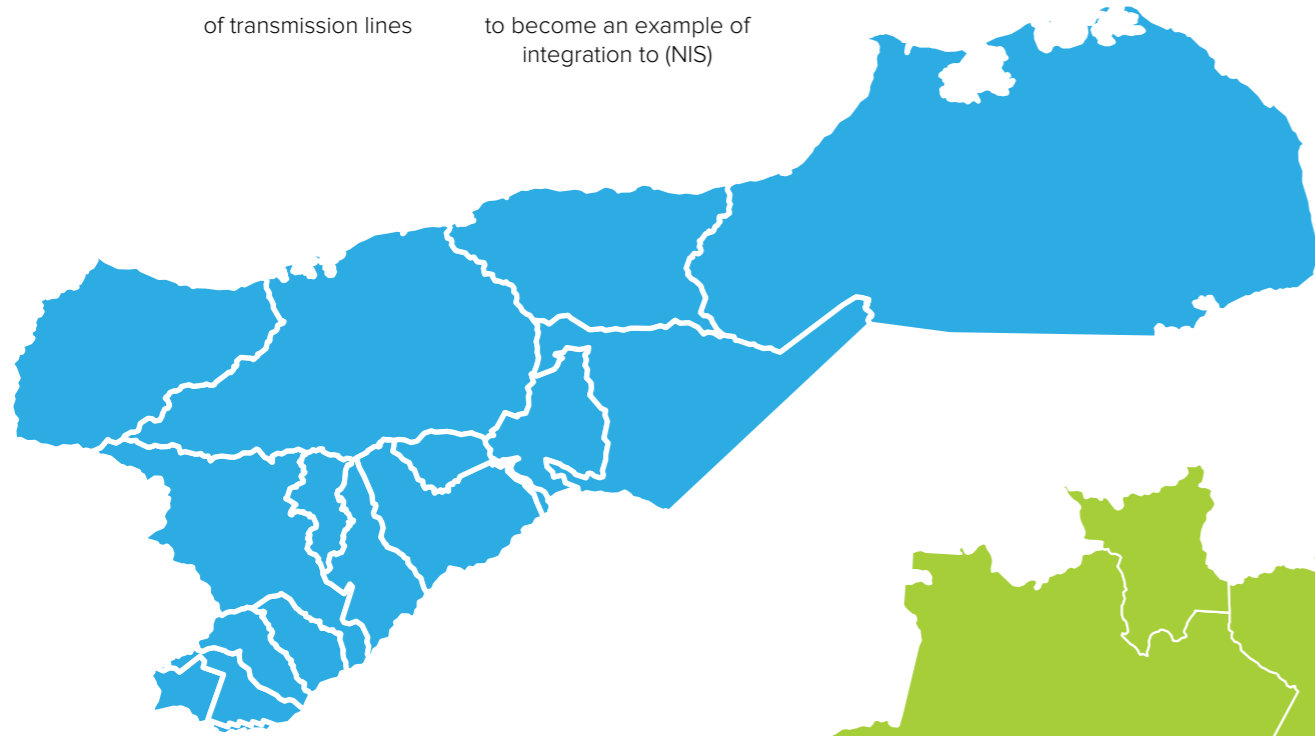
**La Guajira**



**480 kilometers**  
of transmission lines



**3 substations**  
to become an example of  
integration to (NIS)



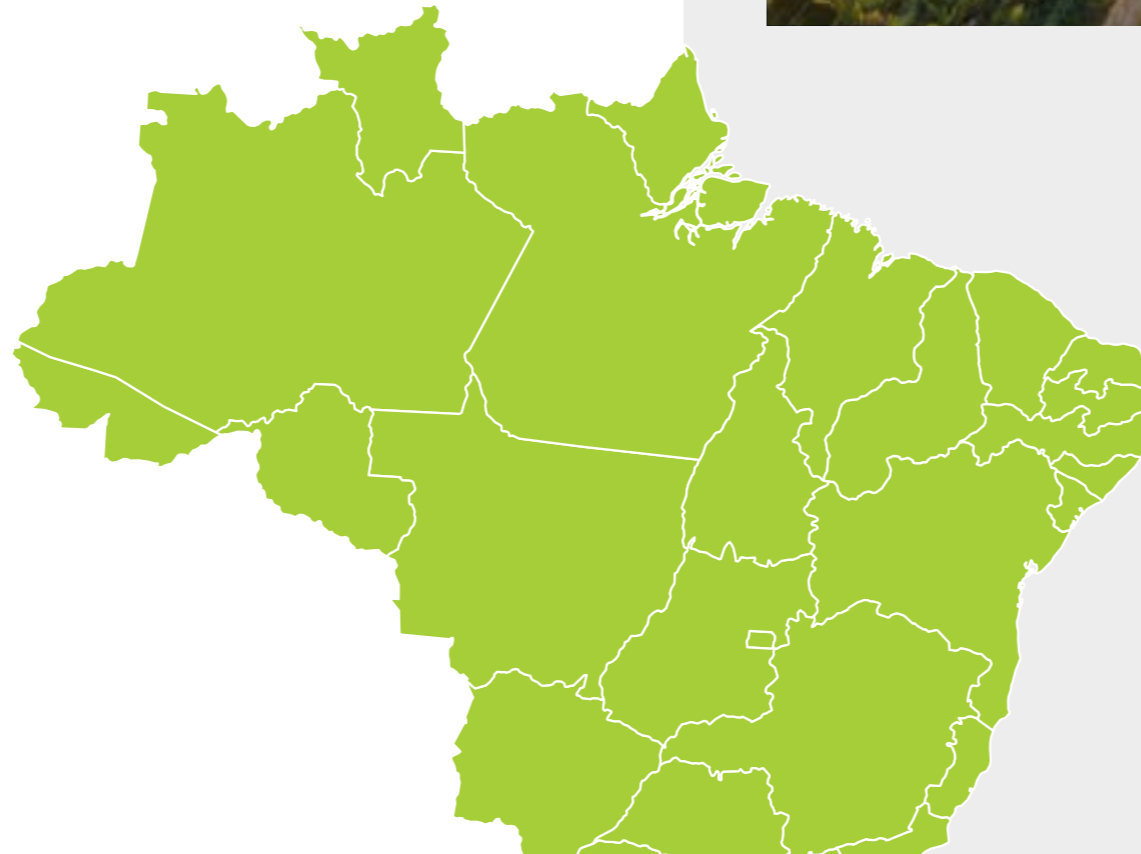
**Brazil**



**212 million**  
inhabitants



**We reached  
2,800 kilometers**  
of transmission  
lines in Brazil

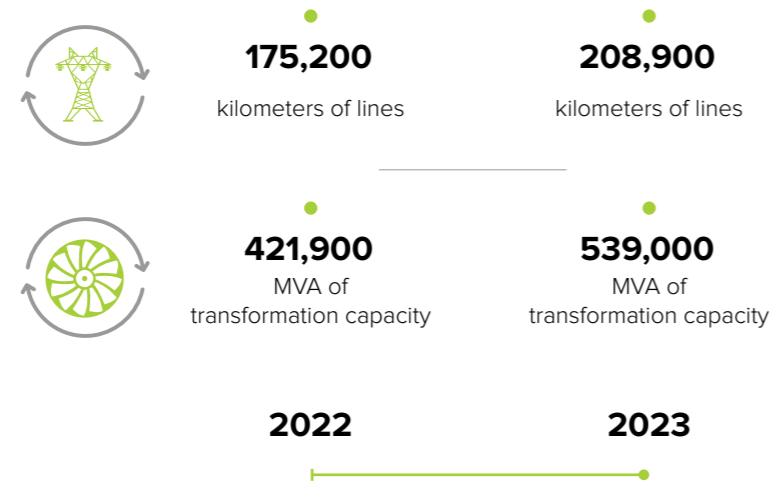


Argo transmission towers, Brazil

Additionally, we continue our sustainable growth strategy in liquid markets with growth opportunities. The acquisition of Argo, jointly with Red Eléctrica de España, has shown that the transmission sector in Brazil is a key focus of expansion. This country, with a population of over 212 million inhabitants, is one of the most attractive markets for electric energy transmission sector. Taking this reality into account, in November 2021, through Argo, GEB acquired **Rialma Transmissora de**

**Energia III S.A.** (Rialma III). This was the company awarded Lot 30 of the 005/2016 auction, carried out by the Agencia Nacional de Energía Eléctrica (ANEEL) in April 2017. The concession is located in the states of Piauí, Pernambuco and Ceará, and consists of the construction and operation of 312 km of 500 kV lines, and will be called Argo IV Transmissão de Energia S.A. With this new acquisition GEB completed over 2,800 kilometers of transmission lines in Brazil.

The **Rialma III** acquisition responds to our interest in incorporating assets that contribute to the construction of a “focused portfolio” that is profitable, with “positive social and environmental impact.”



Brazil offers opportunities thanks to a strong expansion plan through auctions, which have allowed the development of a relevant *brownfield*<sup>2</sup> market. According to Brazil's Empresa de Pesquisa Energética (EPE), between 2022 and 2031 the transmission system should progress from 175,200 km of lines to 208,900 km, and from 421,900 MVA to 539,000 MVA of transformation capacity. In an optimistic scenario, this implies

a total investment of 126.4 billion reales (USD 23 billion) until 2031. In the reference and pessimistic scenarios, the needed investments would be near USD 18.3 billion and USD 9.45 billion, respectively. Given these conditions, Argo is constantly seeking alliances with other strategic actors that leverage the competitiveness of offers.

2. Corresponds to projects or businesses in operation that already have built infrastructure, and thus investments generally are concentrated in improvements or expansion.



Regarding the *brownfield* projects, Argo permanently monitors assets of significant size to make competitive offers tailored to the risk-return profile of the company, allowing it to become a notable player in M&A\* transactions in Brazil. Additionally, in 2022 GEB will study and seek opportunities to enter into the electric energy transmission market, such as the United States.

Another one of the important cards for next year is innovation, in which GEB will invest USD 50 million. We will work in smart public lighting and smart meters to monitor air quality and mobility in the main thoroughfares of Bogotá. For this purpose, it will become involved with Agencia Analítica de Datos (Ágata), in which GEB has 40% equity interest.

M&A stands for Mergers and Acquisitions

We will work in smart public lighting and smart meters to monitor air quality and mobility in the main thoroughfares of Bogotá



# Materiality analysis

## Stakeholder relations

FOR GEB AND ITS SUBSIDIARIES, MAINTAINING TRANSPARENT RELATIONS WITH STAKEHOLDERS IS STRATEGIC. IN THIS REGARD, WE HAVE MADE IMPORTANT ADJUSTMENTS TO THE STRUCTURE AND OPERATION OF OUR CORPORATE GOVERNANCE, WITH THE ESSENTIAL OBJECTIVE OF USING THEM TO BUILD RELATIONSHIPS OF TRUST.

(102-43) We understand and value the importance of transparency. That's why we guarantee the timely participation of all our Stakeholders through proper media and communication channels.

Additionally, we analyze realities and environments to understand their interests and expectations to develop strategies that encourage a close and permanent dialog.

### MATERIALITY ANALYSIS

(102-42) The materiality exercise allows us to identify the social, economic, environmental and governance issues that are strategic, and on their potential implications for business performance. These topics direct the organization's management towards objectives and goals that contribute to the fulfillment of our higher purpose and to the long-term generation of value.

As part of the materiality analysis, we identify the stakeholders through a documented review of international references and relevant internal inputs. Based upon this, we perform a prioritization exercise to define stakeholders that should be consulted and participation mechanisms.

Material topics direct the organization's management towards objectives and goals that contribute to the fulfillment of our higher purpose.

## STAKEHOLDERS

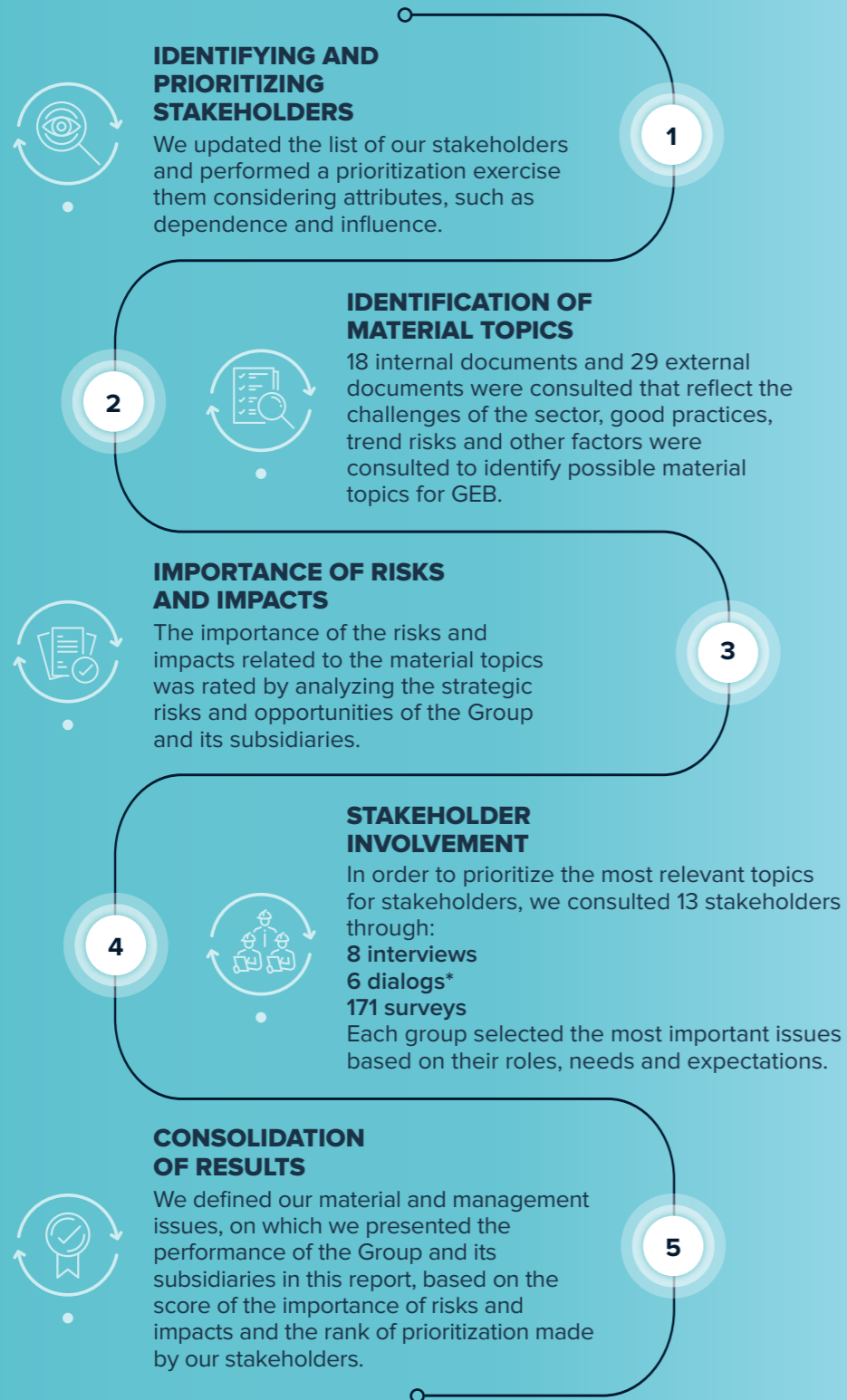
(102-40)



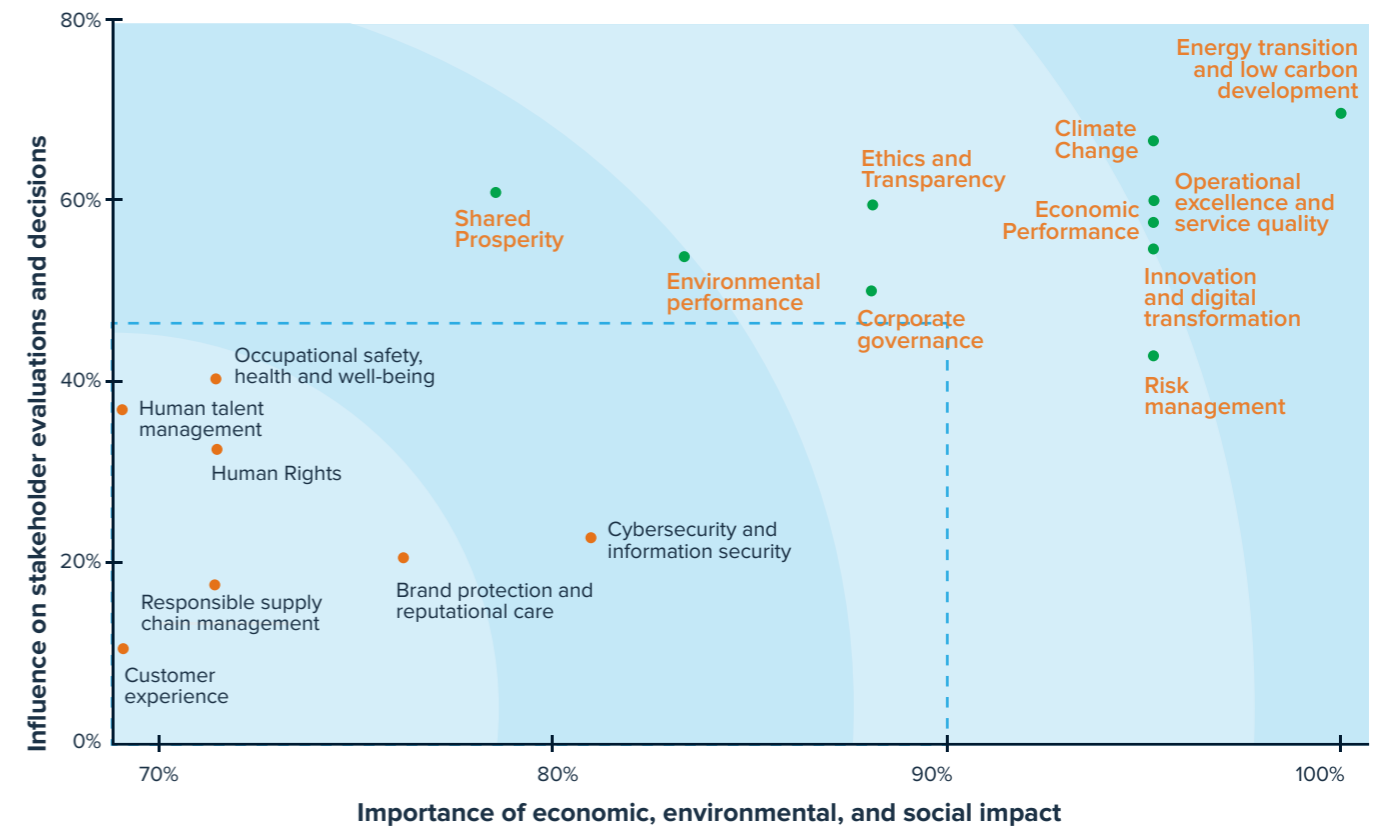
(102-21) In the last quarter 2021 we updated expectations of our stakeholders.  
 (102-44) The Group's materiality analysis. The result of this analysis was validated by the President's Committee and the Corporate Governance and Sustainability Committee of the Board of Directors.  
 (102-46) This, considering that GEB now has a new Sustainability Strategy and a new Corporate Strategy. Also, a higher purpose was defined which acknowledges the changes in the environment and in the needs and

The result of this analysis was validated by the President's Committee and the Corporate Governance and Sustainability Committee of the Board of Directors

**MATERIALITY PROCESS**



\*They correspond to focus groups with two or more participants.





# 01 Corporate model

# Corporate strategy

## Our strategy and higher purpose

IN DECEMBER 2020, GEB'S BOARD OF DIRECTORS APPROVED THE NEW CORPORATE STRATEGIC PLAN (CSP) 2021-2030. THIS PLAN RECOGNIZES IDENTIFIED WORLD TENDENCIES FOR INDUSTRY AND MARKETS WHERE WE OPERATE, IS GEARED TO RESPONDING TO THE DIFFERENT CHALLENGES OF THE SECTOR, FULFILLING THE PROMISE OF VALUE FOR OUR STAKEHOLDERS AND THE REGIONS WHERE WE HAVE PRESENCE.

GEB's corporate strategy is in essence, sustainability. Sustainability allows us to guarantee the continuity and competitiveness of our business and the generation of value as a Business Group.

Our CSP defines our higher purpose as "Improving lives with sustainable and competitive energy". This mandate includes:



(i) energy as the hub of GEB's business and as the engine for development to improve the quality of life of people, communities and countries where we operate.

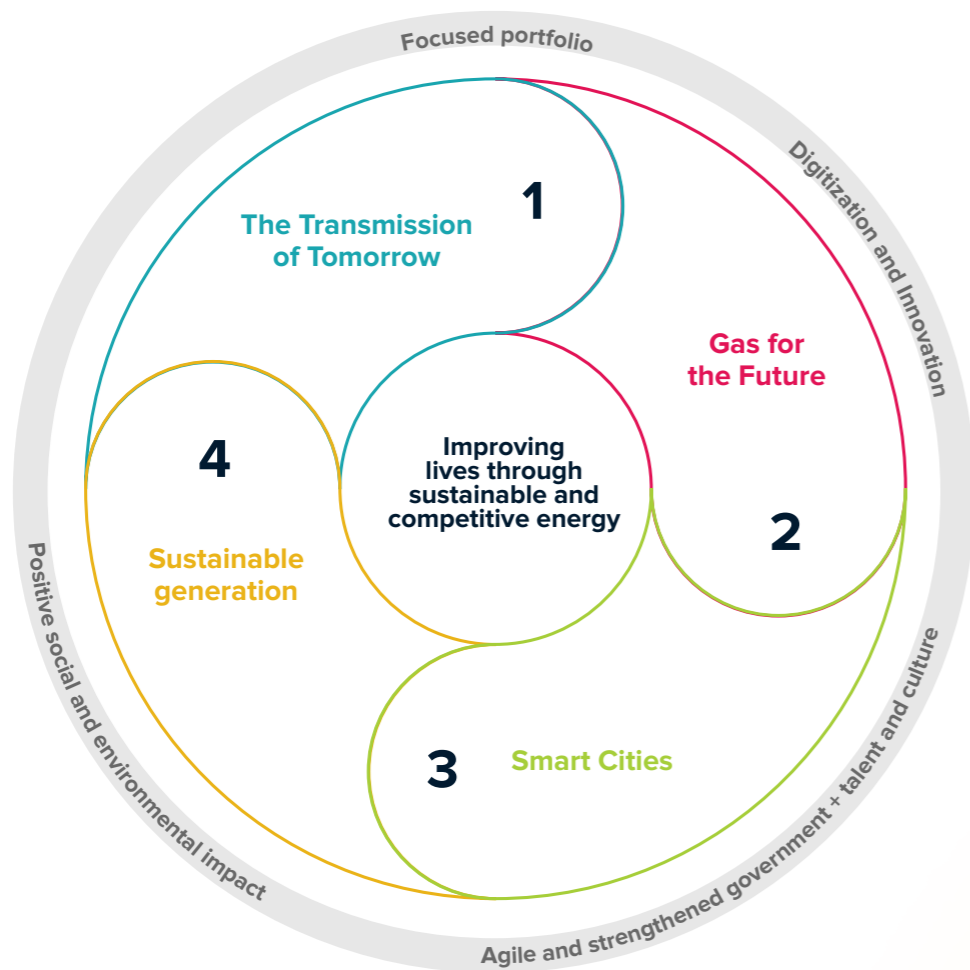


(ii) sustainability as enabler of our operations and as an opportunity to maximize positive impacts and generation of value, and



(iii) managing competitive businesses that contribute to the well-being of communities and return value to our shareholders.

## CORPORATE STRATEGY



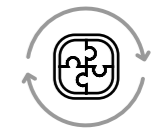
Working for a common purpose allows us to:



**Increase equality:** close social gaps, support the empowerment of women, value diversity and encourage inclusion.



**Increase productivity:** optimize the use of resources to increase efficiency.



**Position ourselves in the communities:** to fulfill our commitments and generate social, economic and environmental value within complex and volatile local and global environments.





**GEB's Strategic Plan** includes our road map towards 2030.



Inventory process at Contugas, ICA, Peru.

GEB's Strategic Plan includes four (4) axes around which our businesses and capacities focus.

**GEB's Strategic Plan** includes our road map towards 2030. It acknowledges the global, regional and local context of the industry, the ESG dimensions and their tendencies in the short-, medium- and long term, and identifies the opportunities and challenges faced by the Group and its subsidiaries to continue growing and performing a starring role in energy transition and building conditions for prosperity.

GEB's transformation then seeks to continue generating value for

our shareholders, and to continue contributing to the creation of conditions of well-being in the communities where we interact. This equips us with the capacity to make effective contributions to energy transition and to mitigating and adapting to climate change.

GEB's Strategic Plan includes four (4) axes around which our businesses and capacities focus, which are described below, and four (4) leverages that support turning the identified goals into reality:



**THE TRANSMISSION OF TOMORROW**

The electricity transmission business is changing globally, mainly due to the growth of non-conventional renewable energy sources and the challenges associated with ensuring the reliability of transition systems. For this reason, GEB is prioritizing projects for operational

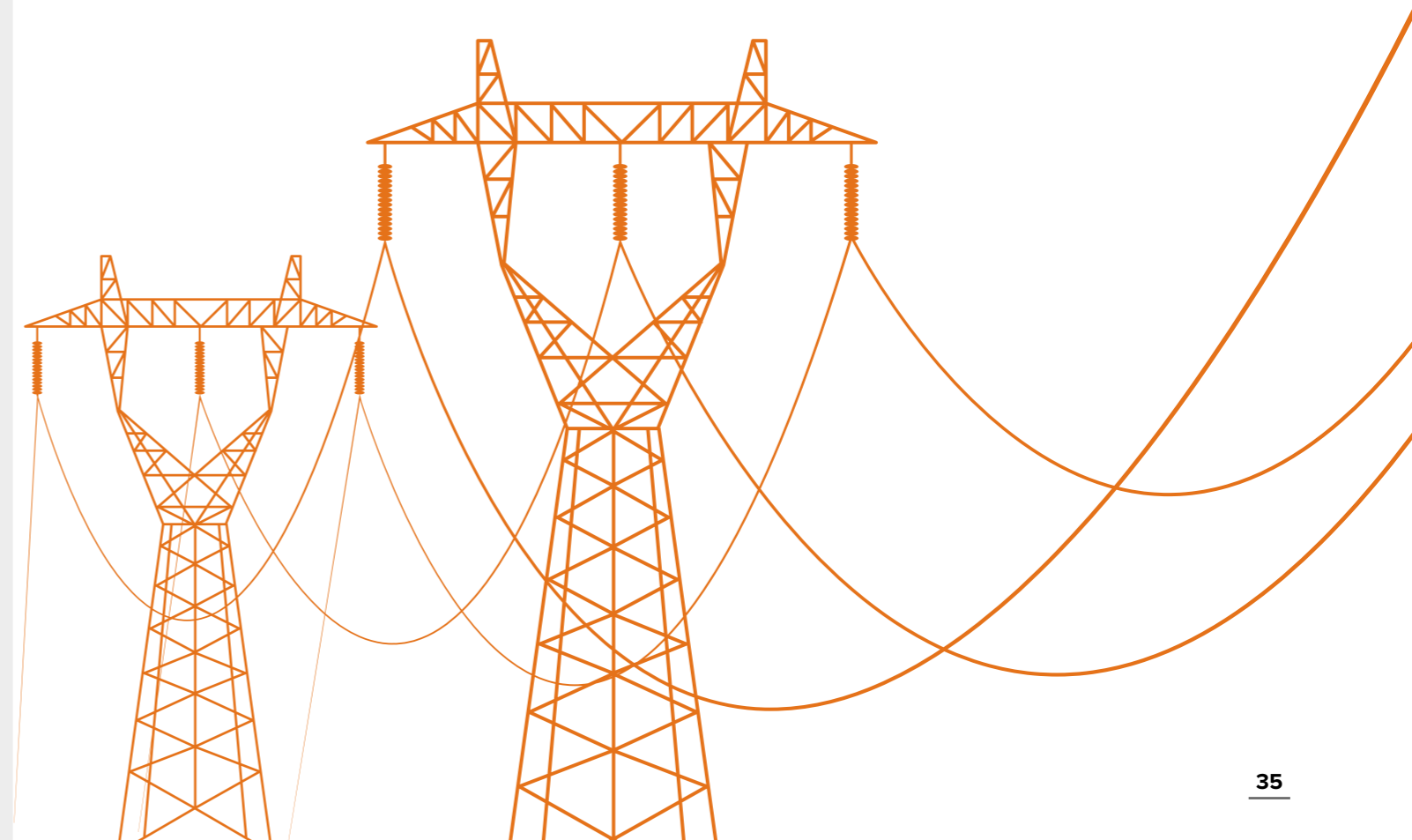
transformation, innovation and improvement of the processes in its transition infrastructure. The contribution of transmission projects to mitigating climate change and to prosperity and social equality is more evident each time.



**SUSTAINABLE GENERATION**

GEB seeks to grow and diversify its business to incorporate hydroelectric, solar and wind assets, and to invest in non-conventional energy projects to increase the capacity for sustainable generation in the countries where

we operate. These projects will bring us closer to achieving the goals of reducing greenhouse gas emissions, to which there are commitments at the Convention of the Parties of the Climate Change Convention.





**GAS FOR THE FUTURE**

Natural gas is a key source for energy transition and the strategies for improving air quality in the cities. Because it is cleaner than other fossil fuels, and due to its lower cost, it is called upon to increase its participation in the transportation, household,

industrial and electric energy generation sectors. Natural gas, aside from its contribution as a transition fuel towards carbon neutrality, plays a crucial role in the creation of conditions of well-being and social equality.



**SMART CITIES**

The District of Bogotá is GEB's largest shareholders, and thus the Group is committed to improving air quality in the city, with reducing carbon in its economy, with an improvement of transportation systems and mobility, with safety, energy efficiency, smart public lighting, autogeneration and distributed generation,

among others. These activities and initiatives contribute to the competitiveness of Colombia's capital city, to the improvement of its environmental quality, and while contributing to energy efficiency and carbon reduction in the economy, we increase the city's contribution to the climate change mitigation strategies.



Termocandelaria substation, Bolívar, Colombia.

Regarding the definition of the new strategy, the Group set its **mission-vision 2030 and corporate values**

**Mission**

We manage transmission, transport and distribution systems, as well as investments in the energy sector, in an ethical, sustainable, reliable and competitive manner.

**Vision**

To be recognized as an ethical, socially and environmentally responsible, sustainable company and a leader in the energy transition and innovation, **managing to double its EBITDA to COP 10 trillion in 2030.**



Life Comes First



Integrity



Teamwork with individual responsibility



Focus on results



Empathy

### 2021 MILESTONES

In 2021 we obtained our highest score in history at the S&P Global Corporate Sustainability Assessment and we entered into the Dow Jones Sustainability Index of Emerging Markets and the Mercado Integrado Latinoamericano (MILA) in the Gas Utilities sector. Thanks to this, we were included in S&P Global's *Sustainability Yearbook*,

and under the Gas Utilities sector we are positioned as the fourth company in the world and the first in the American Continent with a score of 79/100. These milestones commit us to continue working in a responsible and transparent manner, and to contribute to the creation of conditions of prosperity in the territories where we operate.



### THE TRANSMISSION OF TOMORROW

- We prioritized a matrix of initiatives for **2021-2025** that points to operational transformation, innovation and process improvement. The strengthening strategy of the transmission business will enable new growth capabilities and management of energy transmission assets.

- We inaugurated the backup control center **SE Tunal 230 kV**, to guarantee the continuity of service in Bogotá.



- The following assets were energized: **Drummond - SE Río Córdoba connection and bay reactor for Celsia.**

- In October we commissioned the **La Reforma-San Fernando 230 kV** electric interconnection.

- In November we launched **Enlaza**, a virtual center of expression and sharing capabilities and experiences on electric networks belonging to GEB and its subsidiaries.

- We obtained a score of **3.06 in the asset management maturity index**, which brings us closer to the certification and management with world-class standards.



We achieved a cumulative actual execution of the PET project of **91.916% vs. 89.41%** per the budget. This project in Guatemala has the objective of building more than 783 kilometers of transmission lines, building **10 new substations** and expanding **12 substations**, with coverage in **15 departments, 74 municipalities and 350 communities**. The project contributes to reducing outages, improving the coverage of service, integrating new energy generation plants, and to the development and competitiveness of the country.

- We achieved the recognition of cost overruns of **USD 13.6 million** (additional annual canon of **USD 1.7 million**. Actual effective rate before taxes of **9.33%**).
- We disbursed an intercompany credit **GEB-TRECSA** for **USD 45 million**.
- We achieved the complete financing structure of **TRECSA/EEBIS** for **USD 253 million**.



- GEBBRAS showed a positive result of **BRL 71 million**, which is **259%** larger compared to **2020**.
- We closed the negotiation for **BRL 390 million** for the purchase of Riatma III in Brazil) - **312 km** of **500 kV** lines.



- We increased revenue by **9.7%** with a **13.5%** growth of EBITDA.
- We issued bonds in the Peruvian market for **296 million soles**.





## GAS FOR THE FUTURE

TGI became a reference point regarding discipline and cost efficiency, achieving savings in PyG in the amount of **USD 15 million (USD 9.4 million)** in efficiency initiatives, **USD 4.1 million** due to a larger collection from accidents and the rest due to a smaller budget execution).



- TGI was included in the Sustainability Yearbook of S&P Global and received the Silver Class **distinction due to its high performance** in the Oil & Gas industry (storage and transportation).
- We increased by **4.3%** our revenue due to additional transportation contracts with Ecopetrol and a contingency contract with **Vanti**.



- We successfully closed the dispute with Aceros Arequipa and established a payment agreement for **USD 65 million**.

We established **22 operative and administrative synergies** with Electro Dunas for a total of **USD 522,000** with an annual weighted benefit and **3 operative synergies** with Cálidda for a total of **USD 190,000**.

- We increased our distributed volume by **9%** due to a larger demand **in the fishing sector**.



- We reached a historic record in household and commercial connections, and vehicle conversions for a total of **1.3 million**.
- We increased our invoiced volume by **4%** and our net profitability by **USD 15.7 million**.
- We updated our Five-Year Plan for **2022-2026** with an estimated additional investment of approximately **USD 40 million** (New Plan: approx. **1,850 km - USD 130 million**).



## SMART CITIES



We progressed in the validation process for GEB and Enel's participation in the new company that will enable future joint ventures, such as public lighting. In December **2021** we finalized contract terms and worked with the Special Administrative Unit for Public Services (UAESP, in the original Spanish), in the minutes for the conclusion of **2021**, which was signed in January **2022**.

- Regarding Ágata, contracts were signed for COP 8.725 billion and revenue in **2021** reached **COP 807 million**.



## SUSTAINABLE GENERATION



We finalized the agreement with Enel, which consolidated a strategic partnership for the growth and consolidation of GEB.

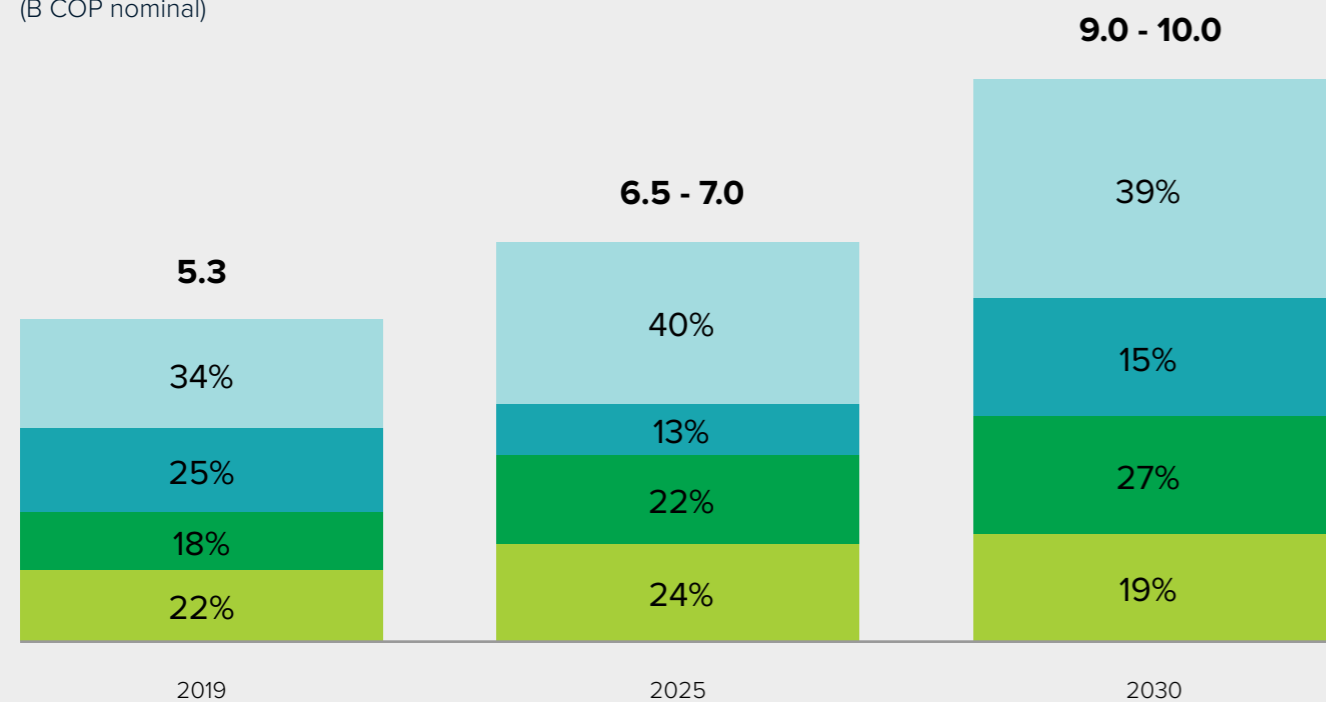
- We established the creation of Enel Colombia, which will have estimated profits for **COP 2.6 trillion** annually and close to **2 trillion** in annual investments until **2023**.

### GOALS, CHALLENGES AND OPPORTUNITIES

Within the framework of our strategic map, in 2021 we redefined the perspectives of our businesses. We went from the pursuit of specific objectives to focus our businesses around the Group's strategic axes, supported by their leverages,

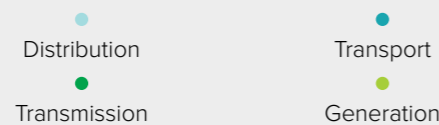
following the definitions of our 2021-2030 strategy. Our strategy presents goals in the business and financial areas that focus us to profitability and sustainability, as inseparable issues and objectives. General indicators are shown below:

EBITDA\* for each business line (B COP nominal)

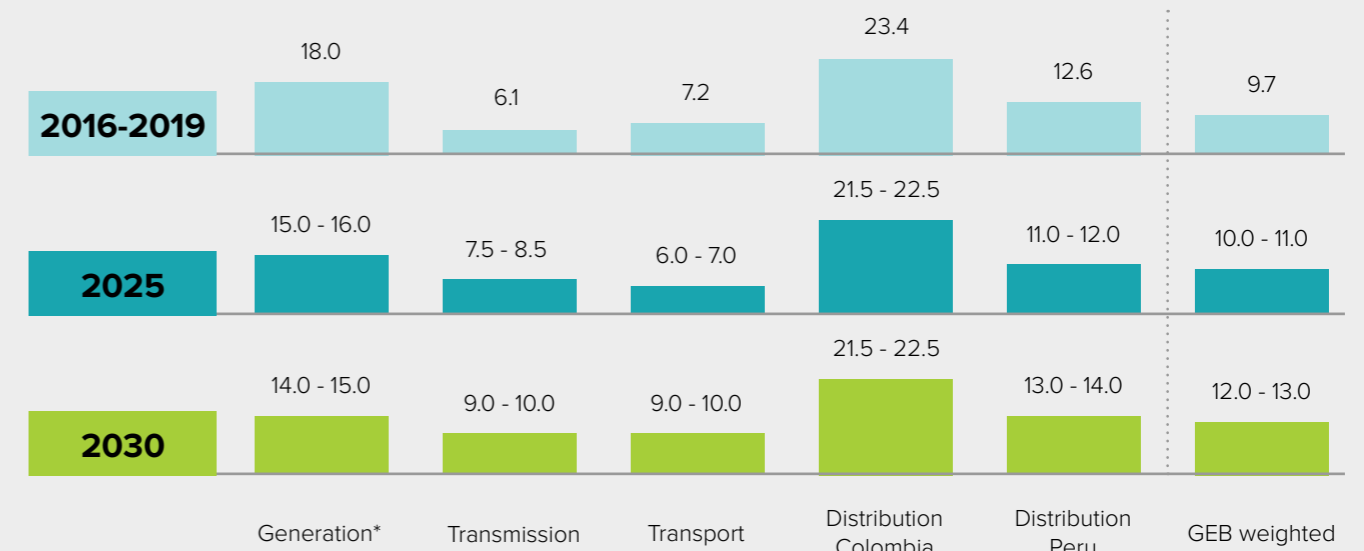


We will double EBITDA up to 10 trillion pesos in 2030.

\* 100% of EBITDA of controlled businesses, TGI at 70% and non-controlled businesses for their respective participation



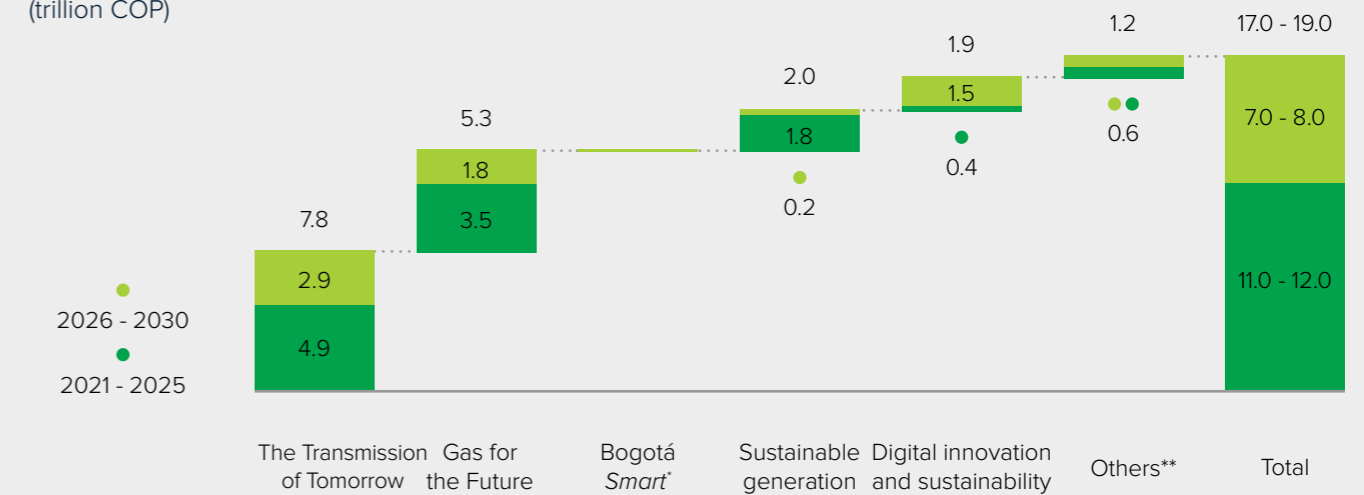
ROIC nominal in COP (%)



In 2030 we will attain a ROIC of at least 12%.

\* Includes NCRE; returns before considering Project Finance, increasing potential ROIC

Strategic plan investments with COP 13 trillion in additional investments vs. BAU average investments (trillion COP)








We made additional investments of up to COP 13 trillion compared with the BAU (Business As Usual) scenario

BAU investments (trillion COP)	The Transmission of Tomorrow	Gas for the Future	Bogotá Smart*	Sustainable generation	Digital innovation and sustainability	Others**	Total
6.0	2.2	2.7				1.2	6.0

\* Investments through Codensa, with impact on dividends  
 \*\* Investments in Grupo Dunas, Contugas, Trecca, EEBIS, Gebbras



Goals and challenges for 2022

	Current	2030	
 Operative networks (km) Market share	<b>4,500*</b> (-10,700 km ISA Peru)	<b>8,900- 9,000*</b> (11,400+ km ISA Peru)	
	Colombia: 9% Brazil: 0.7%**	Colombia: 21% Brazil: 1.7%**	
 Gas pipeline network (km) Transport capacity (MPCD)	<b>4,000</b>	<b>4,100</b>	
	<b>760</b>	<b>1,200</b>	
 Households Colombia*** (M)	<b>3.6</b>	<b>3.9</b>	<b>75% of smart meters****</b>
 Households Peru (M)	<b>1.2</b>	<b>2.8</b>	
 Generation installed capacity (GW)	<b>3.5</b>	<b>5.1 - 5.3</b> (-1.6 - 1.8 on NCRE)	

\* Does not include ISA REP or ISA CTM \*\* Does not include Gebbras \*\*\* Codensa \*\*\*\* Goal of the Ministry of Mines and Energy

The goals and challenges for 2022 are:

## 1. Strategic axis goals:



### THE TRANSMISSION OF TOMORROW

- Strengthen the transmission business with a vehicle that allows an independent administration and an agile and efficient management.
- Identify and leverage synergies in technical capacities between **Brazil, Peru, Colombia and Guatemala**, through **Enlaza**.
- Assess new investments in Colombia and Brazil, and other countries. Continue execution of the **PET** project in **TRECSA** and merge the two subsidiaries in Guatemala: **TRECSA-EEBIS**.
- Position ourselves as a multi-Latin leader in transmission networks (Colombia, Brazil and Peru) through profitable and speedy organic and inorganic growth, leveraged by transforming investments.



### SUSTAINABLE GENERATION



- Enable the **Enel-GEB** agreement through the superintendency of companies.



### SMART CITIES



- Implement public lighting and distributed generation initiatives with the agreement signed between the District, **GEB and Enel**.



## GAS FOR THE FUTURE

**Manage the development of regulations and standards** to benefit

- the gas business, seeking opportunities to mitigate risks and to generate investment and efficiency opportunities.
- **Protect** the business' margin.
- Play a starring role in the national strategies of **energy transition and climate change mitigation**.
- Identify opportunities to integrate the **transportation and distribution** segments.



- Negotiate the **Five-year Plan** and the extension of the concession.
- Resolve in a favorable manner the **pending conflicts/litigation** (fines, transportation rates, etc.).



- Identify and materialize opportunities for operating efficiency, **optimization and take advantage of synergies**.
- Strengthen the efficiency of recruitment: **TGP, Pluspetrol, etc.**
- Review rates **2022-2026**.
- **Push for** the coastal gas pipeline.



## 2. Strategic leveraging goals



### FOCUSED PORTFOLIO



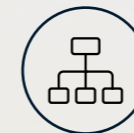
- **Contugas:** resolution of the EGASA complaints (awarded March **2022**) y EGESUR (hearing April **25**-Approx. Award July **2022**)
- **TRECSA:** advance the international legal strategy. During **2022** we advanced the jurisdiction stage.



### AGILE ANDEFFICIENT CORPORATE GOVERNANCE + TALENT AND CULTURE



- Implement the **Center of Shared Services** for Colombia and Guatemala.
- **Adopt and strengthen** the Business Group model with cross-sectional, long-term vision.
- Implement the **New Ethics and Compliance Program** at GEB and its subsidiaries.
- Develop the cultural transformation project associated to closing the gaps identified in **2021**.



### INNOVATION AND DIGITALIZATION



- Implement the technological oversight system and the **culture and open innovation road map**.

**POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT**

- Continue implementing the Group's **Sustainability Strategy**.
- Certify the **carbon neutral** operation of Corporate.
- Establish **paths for reduction of emissions** by 2030.
- Adopt a **Human Rights policy** and set goals for diversity, equality and inclusion.
- Keep GEB in DJSI.

**FULFILLING THE COMPANY'S OBJECTIVES**

We next present the fulfillment of the objectives set for the Group by December 2021.

	2021 Target	2021 (Real)	Compliance
1 Total Shareholder Return (TSR)	3%	7.2%	120%
2 Group's ROIC*	8.9%	10.8%	120%
3 Lost Time Injury Frequency Rate (LTIFR)*	0.45	0.28	120%
4 Emissions TCO <sub>2</sub> eq (TGI)*	154,619	216,918	59.7%
5 Ration emissions TCO <sub>2</sub> eq / Revenue (GEB branch)*	23.54	17.38	120%
6 Emissions TCO <sub>2</sub> eq (corporate GEB)*	391.5	338.11	120%
7 Corporate Sustainability Assessment (S&P Global)	-4.99% to - 0.01%	Entrance to DJSI	120%



In 2021 we reached a fulfillment rate of 108% of the objectives of our Group.

**PERFORMANCE STRATEGIC MAP**

Starting with the update of the corporate strategy approved in December 2020 by the Board of Directors, GEB redefined a Corporate Strategic map. It includes

a dashboard that allows measuring the progress towards the goals and the performance of initiatives and indicators for 2021, year in which we attained a fulfillment rate of **108%**.

**Note:** \*Performance of these indicators will be addressed in the corresponding chapters of the sustainability report.





# Sustainability strategy

## General purpose

Ensure the sustainable growth of GEB (Grupo Energía Bogotá for the Spanish original) by creating conditions of well-being and prosperity in the territories, transparent and fair relations with stakeholders, and contributing to the transition towards energy efficient and low carbon economies.

### SPECIFIC PURPOSES

Prevent, mitigate, control and offset the environmental impacts associated with GEB's activities at the local and regional level, restore degraded ecosystems, contribute to the improvement of urban air quality; and contribute to the mitigation of climate change.

Strengthen Corporate Governance, ensure high ethical, integrity, transparency and compliance standards, and build trust with stakeholders.

The intersection of these four specific objectives should lead to the sustainability of the operations, projects and activities of GEB and its subsidiaries, to the generation of value for the Group's shareholders, to greater efficiency in the use of energy resources, to mitigation and adaptation to climate change, and the improvement of social welfare conditions.

Prevent, mitigate, control and compensate for social impacts in the areas of influence of GEB projects and operations, guarantee the protection of human rights, and contribute to prosperity and social well-being at the local level.

Monitor and take advantage of technological changes, strengthen the capacity to undertake innovation opportunities and to mitigate the risks generated by changes in local and global trends.

This should contribute to the achievement of the following Sustainable Development Goals: Gender Equality (5); Access to affordable and Clean Energy (7); Decent Work and Economic Growth (8); Industry, Innovation and Infrastructure (9); Sustainable Cities and Communities (11); Climate Action (13); Life on Land Ecosystems (15); and Peace, Justice and Strong Institutions (16).



### SCOPE

The sustainability model is aimed at Grupo Energía Bogotá (GEB), including the Transmission Branch and all its subsidiaries. GEB will promote the application of this strategy even in the case of subsidiaries it does not control.

### PRINCIPLES AND CRITERIA FOR ACTION

To ensure the realization of the objectives presented above, all the organizations, agencies and people to whom this strategy is directed must adopt the principles and criteria of action that are listed below:




All the organizations, agencies and persons to whom this strategy is directed should adopt the principles and criteria for action

**SUSTAINABILITY AS A BUSINESS STRATEGY**

The Sustainability Strategy of GEB is an integral part of the Corporate Strategy and allows reaching the accomplishment of our ultimate

purpose: 'Improving lives through sustainable and competitive energy.' In this sense, sustainability is made up by four pillars:

- 
- **Business:** Sustainability allows investments and operations to be profitable, competitive and to have a positive social and environmental impact in the territories where we have presence.
  - **Social and Environmental Management:** Through social licenses and transparent relationships, we create shared prosperity and contribute to the protection of the environment. The growth of our operations in the territories is critically dependent upon the quality of our relationships with local interest groups.
  - **Governance, talent and culture:** The structure of corporate governance, the adequacy of leadership and the plurality and integrity of employees all contribute to preserving public equity. Their purpose is to build trust.
  - **Innovation:** Enables the transformation required to be sustainable and competitive. Allows identifying risks and opportunities timely, and addresses strategies to mitigate and leverage them.

**OUR ACHIEVEMENTS IN 2021**

The Sustainability Strategy had as one of its major accomplishments the definitions of objectives and agendas in several of the Group's priority areas of action. Among them, the need to address challenges in the following areas:



The Group is deploying initiatives in all these fronts that find themselves at different levels of development in our subsidiaries.

**2021 RISKS AND OPPORTUNITIES**

Our Sustainability Strategy leverages opportunities and avoids risks in the short, medium and long term. The main issues are those derived from climate realities and tendencies, as well as the demands and expectations of communities and society in general regarding the contribution of corporations towards social development.

Among the opportunities realized in 2021 we have the launch of activities aimed at mitigating and adapting to climate change, protecting human rights, shared prosperity among the territories, safety and health at work, corporate governance, ethics and transparency, and environmental development, among others.

Climate challenges, which our Sustainability Strategy proposes aligning our company with the Nationally Determined Contribution (NDC) of those countries in which we have a presence, could generate financial expenses related to the path of the reduction of emissions. However, it is also true that the energy transition generates financial opportunities for our Group.

These risks and opportunities are evident in the businesses of transportation and distribution of natural gas, a fuel cleaner than other fossil fuels (carbon, diesel fuel, gasoline), which will play a starring role in the medium term as a transition fuel. It is also true that the subsidiaries that operate natural gas businesses could

eventually adapt and leverage their infrastructure and industrial processes to produce, transport and distribute hydrogen, which could generate new opportunities and new business. Because this is a fossil fuel in any case, the demand for natural gas could decrease in the long term, which could generate financial risks. In this manner, and in the case of subsidiaries that operate gas transportation and distribution businesses, from the identified medium- and long-term risks new business opportunities could appear.

In the case of electric energy businesses, subsidiaries controlled by our Group and the companies in which the Group shares equity interest and operate generation infrastructure have the opportunity to grow in response to the growing demand of non-conventional renewable energy sources (FNCER for the Spanish original). Similarly, given the trends in the growth of electricity demand and the installed capacity of FNCER in the countries of the region, companies that transport and distribute electricity can find business opportunities and play a starring role in energy transition through the construction and operation of the necessary infrastructure to meet the growing demand.

Because this is a fossil fuel in any case, the demand for natural gas could decrease in the long term.

**GOALS 2022** The goals planned for the development of the Sustainability Strategy are concentrated in five areas, each with its related objectives, goals and activities.

**Climate Change**

**1**

- Strengthen the quantification and verification of greenhouse gas inventory (Corporate and Transmission).
- Certify the carbon neutral operation of Corporate GEB in 2021.
- Initiate the design of a corporate strategy of climate change, which should be approved in 2023.
- Prepare an organizational culture plan for the efficient management of waste.
- Implement a sustainable mobility program for GEB employees.
- Prepare a circular economy strategy.

**Environmental management**

**3**

- Prepare the methodology to formulate, structure and assess the social and environmental investments.
- Develop international cooperation initiatives.
- Strengthen the local linkages of the group.

**2**

**Human rights – Diversity, equity and inclusion**

- Prepare the due diligence system for human rights. (Corporate and branches).
- Design and adopt the human rights policy.
- Train GEB workers, suppliers and contractors in the aspects of diversity, equality and inclusion.
- Structure a social investment project focused on gender differentials.

**Environmental Management Systems**

**4**

- Strengthen the environmental management systems through the development of an action plan for losing gaps per ISO 14001.
- Maintain the certification of GEB and its branches to ISO 14001.

**Sustainability Reports**

**5**

- Participate in the S&P Global sustainability assessments and maintain the company within the Dow Jones Sustainability Index.
- Prepare the first Comprehensive Sustainability Report for GEB.

**Risk management**

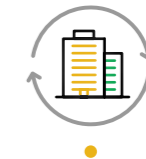
**VALUE**

- Life Comes First
- Integrity
- Teamwork with individual responsibility
- Focus on results
- Empathy

**IMPACT LIMITS**

- Board of Directors/ Senior Management
- Competitors
- Credit rating agencies
- Customers
- Employees
- Financial institutions
- Investors and shareholders
- Partners
- Suppliers and Contractors
- Local communities

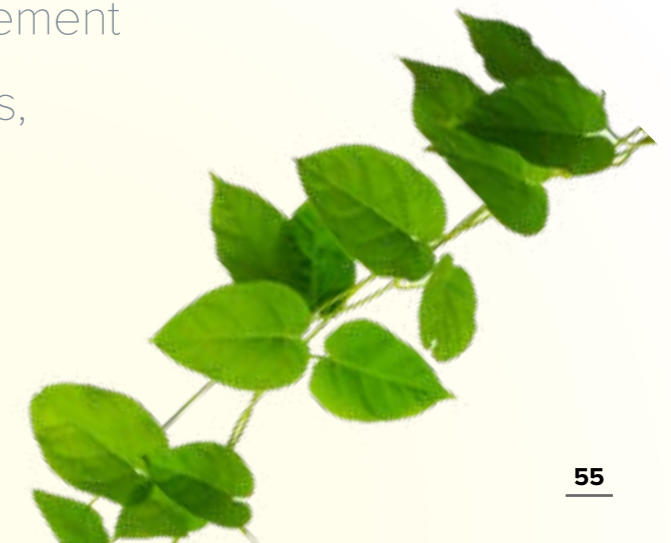
**PRIORITIZED SDGS**



Within the framework of our corporate strategy, the Comprehensive Risk Management Model (CRMM) is coherent with our values, capabilities, processes, roles and responsibilities. Based upon NTC ISO 31000 2018, it provides a frame of reference that assures the execution of activities

needed for proper management of the risks identified by GEB and its subsidiaries, to ensure the achievement of strategic objectives, the continuous improvement of operations in the Group and its subsidiaries, and the protection of the assets, resources and equity placed in our charge.

The Comprehensive Risk Management Model (CRMM) is coherent with our values, capabilities, processes, roles and responsibilities.



**COMPREHENSIVE RISK MANAGEMENT MODEL**

The Model is complemented by the Risk Management Policy that sets the commitments and the general action framework for comprehensive risk management at GEB and its subsidiaries, the management and updates of

the risk appetite framework, the continuity system to guarantee our business operations, and the Corporate Risk Management Procedure, which details the methodology used for comprehensive risk management.



**PROMOTING A RISK MANAGEMENT CULTURE**

(102-30)

Risk management is a cross-cutting commitment of the entire Group for prevention and mitigation. It is led by the Audit and Risk Committee of the Board of Directors, which includes in its functions monitoring and assessing the Group's Internal Control system, including risk analysis and recommendation and issuing concepts to the Board of Directors.

The Audit and Risk Committee of the Board of Directors is presided by Ignacio Pombo, and includes

two independent members of the Board of Directors (María Mercedes Cuéllar and Martha Veleño). These individuals have the experience and knowledge needed to assist in the Group's risk management.

Every quarter, management reports the strategic risks to the Audit and Risk Committee and to the Board of Directors. This is done for purposes of follow-up, adjustment and strengthening treatment plans, and taking action on relevant risks across the entire organization.

**STRATEGIC AND EMERGING RISKS**

Corporate identifies, measures and manages the strategic and emerging risks to which the companies are exposed to minimize the probability of occurrence of potential financial and reputation impacts, and to leverage any opportunities that may arise from them. Each subsidiary of the Group applies the Comprehensive Risk Management Model and generates a map that identifies and assess risks, and measures and plans are presented for treatment in each one of the businesses.

For all identified risks and opportunities, regardless of their level of criticality or priority, potential related impacts are identified and assessed, and action plans and treatment measures are established. Process leaders are trained and in charge of applying the CRMM. They are responsible for timely reporting of risk events that reach materialization. Additionally, through scheduled internal audits as part of the Risk-based Annual Audit Plan, the effectiveness of the implemented controls is assessed.

Termocandelaria Substation of Colombia branch.



### OUR PRIORITY RISKS

Every quarter the Risk Materialization indicator is measured, which quantifies the relationship between materialized and identified risks. In 2021 the Strategic Risks Materialization indicator remained at 0% for GEB and the Transmission Branch.

The Risk Control Effectiveness indicator is measured annually. This assesses the risk reduction or mitigation exerted by the set control measure and the degree of functionality and application of that control measure. Results from the assessment of strategic risk controls for 2021 gave a 94% effectiveness for GEB and 95% effectiveness for the Transmission Branch.

In **2021** the Strategic Risks Materialization indicator remained at **0%** for GEB and the Transmission Branch.

Employees at works in Cálidda, Peru.



#### Regulatory changes unfavorable to the company's interests (strategic)

Changes in current regulations (laws, decrees, resolutions, regulations, rulings, doctrine) with a negative impact on the interests of GEB and its subsidiaries.

#### Mitigation actions

- Ongoing monitoring of market performance and the regulations issued in connection with the COVID-19 situation.
- Participation in sectoral and governmental forums to promote sustainable decisions for the Group's companies.

#### Occupational accidents in the operations and activities performed by GEB and its subsidiaries (strategic)

Accidents happening to direct employees and third parties that cause severe or fatal injuries.

#### Mitigation actions

- Implement the Industrial Safety Cultural Transformation Program.
- Inspect and verify compliance with occupational safety and health (OSH) procedures for high risk jobs and affiliations to the social security system.
- Periodic verification of competencies and training of Company and contractor employees.
- Orientation and periodic awareness-raising on the risks and hazards employees and contractors are exposed to.
- Define indicators to measure OSH competencies and performance at all levels of the organizations.

#### Potential differences between partners in non-controlled partnerships (strategic)

Differences in the interpretation of Shareholder Agreements and statutory obligations in investments in which GEB has no control.

#### Mitigation actions

- Directives issued by the Vice President of Business and Innovation, and the Corporate Affairs Department for effective participation in meetings of the Board of Directors.
- Identify and follow-up on relevant, critical or high material impact for companies where GEB has equity interest but no control.
- Set a legal strategy in case GEB's rights are violated to protect the Group's position on its investments.

#### Legal, regulatory, tax and financing uncertainties (emerging)

Changes in regulatory frameworks in countries where GEB operates.

#### Mitigation actions

- Proactive management and monitoring of laws, regulations, doctrine and jurisprudence.
- Group lobbying of high government in each country.
- Legal stability agreements.

#### Reconfiguration of the energy sector value chain and accelerated implementation of new technologies (emerging)

Lack of continuity in the strategy or failure to implement the corporate governance practices.

#### Mitigation actions

- Implement the new strategic plan for 2021-2030, where GEB's businesses in Electricity Transmission and Gas Transportation are strengthened.
- Use computer technology to ensure the digitization of the companies's core and back office processes.
- Proactive management and monitoring of the environment in the region, technological monitoring of new market entries and adoption of technologies that add value to the business.
- Innovation system evolution.

(Own) Grupo Energía Bogotá recorded zero (0) materialized strategic risks in 2021.

## Our most relevant achievements in 2021



We updated the Risk Appetite Framework (appetite, tolerance and capacity) for GEB and its subsidiaries, and we defined specific commitments regarding updates and management of the appetite framework. An updated risk framework allows us to generate early warnings and take action for critical events in a timely manner.



To establish action protocols and protect the Group's equity and investments, we analyzed the socio-political environment of the territories where we have a presence. This was led by the Vice President of Growth, the Vice President of Business Management and teams from our subsidiaries.

## Our opportunities in 2022



Following our commitment with energy transition, using natural gas as a transition energy and with non-conventional renewable energy sources, we will follow up on strategic and emerging risks in projects that transform the energy matrix to identify potential positive and negative impacts, as well as new growth opportunities.

## Our purposes for 2022

1

Define a new framework for reviewing and updating strategic and emerging risks through a trend analysis of the environment and its connections to GEB and to each one of its businesses.

2

Analyze risks and opportunities posed by climate change using the TCFD (*Task Force on Climate-Related Disclosures*) methodology. The TCFD report will be published in the second semester 2022.

3

Develop and analysis of impacts caused by the strategic risks associated to climate change and include relevant climate risks in the Strategic Risk Matrix.

## Business continuity

The Group has defined a Business Continuity Policy that is in the process or review and approval.

### VALUE

- Life Comes First
- Integrity
- Teamwork with individual responsibility
- Focus on results
- Empathy

### IMPACT LIMITS

- Customers
- Investors and shareholders
- Employees

### PRIORITIZED SDGS



16.6

Business continuity is a part of the Comprehensive Risk Management. Our management must cover any unexpected and disruptive situation to ensure the continuity of critical processes and restore them within adequate time frames, with the least impact and cost, and as efficiently as possible.

The Group has defined a Business Continuity Policy that is in the process or review and approval. This Policy sets the action framework and the commitments of the Group and its subsidiaries for Managing the Continuity of business. As a complement, guidelines have been defined for continuity management to ensure their standardization and alignment in controlled subsidiaries.

Monitoring the management of business continuity is the responsibility of GEB's Audit and Risk Committee, which receives follow-up reports from GEB's Strategic Planning Department and from Transmission Branch's Business Planning Department.

These two were named as the areas responsible for leading and managing the planning, follow-up and reporting activities related to business continuity.

GEB and the Transmission Branch measure the maturity level over the implementation of the Business Continuity Management system and the Disaster Recovery Plan (DRP). This is performed using the Business Continuity Maturity Model (BCMM), developed by Virtual Corporation, a leader in the development of business continuity and risk management software, and by JPMorgan Chase & Co.

The model includes an assessment of the following corporate competencies, which can be adapted to any type of company: leadership, employee awareness, structure of the business continuity model, penetration of the business continuity model, metrics, commitment to resources and coordination with third parties. Based upon the individual assessment of the

seven (7) corporate competencies, the general maturity level is determined and detailed for each competency. The minimum expected maturity level is 3 — Central governance. At this level, it is assured that an organization has the potential to maintain and recover its functional capacity in a coordinated and sustainable

manner after an outage. This organizational ability is called resiliency.

GEB has set a series of procedures to manage business continuity which were officially established in the Integrated Management System.



These allow us to develop and strengthen our capacity to give continuity to processes in the event of an outage and to act appropriately when they occur, reducing their impact.



City gate in Contugas, Peru.

## Our most relevant achievements in 2021

- 1** We identified opportunities for improvement through a simulation of an outage scenario, in which operational and tactical staff took part, both from GEB and from the Transmission Branch.
- 2** 150 employees in our Operating, Tactical, and Strategic teams were trained in the importance of their role regarding business continuity.
- 3** We updated the business continuity system to develop the capacity to maintain businesses operating when facing an outage event, and to react to them in a timely manner.
- 4** We complied with pandemic biosafety protocols through the following main actions:
  - Monitoring cases of suspected and positive infection at GEB and subsidiaries.
  - Vaccination of 94% of GEB employees (641) and 96% of TGI (463) employees.
  - Adapt the work infrastructures, digitize the businesses adapting them to new work schemes, mobility plans and business digitalizations.

## Our purposes for 2022

FROM BUSINESS CONTINUITY WE PROPOSE SEVERAL INITIATIVES TO STRENGTHEN OUR REACTION CAPACITY TO INCIDENTS:

- 1** Define a new framework to review and update our strategic and emerging risks via a regulated intelligence process and analysis of tendencies and connections where holistic analysis between global tendencies and risks can be identified, visualized, and created to identify new treatment and contingency plans at GEB and each of their businesses.
- 2** Approve the Business Continuity Policy.
- 3** Measure the maturity of our system for business continuity at GEG and Transmission Branch, according to the diagnosis provided by the Business Continuity Maturity Model by Virtual Corporation.
- 4** Train the senior management at GEB and Transmission Branch in business continuity.
- 5** Standardize the Business Continuity Management at the subsidiaries according to the guidelines approved by GEB.

- 6** Execute new test exercises for the Business Continuity Plan that include the management team.
- 7** Execute a Crisis Management Workshop and training for spokespeople.

Substation at Trecca, Guatemala.



## Our most relevant achievements in 2021



Assess new technologies for detecting ground and infrastructure instability, to identify greenhouse gas emissions in our infrastructure.



Monitor innovation initiatives to ensure that business continuity is not affected during their implementation.



Adapt the work infrastructures, digitize the businesses adapting them to new work schemes, mobility plans and business digitalizations.



# Cybersecurity and information security

**VALUE** • Integrity

**IMPACT LIMITS**

- Employees
- Investors and shareholders
- Subsidiaries
- Senior Management

**PRIORITIZED SDGS**



11.6

Digital transformation and virtuality have changed the way we work and connect with each other. Also, they have unleashed changes in information security, created new challenges and threats for our information systems, platforms and data. This has driven us, in agreement with our Corporate Policy, to strengthen the Information Security and Cybersecurity Strategy by implementing the Information Security and Cybersecurity Model (ISC)

Information is part of the Group's equity. The implementation of the Information Security and Cybersecurity Strategy and compliance with corporate guidelines are key elements to assure protection. The development of the Information Security and Cybersecurity Strategy, and compliance with corporate directives are monitored by the Audit and Risk Committee of the Board of Directors. This Committee receives a quarterly report regarding gaps and management

actions carried out related to these issues. Also, the Committee actively participates in identifying relevant emerging risks related to information security and approves the adoption of the necessary treatment measures.

The ISC Model allows us to manage and reduce risks related to Cybersecurity, personal data, information and cyber assets, and to respond to incidents and outages that could cause significant impact over our operations and management.

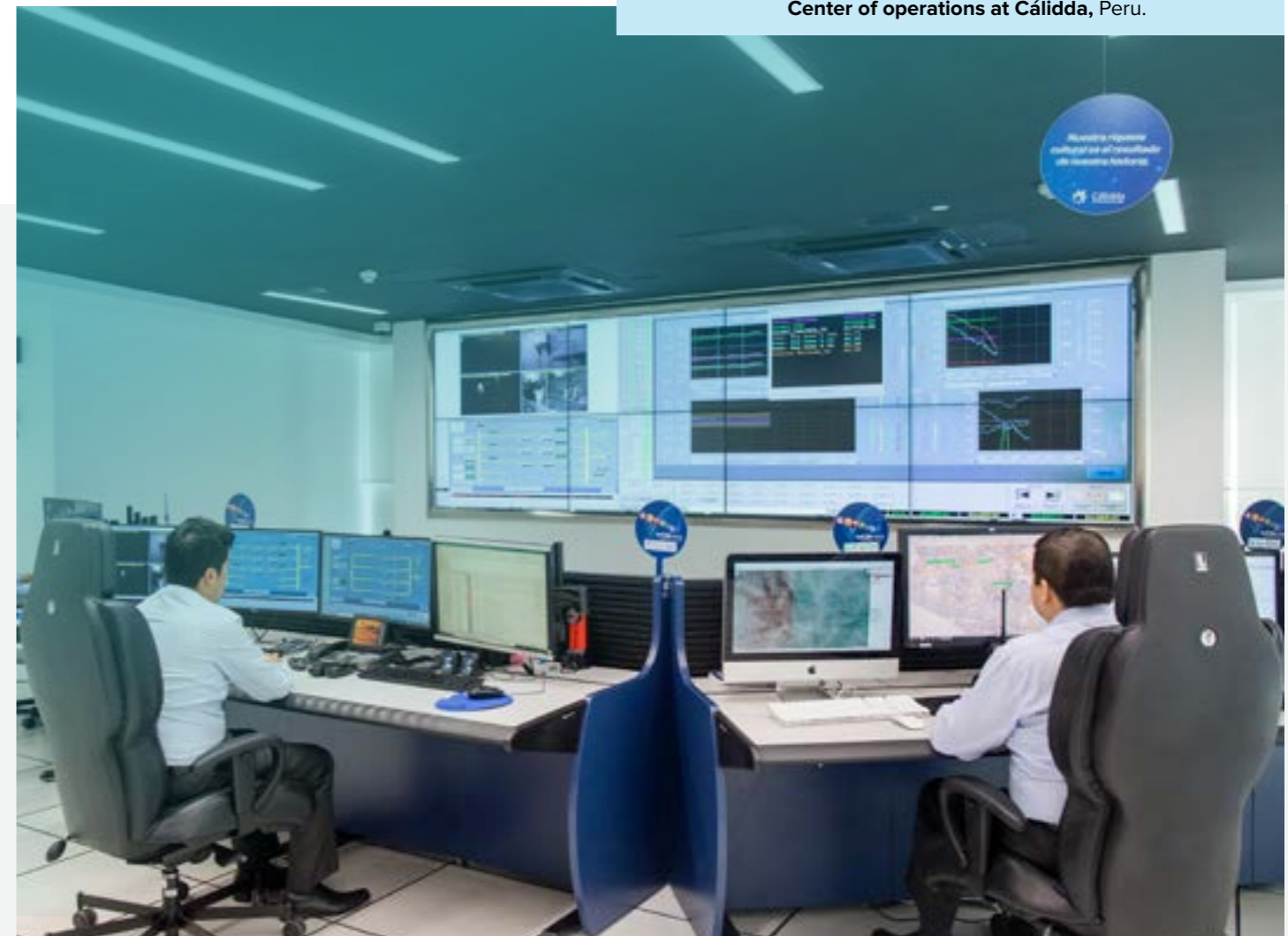
To guarantee the effectiveness of the strategy and the ISC model, we use common indicators for our subsidiaries. These indicators allow measuring incident management, and assess vulnerabilities, following up on the progress of the Information Security and Cybersecurity Awareness Plan, and knowing the level of development of the ISC Model, which reached 81% in 2021.

The culture of secure use of information and cyberspace is a critical focus of action for Grupo Energía Bogotá and its subsidiaries.

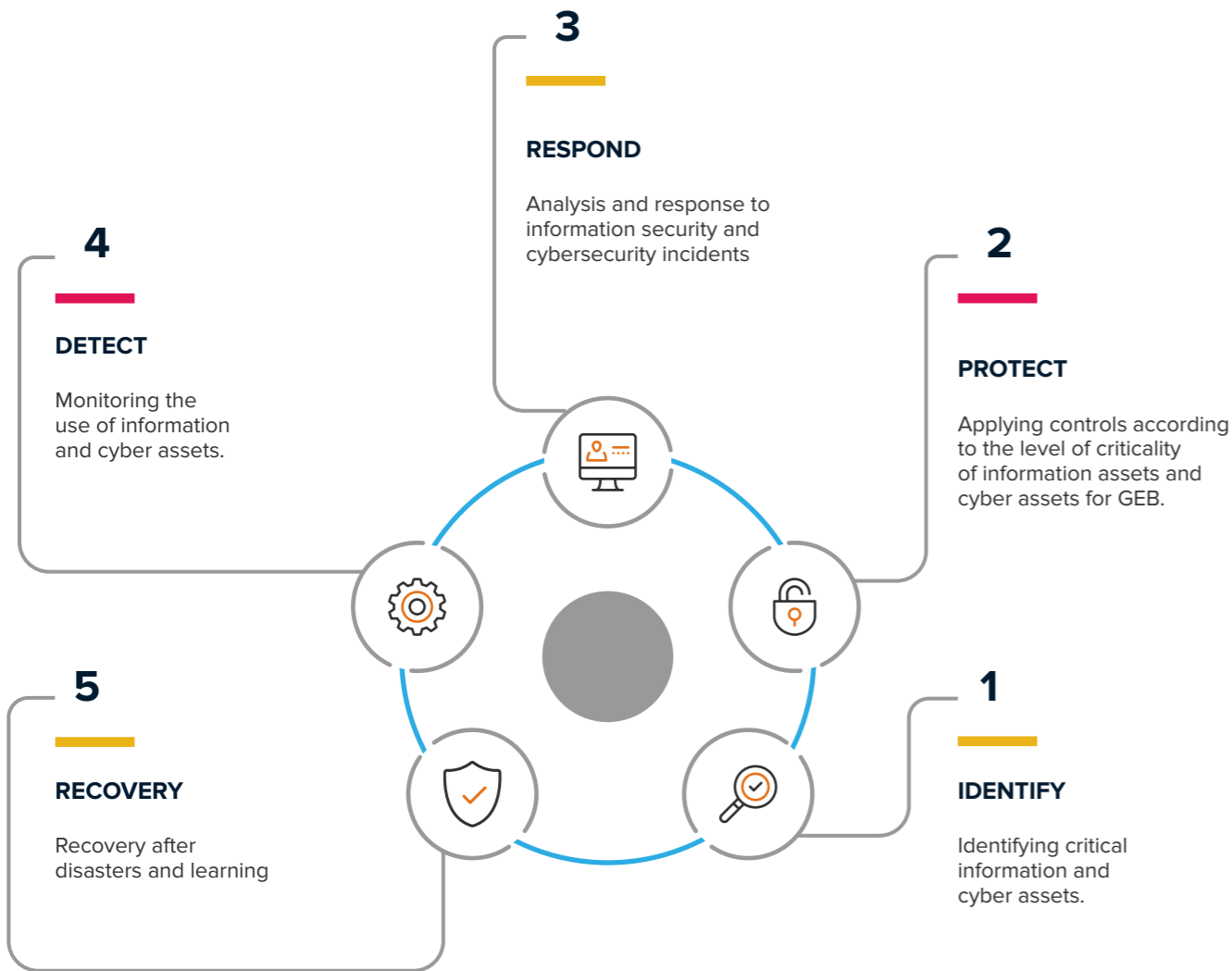
The culture of secure use of information and cyberspace is a critical focus of action for Grupo Energía Bogotá and its subsidiaries. This culture allows us to prevent, detect, contain, respond, recover and defend the information and cybersecurity, and to maintain a responsible and transparent management of information, personal data and cyberstructure of the Group.

We also perform follow-up through the Information Security team to any incidents reported by our IT provider or at the email address [seguridadinformacion@geb.com](mailto:seguridadinformacion@geb.com). This aims to guarantee the timely application of measures that may detect, mitigate and eradicate information security events or incidents.

Center of operations at Cálidda, Peru.



**STAGES OF THE  
INFORMATION SECURITY  
AND CYBERSECURITY  
MODEL**



The ISC Model allows us to manage and reduce risks related to cybersecurity, personal data, information and cyber assets.

**OUR MOST RELEVANT  
ACHIEVEMENTS IN 2021**

- 1** We came along our employees during the virtuality without affecting business operations.
- 2** We strengthened our security controls to protect corporate information against unauthorized access and making remote control and support easier for final users.
- 3** We implemented the Multiple Factor Authentication (MFA) technology, allowing employees to authenticate their sessions in Office 365 services and protect themselves against identity fraud and credential theft. We also trained our employees in the use of this tool, improving the flexibility and mobility during remote work in a secure manner.
- 4** We strengthened the culture and ability to identify and report cybersecurity events or incidents that could compromise our business objectives through the following activities:
  - Communication pieces, webinars and social engineering exercises.
  - Virtual course on Information Security and Cybersecurity, with 89% participation of our employees.
- 5** We updated procedures, manuals, instruction sheets and forms that support and strengthen the Policy and the ISC Model, to guarantee standardization and quality of the security and cybersecurity processes.
- 6** With the support of the Vice President of Business and Innovation, we implemented a scaled economy through the standardization of technologies, creating contracts and agreements with our technology suppliers, which represented a significant cost reduction of acquired technologies for the protection of our subsidiaries.
- 7** We implemented the CNO 1347 agreement on September 16, 2020 through the Cybersecurity project at the Transmission Branch, whereby we developed lockup and gap closing strategies that allowed increasing the protection level of physical and logical facilities, setting the execution road map for 2022 and 2023 to increase security levels in our operations.
- 8** We established a cyberprotection scheme both in the physical and logical aspects to protect our technology infrastructure and the company's information, by obtaining a traditional cybersecurity policy, which offers coverage against possible financial, legal and regulatory impacts that could be caused by malicious attacks or accidental events that affect the confidentiality, integrity and availability of information in the technology infrastructure.



### 165 leaders

All trained, including the President, Vice Presidents, Directors and Managers of GEB and subsidiaries, on the directive role regarding cybersecurity.



### Zero (0) incidents

Were materialized that could compromise the confidentiality, integrity and availability of the information.



### Zero (0) identified cases

of leaks, theft or loss of customer data.



Thanks to the event management and monitoring by our Security Operations Center, which works 24/7 to detect and manage events or incidents that could compromise the confidentiality, integrity and availability of the information, **in 2021 no fundamental claims were filed**, related to violation of customer privacy or reported by third parties or regulatory authorities.

### OUR PURPOSES FOR 2022

We will continue improving our Information Security and Cybersecurity Model with several initiatives framed within our Strategic Technology Plan. For this, we have established the following goals:

- Implement and improve solutions for Technology, Information Security and Cybersecurity between GEB and its subsidiaries, creating scaled economies.

- Increase the number of substations secured in terms of cybersecurity by 62%, giving priority to controls related with logical and physical access, risk management, asset management, incidents and implementation of industry best practices.

- Continue implementing Cybersecurity Model through formulation of good practices that allow securing the operation.

- Identify the technology and information assets, along with its risks and controls, to mitigate those risks that could affect GEB's process continuity.

We will continue improving our Information Security and Cybersecurity Model with several initiatives framed within our Strategic Technology Plan.

- Continue strengthening the governance of information security and cybersecurity with our subsidiaries by executing a work plan that seeks the following:

- Document Information Security and Cybersecurity processes and procedures.
- Measure the management and maturity of the model and gap closure in audits, socialization and alignment of the Information Security and Cybersecurity Policy.
- Standardize the technology tools for security.
- Carry out the Plan to Raise Awareness.
- Promote trainings and management of third parties.

- Continue implementing the awareness and training plan based on the ADKAR (Awareness, Desire, Knowledge, Ability and Reinforcement) model, which will allow strengthening the knowledge and ability of employees, subsidiaries and Senior Management related to the roles and responsibilities they have in compliance with the Information Security and Cybersecurity Policy and Model.

- Implement a technology tool that allows managing the Governance, Risk and Compliance of GEB.

- Define and implement the cybersecurity operating scheme for the Operating Technologies (OT) network as one of the results of the Cybersecurity project at the Transmission Branch.

Center of operations at Cálidda, Peru.





# 02 Social and environmental management

Shared prosperity

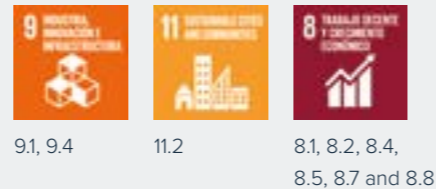
VALUES

- Life Comes First
- Integrity
- Empathy

IMPACT LIMITS

- Communities
- Status
- Non-Governmental Organizations
- Partners
- Investors and shareholders
- Board of Directors/  
Senior Management

PRIORITIZED SDGS



(103-1)  
Sharing prosperity grants us a social license to operate and paves the way to growth in the territories. Through shared prosperity we simultaneously seek improving the well-being conditions of communities in our sphere of influence, growth of businesses and creating wealth for shareholders. Thus the assessment of our environmental and social performance by communities is so important, just as investors assessment of the financial performance of the Group. Then, these are interdependent issues: *“While excellence in the management of social and environmental issues accelerates our growth, its insufficiency delays it”*. Then, the permanent, timely and transparent relationship with communities, as well as protecting the integrity of people —employees, contractors and local communities— and their well-being are issues that we consider determine GEB's growth rate.

(103-2)  
To be able to create conditions for shared prosperity, it is necessary to build genuine trust relationships with our stakeholders. To assure this, GEB employees have adopted the principles and criteria for action: contained in our Sustainability Strategy; also, the group has processes directed to ensure a transparent and inclusive relationship. We have activated channels to receive opinions and expressions from diverse stakeholders in countries where we operate. We encourage dialog processes aiming not only to keep stakeholders informed and receive their feedback, but also to understand the realities of local environments and to set contextualized and pertinent action plans. This allows us to establish long term relationships with communities and achieve our major purpose: to improve lives through sustainable and competitive energy.

1. GEB Sustainability Strategy, 2021.

This is made possible by structuring and implementing strategies such as hiring of suppliers and local skilled and unskilled labor.

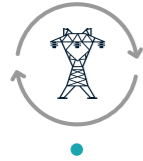
The commitment to create conditions of prosperity in communities focuses our work to improve circumstances of well-being and to strengthen local capabilities. This is made possible by structuring and implementing strategies such as hiring of suppliers and local skilled and unskilled labor. We drive the development of circular economy models, respect for human rights and fostering diversity, equity and inclusion, both internally in the organization and in the environment of our area of influence.

GEB also has corporate manuals and procedures that allow our subsidiaries to have instruments and strategic guidelines to identify, prevent and control the potential social and environmental risks and impacts that could materialize as a result of their activities and to define, jointly with communities, adequate and timely measures for prevention, compensation or mitigation. All the above is part of the development of the concept of shared prosperity.



Archaeologists in Cálidda, Peru.

Some of the initiatives that generate shared prosperity in our subsidiaries are the following:



**Interactive solar education:** we contribute to the improvement of the quality of education by using information and communication technology, through innovative interactive tools that strengthen teaching in practice and foster self-learning. This refers to facilities that function using solar energy and become science, technology and innovation centers to leverage sustainable development in territories.



**Networks for Progress:** we establish actions to contribute to the development of the rural economic infrastructure, allowing us to impact the well-being and quality of life of communities in our areas of influence, through initiatives and projects that improve the road, community, recreational and public service infrastructures.



**Non-Bank Financing:** we facilitate financial inclusion and access for low-income families to products that improve their well-being and quality of life, such as home appliances, computers, cell phones and a variety of other items for the home.

For GEB it is strategic, as part of its interest in achieving and maintaining the social license, to ensure that our presence in the territories contributes positively to the social and environmental development. We know that the

growth of our business depends greatly upon our effective contribution to the creation of favorable social and environmental conditions in these territories, the closing of gaps and the generation of opportunities.

**TOTAL SOCIAL INVESTMENT**



We contribute to the prosperity of territories.

■ Mandatory social investment - \$25,231,066,960  
 ■ Voluntary social investment - \$14,735,090,823

(203-1)  
(203-2)

Main positive impacts of our operations:

Diversification of local development.

Job opportunity creation.

Environmental conservation.

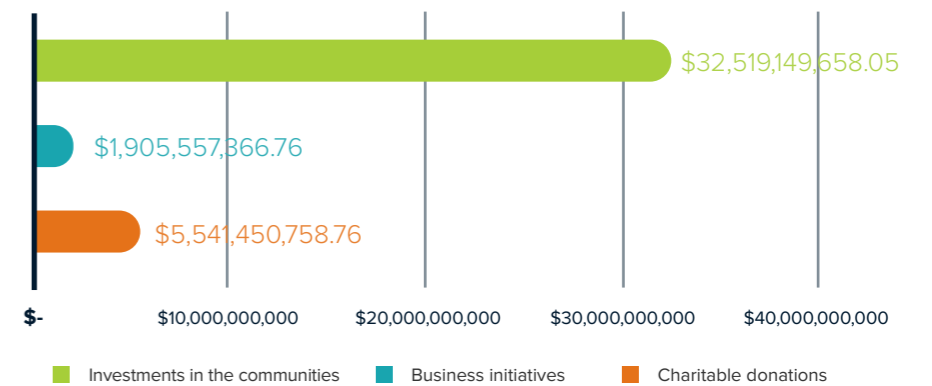
Human capital development.

Improvement communities' quality of life.

Positive transformation of territorial realities.

**SOCIAL INVESTMENT BY CONTRIBUTION AMOUNTS**

(Own)



**NUMBER OF PEOPLE WHO BENEFITED FROM OUR SOCIAL INVESTMENT PROGRAMS**



**INVOLVEMENT WITH THE COMMUNITY**

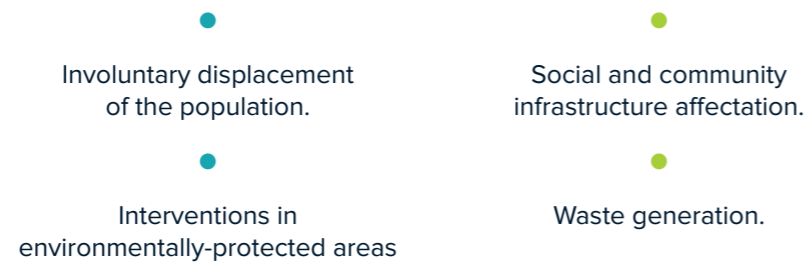
(413-1)

On average, 72,5% of the Group's operations include programs for community participation, development and/or impact assessment.

**CONFLICT CORRECTION AND MANAGEMENT**

We managed the negative impacts that may stem from our operations in Colombia, Peru and Guatemala. Some of these impacts are the following:

(413-2)



**Our most relevant achievements in 2021**

**BRANCH**

**1** In the municipality of Villavicencio, Colombia, we contributed to the improvement of mobility, access to health services and education, and the development of productive activities through updating third-tier roadways. We also installed fifteen (15) solar panels in the municipality of Manaure (Guajira), in rural communities. Furthermore, in the Northern, Western and Center regions we carried out forty-nine (49) community service/voluntary work days jointly with communities, employees and contractors in community initiatives, as part of the relational strategy in the territories.

**2** We started by implementing projects based upon the mechanisms works for taxes at the Transmission Branch.

**3** We managed 133 initiatives for social investment and creating shared-value, of which 103 were executed in 2021 and 33 will continue execution in 2022. We seek to directly benefit 83,644 people in the area of influence of the following projects: Tesalia Alférez, Armenia, La Reforma-San Fernando, Sogamoso, Chivor II-North, Loma, Colectora and Mocoa infrastructure in operation, South Corridor and Bogotá System, Central Corridor and Ecuador Interconnection.

**4** We were acknowledged by the Global Compact for our good practices in Sustainable Development 2021 due to the Energy for Learning program, and the Interactive Solar Education project.

**5** We modified the agreement with the National Ministry of Education to implement the Interactive Solar Education project, with a new contribution of COP 1 Billion. This was done to increase the scope of the Interactive Solar Classrooms project to 28 interventions.

**TGI**

**1** We executed the ethnic characterization and environmental analysis of 294 communities located in 11 municipalities that run along the gas pipeline Ballena - Barrancabermeja.

**2** We characterized 30 communities of the municipalities of Marsella (Risaralda), Natagaima and Coyaima (Tolima), the social baseline was updated and their main authorities were identified. Results of this social characterization allowed us to discover issues relevant to demographics, economic, home infrastructure, culture and perception.

**3** Coordinating with strategic partners, we started rural gasification projects in the municipalities of Jesús María and Florián in Santander, and Miraflores in Boyacá. Through these, we expect to directly benefit 738 families.

**4** We expanded the coverage of the Community Leaders Development Program in priority areas, due to their relational importance. We thus reached 300 leaders of 100 villages and 49 municipalities in the Departments of Antioquia, Boyacá, Bolívar, Casanare, Caldas, César, Cundinamarca, the Capital District, La Guajira, Meta, Norte de Santander, Quindío, Santander, Tolima and Valle del Cauca.

**5** We defined corporate guidelines for proper attention to the mechanisms for citizen participation, emphasizing the processes of prior consultations, anticipating the relational processes that could emerge within the framework of TGI's projects and operations.

# Our purposes for 2022

## CÁLIDDA

- 1** We optimized the infrastructure of seven (7) popular soup kitchens and we connected 872 others in 26 districts of Lima and Callao, thus improving the lives of 2,409 persons in Peru through natural gas connections in popular soup kitchens.
- 2** Through the “Voluntades Cálidas” Program, and with the contribution of seed capital, we facilitated the design and implementation of two (2) ventures that impacted the quality of life of 200 persons.
- 3** We delivered staple food packages and personal hygiene products for 10 community kitchens in Villa María del Triunfo and Pachacamac. Thanks to this initiative, more than 108 thousand food rations were distributed and 1,500 people in difficult conditions benefited.

## CONTUGAS

- 1** We incurred in zero (0) fines for noncompliance of the social commitments agreed between Contugas and the Peruvian state.
- 2** We complied in a timely manner with our response to social notes within the deadline set by law.
- 3** We experienced no social conflicts as a consequence of Contugas’ operations.
- 4** We spread the culture of natural gas in a playful manner to boys, girls and teens.

## BRANCH

- Use virtual channels to continue the development of social relational activities.
- Design a project based on the methodology of formulating, structuring and assessing the social and environmental investments set forth by the Group.
- Implement Social Management own activities: Social Management Plan, Intercultural Relation and Resettlement, and apply the Execution Manual for Shared Value Creation Projects and the HSE Appendix, the Relations Protocol and the HSE Appendix in the social component.
- Continue the development of social investment and shared value creation programs with new alliances and specific initiatives.
- The reach of projects will be expanded using the mechanism of works for taxes, so that they include initiatives related to renewable energy (NCREs).

- Implement the social investment projects agreed with the communities in the prior consultations of the Colectora project.
- Formulate an environmental investment project that helps building green corridors.
- Continue consolidating the cross-disciplinary teams from the areas involved in the territory (property, environmental, social and technical) to achieve greater impact levels in the relations with the main actors, and the unification of strategies that jointly lead to fulfilling the goals for each area.

Solar panels at TGI La Guajira, Colombia.





## TGI

-  Materialize new social investment mechanisms (works for taxes).
-  Implement early relation strategies.
-  Develop preventive measures for Human rights due diligence.
-  Build strategic partnerships with municipal authorities and actors in the territories.

-  Design a project based on the methodology of formulating, structuring and assessing the social and environmental investments set forth by the Group.
-  Identify local organizations in the value chain of the Group and invite their participation.
-  Ensure the adoption of contract mechanisms that encourages hiring local labor and suppliers.
-  Generate job opportunities: qualified labor, goods and services.

## CÁLIDDA

-  Consolidate the Popular Soup Kitchens 2.0 project.
-  Develop training sessions and workshops on topics such as diversity, equity and inclusion in communities and among suppliers.
-  Create strategic partnerships with public/private and non-governmental entities.
-  Develop the first project of the company using the works for taxes mechanism.
-  Design a project using the methodology of formulating, structuring and assessing the social and environmental investments set forth by the Group.

## TRECSA

-  Continue with shared value projects and expand their coverage to generate development indexes in the locations where we have influence to improve them.
-  Manage partnerships with organizations to expand our project portfolio.
-  Design a project using the methodology of formulating, structuring and assessing the social and environmental investments set forth by the Group.



## CONTUGAS



Develop the Community Relations programs included in the framework of Sustainable Management to maximize positive impacts and minimize negative ones that stem from each project.



Finance the "Vermicomposting" socio-environmental program developed in the Bernales community, in Pisco.



Continue fostering the natural gas culture to reach a greater number of users.



Strengthen the synergy between Electro Dunas and Contugas to implement GEB's Sustainability Strategy.



Develop new strategic partnerships to execute social programs in the organization's area of influence.



Design a project applying the methodology of formulating, structuring and assessing the social and environmental investments set forth by the Group.

Employees at Trecsa, Guatemala.



# Human rights

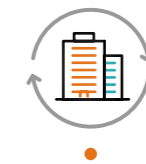
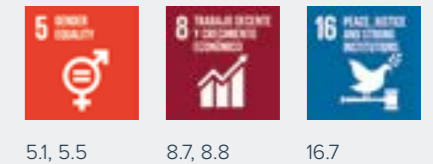
### VALUES

- Integrity
- Empathy
- Life Comes First

### IMPACT LIMITS

- Communities
- Employees
- Suppliers and Contractors

### PRIORITIZED SDGS



We are developing guidelines for due diligence aimed at identifying, preventing, mitigating and correcting potential impacts of our activities on Human Rights and carrying out prior consultations with ethnic groups.

At Grupo Energía Bogotá, we develop our operations and activities within the framework of respecting, protecting and fostering Human Rights (UDHR), in line with our higher purpose: "Improving lives through sustainable and competitive energy", the institutional framework and international treaties and agreements on the matter. We have adopted guidelines to strengthen the way we relate to stakeholders, and so our operations may take into account differential approaches that contribute to overcome structural imbalances regarding diversity, equality and inclusion.

Pursuant to the above, we are developing guidelines for due diligence aimed at identifying, preventing, mitigating and

correcting potential impacts of our activities on Human Rights and carrying out prior consultations with ethnic groups through constructive and respectful dialogs with communities that may lead to creating shared prosperity conditions in the territories where we have operations.

Due to their relationship with the Group's activities, we have given priority to rights related to decent working conditions, environmental protections, respect for diversity and equality, respect for the legitimate monopoly of State force, life and dignity.

We have a Diversity and Inclusion Policy, and practices aimed at promoting a corporate culture with equal opportunity, rights and responsibilities, free from any type of discrimination. The Diversity, Equality and Inclusion Committee monitors the implementation of our Diversity, Equality and Inclusion Action Plan (DEI). An important challenge faced by the Group is that the composition of our staff

reflects the diversity that exists in the societies of the countries where we operate. We also seek to strengthen the supply chain in its DEI aspects, with a particular emphasis on hiring local labor, women, youth and minority groups. We also seek to implement a differential gender approach in our socio-environmental investment projects.

Community Soup Kitchen, Cálida.



## Our most relevant achievements in 2021



(406-1) In 2021 we received zero (0) reports of discrimination in Human Rights at GEB and our subsidiaries.


### ACHIEVEMENTS

- We started building the Human Rights due diligence system, which will include our Human Rights corporate policy.
- We included in our Contracting Manual the duties of contractors regarding Human Rights.
- We continue to close the pay gap by gender. In 2021 we had a salary segregation index of 1%. Likewise, we reduced the gender occupational segregation index to 0.24.
- We increased from 43% in 2020 to 68% in 2021 in the Women Empowerment Principles (WEP) metric.
- We held two massive training sessions regarding stereotypes and unconscious bias.
- We trained 144 employees at GEB and subsidiaries regarding workplace harassment and sexual harassment, unbiased selection, and stereotypes and unconscious bias.
- We held trainings on diversity, equality and inclusion to all individuals hired by GEB in 2021.
- We performed an organizational diagnosis within the Equipares Gender Equality Management System framework jointly with the United Nations Development Program.



- We signed the letter of commitment to reduce the gender gaps under the framework of the Women Empowerment Principles (WEPs).







- We adopted a Human Rights Policy.
- We developed the Due Diligence Management System for Human Rights.
- We included in the internal rules that govern the functions of the Corporate Governance Committee, Sustainability and Human Talent of the Board of Directors to review and issue recommendations regarding Human Rights.
- We performed a risk and impact analysis on Human Rights based upon the five priority territories for TGI.
- We implemented a Human Rights training plan aimed at employees and contractors.
- We performed an ethnic characterization and defined guidelines for intercultural relations.




## ACHIEVEMENTS



- At the Colectora project, we created a protocol for prior consultation processes with 136 of the 224 certified communities in the Colectora-Cuestecitas and the Cuestecitas-La Loma sections, and we developed agreements within the framework of the consulting process with the Yukpa people in the Cuestecitas-La Loma section, and with the 4 people groups of Sierra Nevada de Santa Marta, for both sections.
- We analyzed the social complexities of relations within certified ethnic communities.
- We included in our work team seven Wayuu social professionals to strengthen relations through their knowledge of the culture and territory.
- We supported the peaceful resolution of conflicts process in 45 Wayuu communities, respecting the native usage, customs and organizational systems of these certified communities.

- We defined the diversity, equality and inclusion strategy.

- We defined the diversity, equality and inclusion strategy.
- We achieved 15% participation of women in our IG-1 Natural Gas Installer program.
- We established the Sexual and Workplace Harassment Prevention committee.
- We performed the ELSA assessment, which identifies criteria for preventing sexual harassment at the workplace. Over 90% of our employees participated in this assessment and we found that 98% of them have a Zero tolerance perception of harassment and bullying at Cálidda.
- We adhere to Pride Connection, which promotes the rights of the LGBTQ+ community.
- We carried out the Women Empowerment Principles (WEPs) assessment, in which we advanced from 44% in 2020 to 54% in 2021.
- We participated in the Target Gender Equality program of the Global Compact, which seeks to deepen the implementation of Women's Empowerment Principles and to strengthen the contribution to SDG 5 on Gender Equality.



## Our purposes for 2022



Adopt a corporate policy for human rights, and establish and implement an action plan to close gaps at GEB and branch.



Obtain the Equipares Gold Seal certification, issued by the Ministry of Labor to companies that effectively close gender equality gaps within their organization.



Issue corporate guidelines to perform due diligence regarding human rights in controlled subsidiaries.



Train and raise awareness of Human Rights, diversity, equality and inclusion issues among leaders, employees, suppliers and contractors.



Establish in the subsidiaries the baseline for human rights management, as well as diversity, equality and inclusion, and propose goals and action plans to close gaps.



Include in GEB contracts a clause related to mandatory compliance with basic human rights standards by contractors and suppliers, under penalty of a unilateral termination of contract.



Apply a differential gender approach in our socio-environmental investment projects.



Include criteria for contractor performance assessments regarding equality, non-discrimination and protection of human rights.



Foster the inclusion of people with disabilities, LGBT+ and belonging to ethnic/racial minorities in the company.



Establish contractual mechanisms that encourage diversity, equality and inclusion in the hiring of local labor in the supply chain.



Implement actions to reduce gender gaps within the Group.

## Our opportunities in 2022

1

Consolidate the Human Rights due diligence system and apply corporate guidelines for Human Rights due diligence in subsidiaries.

2

Establish contractual mechanisms that encourage diversity, equality and inclusion in the hiring of local labor in the supply chain.

# Responsible supply chain management

### VALUES

- Life Comes First
- Integrity
- Teamwork with individual responsibility

- Focus on results
- Empathy

### IMPACT LIMITS

- Suppliers and Contractors
- Communities and local actors
- Customers

### PRIORITIZED SDGS



8.2, 8.8

9.4, 9.5

16.5

The sustainability and competitiveness of our operations along the energy and gas value chain depends largely upon our suppliers and partners. Cooperation, respect and differentiated relations are key pieces in the management of our suppliers. We share our higher purpose with them. 'Improving lives through sustainable and competitive energy.'

and importing input and equipment, and warehouse management. These processes are part of our Strategic Sourcing Model that defines the guidelines and standards for managing relations with our suppliers.

Improving lives through sustainable and competitive energy

(102-9)

Acquisition of inputs, materials and main services to cover the needs of the business requires a process of planning, selection and qualification of supplier performance, logistics



**SOURCING MODEL**

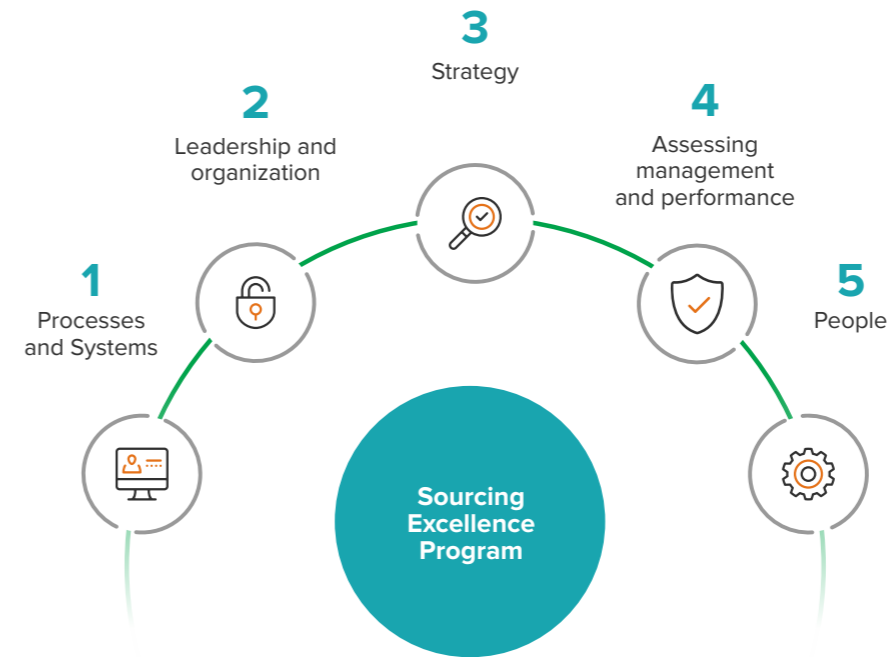


**FOCUS AREAS**



This model employs six dimensions through which several benefits may be obtained, such as:

- Improving the performance of purchasing functions and contracting processes.
- Identifying efficiencies and cutting costs.
- Optimizing the duties of sourcing staff.
- Risk mitigation.
- Building stronger relations with suppliers and improving the company's reputation.
- Strengthening the compliance and control system.
- Improving quality standards.



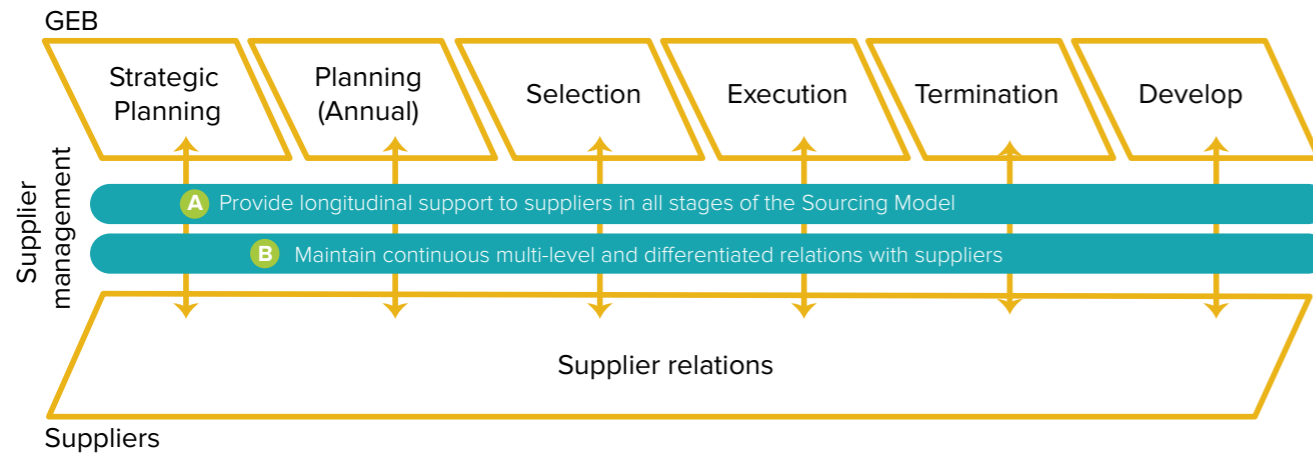
We have developed the Supplier Management Program, which integrates along the sourcing model and implies a direct and differentiated relation with our qualified and segmented suppliers for the diverse purchase categories to offer support in each step of the process. This allows us to anticipate contractual needs and improve the performance of our suppliers and contractors.

In 2021 we were awarded recertification of the **Excellence of Standard Sourcing Program Award** by the *Chartered Institute of Procurement & Supply (CIPS)*, which validates our sourcing model as a world-class reference of good practices in strategic sourcing.

Solar Panels in Electro Dunas, Peru.



**INTEGRATION OF THE SUPPLIER MANAGEMENT PROGRAM**



(Own)  
**89%**  
of our suppliers  
are local.

Additionally, in 2021 the Contracting and Execution Control Manual came into effect. This manual contains the contracting standards, principles and procedures for our four main sub-procedures (planning, selection, execution and termination). It includes guidelines to ensure, through our contracts

and agreements, the environmental sustainability and respect for human rights in our management and operations. Likewise, the process of supplier and contractor selection we seek a differential focus that helps solve inequalities and ensures diversity and inclusion.

**PLANNING OUR CONTRACTING PROCESS**

Contract planning in the Group occurs in two levels: general, through the Annual Procurement and Contracting Plan (PACC for the Spanish original), and specific, in which needs and conveniences of acquisitions are analyzed.

**SELECTING OUR SUPPLIERS AND CONTRACTORS**

We carried out the registration, classification, offer evaluation, selection and qualification of suppliers with a cross-disciplinary team that verifies compliance with requirements and necessary documentation for contracting

works, goods and/or services. We selected and contracted suppliers and contractors in the following modes: direct request for offer, open competitive process, closed competitive process and electronic or in-person bidding.

Contractor group at Trecca, Guatemala.



### ASSESSMENT OF OUR SUPPLIERS AND CONTRACTORS

The performance of all our suppliers and contractors and the quality of the supplied goods are assessed and qualified. Based upon their qualifications, we define strategies and programs for

development and closing gaps. This qualification may be included as a weighting factor on received offers, or as a selection criteria in direct contracting for future contracts.

### WE USE TECHNOLOGY AS LEVERAGE

In 2021, technology was a leveraging factor for sourcing management. We did it in the following way:

We implemented SAP S4HANA in our subsidiaries in Colombia and Guatemala. This caused the following benefits for our sourcing management:

- Online reports that support the management, execution and control of contracts.
- Management of contracting needs on the basis of creating order requests, which allow control and assurance of budget resources for the validity of the contract.
- The Annual Procurement and Contracting Plan was systematized, which made management, follow-up and consulting easier.
- The master account for materials and services was centralized, assuring the standardization and integrity of data.

We identified processes that could be automated for typical activities of sourcing management during the planning, selection and execution stages.

## Our most relevant achievements in 2021

In 2021 the efficient management of the supply chain was a priority. This allowed us to reach the following achievements:

### GEB

1

We implemented new procedures aligned with GEB's Strategic Sourcing Model and with the new Contracting and Execution Control Manual. These strengthen contracting management, improve its efficiency and reduce costs and timeframes.

2

We advanced two joint contracting processes with GEB and TGI for common services (security, janitorial and cafeteria services) achieving efficiency and cost savings in the contracting process.

3

We advanced the preliminary diagnosis of the maturity level of our current policies, processes and procedures, according to the sustainable procurement standard, in accordance with the ISO 20400 standard. We identified gaps and designed the corresponding plans of action.

4

We structured the work plan for the Supplier Management area, which contains the enabling requirements matrix.

5

We finished 2 years of managing, planning, execution and control of operations in GEB's 9 warehouses throughout the country. In 2021, inventory reliability in these warehouses was 99.26%.

6

We centralized the materials master account for GEB and controlled subsidiaries.

### TRANSMISSION

1

We structured the Prioritization Matrix for its needs. This matrix allows for a better planning for resources and seeks an improvement in the execution of the PACC.



## Our purposes for 2022

### TGI

1

We implemented electronic signatures through the Docusign tool, allowing a faster and more efficient contracting process.

### CÁLIDDA

1

We maintained a continuous and uninterrupted stock supply. This in spite of a world logistics crisis, the low availability of transportation means and the restrictions of port operations as a result of the COVID-19 pandemic.

2

We created the Assessment Committee for Competitive Processes, whose members are named by the Contracting Committee, taking into account the principles of independence and autonomy.

### TRECSA

1

We held for the fifth consecutive year the Meeting of Suppliers, which emphasized the importance of a high environmental performance.



Implement the Multi-Annual Procurement and Contracting Plan to improve the strategic planning of sourcing. Identify strategic purchase needs for 2022 to 2024.



Include GEB clauses in contracts to ensure the mandatory respect for human rights by contractors and suppliers.



Develop the Unique Warehouse and Inventory Management Model at 100% in Maintenance, Project and Free Trade Zone warehouses.



Establish contractual mechanisms to encourage diversity, equity and inclusion in the contracting of local labor for the supply chain, as well as the establishment of assessment mechanisms for suppliers and contractors, taking into account socio-environmental criteria prior to contracting.



Implement and execute the planning strategy for MRP Materials.



Include criteria for contractor performance assessments regarding equality, non-discrimination and protection of human rights.



Standardize the categories of goods and services in the contracts signed between 2017 and 2019 with the coding of the United Nations standard UNPSC.



Implement a training program on human rights for critical contractors.



Start the “Gerencia Previene 2022” Commitment, which aims to ensure compliance with the Public Safety Program pursuant to the API 1162 standard and genuine relations with our stakeholders in the Contugas subsidiary.

## Our opportunities in 2022

- 1** Continue strengthening the management of suppliers segmenting them from registration, managing the required categories pursuant to what is established in the PACC.
- 2** Design and implement a tool for follow-up and control of execution and compliance of commitments in terms of the dates set forth in the PACC.
- 3** Implement business conferences with new identified suppliers in the categories identified on the PACC so that user areas take them into account for market studies.

- 4** Implement and manage the Quality Module during material entry and inspections (QM SAP4HANA module).
- 5** Implement S4Hana for subsidiaries in Peru, including ISU and SAP Ariba in our Cálidda subsidiary.
- 6** Execute the integration of SAP Ariba and S4Hana.
- 7** Execute the work plan for documents and reports that can be automated along with the technology area.

## Environmental performance

We have incorporated the best practices and technologies available for the operational and environmental management from the early stages of project planning and during the operation and maintenance stages.

### VALUES

- Life Comes First
- Integrity
- Empathy

### IMPACT LIMITS

- Employees
- Subsidiaries
- Local communities
- Suppliers and Contractors
- Status

### PRIORITIZED SDGS



8.4

15.1, 15.3, 15.4, 15.5 and 15.b

(103-1)

Ensuring a positive environmental impact of our operations contributes to ensure a social license to operate and grow. Consequently, GEB's environmental performance is a high-relevance issue, and thus the Group has strengthened its commitment to protect natural resources. The business model and the Sustainability Strategy allow our environmental management to become a reality in plans, programs and specific actions in the territories where we operate.

Given that GEB and its subsidiaries participate in the value chain of electric energy and natural gas, each one of the stages of the projects we develop may cause environmental impact. Taking this into account, we have integrated the best available practices and technologies for operational and environmental management from the early planning states of projects to the operation and

maintenance states. This allows us to mitigate risks, and further tend to leave positive ecological and environmental impacts in the regions.

(103-2)

All decision processes that imply environmental risks are managed following the principle of caution to protect the environment and improve the effectiveness of management systems at each one of the Group's companies. The environmental management systems allow identifying environmental risks and opportunities, prevent and correct impacts, with reference to measures included in the mitigation hierarchy: avoid, minimize, rehabilitate/restore and offset, as applicable. This in order to obtain a No Net Loss and a Positive Net Impact.

We manage natural resources and the environment through an ordered planning process in the territory. This includes implementing the necessary controls for preventing and minimizing environmental impacts related with atmospheric emissions, waste, water usage, chemicals and noise.

(103-3) Commitment to the environmental development of our operation and projects, acquired through the Group's Sustainability Strategy, manifests itself in the Environmental Management System (EMS) of each subsidiary.

The EMS of subsidiaries have different maturity levels due to

the diversity of their contexts. These systems seek to facilitate managing sustainability and contribute to the creation of an internal culture of ordered handling of information regarding environmental performance. The above allows identifying gaps, measuring advances and assessing environmental impact throughout the life cycle of assets and projects. Furthermore, decision-making regarding design, location and operation of assets becomes easier, supported by objective basis and information, and guarantees that the estimation of the magnitude and relevance of possible impacts.

TGI Epiphyte nursery, Colombia.



**Colombia:**


GEB Corporate, Transmission Branch, and TGI have an Environmental Management System certified under the ISO 14001:2015 standard.



**Maturity level of the Environmental Management Systems**

**Guatemala:**

Trecca has an Environmental Management System under the guidelines of the ISO 14001:2015 standard, which is projected to be certified by 2023.



**Perú:**

- Cálidda has an Environmental Management System certified under the ISO 14001:2015 standard.
- Electrodonas and Contugas have an Environmental Management System aligned to the provisions of the regulations of the Ministry of Environment of Peru.



GEB and its subsidiaries develop projects and operate infrastructure in the countries where they have presence. It is very important for our companies to guarantee compliance with current regulations in each country and to have the certifications and environmental licenses that enable operation, and report our commitment with the highest levels of environmental performance.

(307-1) By December 31, 2021, we had received no fines or sanctions related with failure to comply laws or regulations related to environmental issues in the countries where we operate.

Based upon the mandate of our Sustainability Strategy, our environmental management seeks to not only comply with regulations, but also generate net positive impacts on the environment in two major areas: eco-efficiency within our operations and care for biodiversity.

**ECO-EFFICIENCY WITHIN  
OUR OPERATIONS**

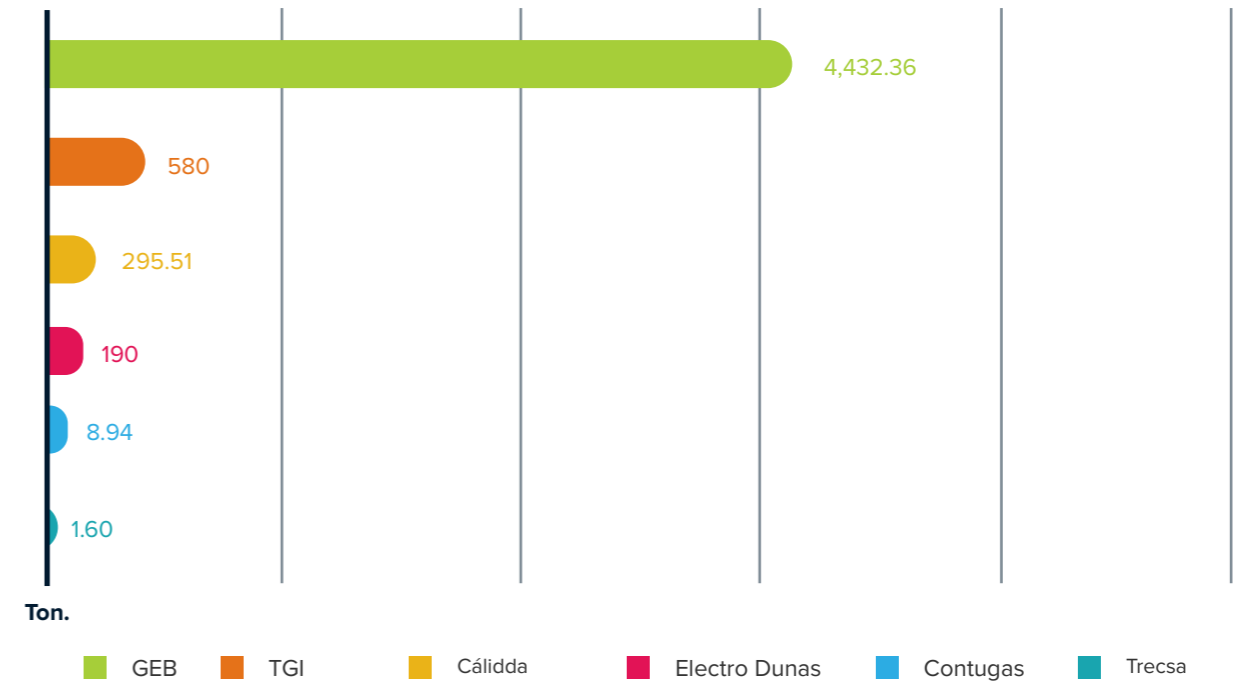
For GEB, the environmental performance of projects and operations must reach levels of excellency that exceed those required by applicable national and local environmental regulations. We seek to achieve an optimal environmental performance through the careful and sustainable use of natural resources, reduction of greenhouse gas emissions

(GHG), promoting efficient use of water and energy, and applying the principle of waste hierarchy, to foster preventing the generation of waste and encouraging reuse and recycling.

Waste collection site, City Gate Ica at Contugas, Peru.



**WASTE DISPOSAL**

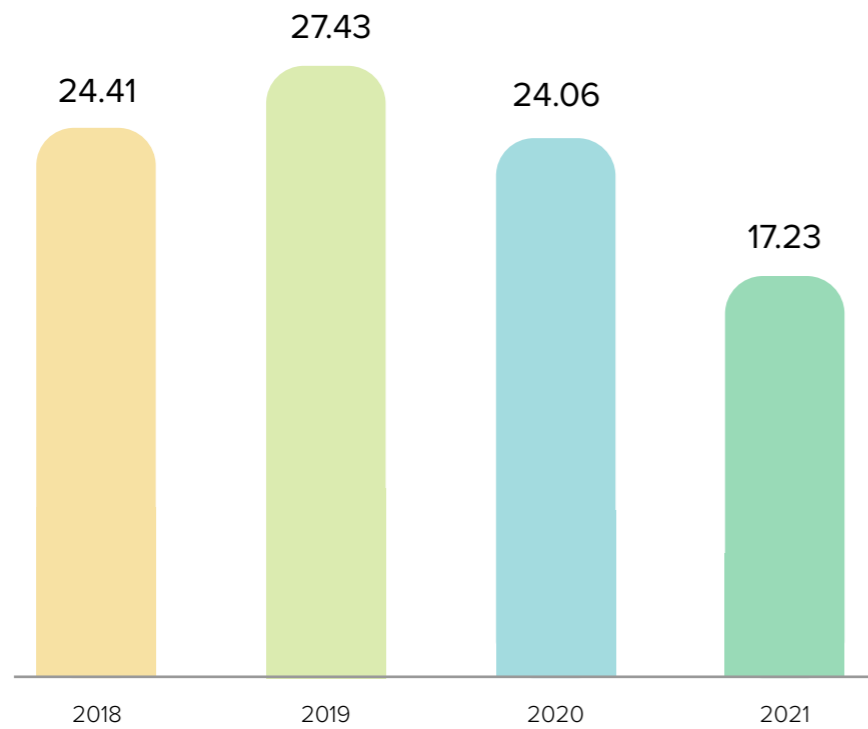


As part of the responsible use of natural resources, we have implemented initiatives to assure an efficient management of water. In Colombia, due to the hydrology of the regions where we operate, water consumption is not considered a material problem by our Stakeholders; however, in Peru, climate conditions of coastal areas, a region under hydrological stress, present major challenges for Cálidda, Contugas and Electro

Dunas regarding the sustainable use of this resource. To manage solid waste, we have focused on defining actions to minimize consumption of materials, increase reuse or recycling and assuring proper disposal. This with the aim to gradually implement the Zero Waste model, until attaining the corresponding certification.

**WATER WITHDRAWAL  
(MEGALITERS)**

(303-3)



Tree planting in Cálidda, Peru.



**WE CARE FOR THE  
BIODIVERSITY**

At Grupo Energía Bogotá we are committed with protecting biodiversity, mainly through conservation and restoration of ecosystems in the area of influence of our activities and projects. Our goal is to achieve zero net deforestation in all our projects and operations. Additionally, we are committed, as a part of our Sustainability Strategy, not to carry out activities that could have negative impacts on World Heritage areas and protected areas ranked category IV by the International Union for Conservation of Nature (IUCN).

When operating in particularly biodiverse areas, we are committed to applying a mitigation hierarchy (avoid, minimize, restore and offset), and to working with strategic partners to fulfill this commitment.

To fulfill this purpose, we have proposed to contribute to the ecological restoration of the territories traversed by our linear infrastructure, by structuring biological corridors. In addition to contributing to the fixation of CO<sub>2</sub>, these corridors will facilitate repopulation with native species of fauna and flora, will contribute to the regulation of water basins, will create favorable conditions for the development of sustainable agricultural systems, and will contribute to the prosperity of rural communities.

# Our most relevant achievements in 2021

## ENVIRONMENTAL MANAGEMENT

Trecca's environmental performance was verified by an external audit carried out on March 9, 2021. This audit highlighted a 100% compliance of the environmental commitments set in the Environmental Impact Assessment's resolution of approval of one of its projects.

Operations in Colombia were recertified to ISO 14001.

## ECO-EFFICIENCY

At Cálida we were acknowledged by the National Water Authority and we are part of the Water Footprint Program — Certified Blue, which will benefit 20 popular soup kitchens of Peru through the installation of water savers and strengthening the culture related to responsible water management.

From Trecca, and with the support of E-Waste NGO, we treated electronic waste, which resulted in 142,600 liters of water released from contamination. By adding the efforts carried out since 2019 in waste management, we could adequately manage 4.38 tons of these materials, which equals 27.16 megaliters of water avoiding contamination.

At Contugas we implemented a strategy to optimize lighting in the processing zones (City Gates and Operation centers), thus reducing consumption by 221,611 kWh, 24% in comparison with the consumption value for 2019.

At TGI we received recertification in energy efficiency per ISO 50001.

## CARE FOR BIODIVERSITY

Grupo Energía Bogotá (GEB) joined the so-named "tree plantathon" in the Departments of La Guajira and Cesar, an activity promoted by the regional autonomous corporations CorpoGuajira and CorpoCesar. This initiative has the goal of planting 1.5 million trees in the region and mobilizing communities about the importance of protecting ecosystems, biodiversity and water resources, in one of the most vulnerable regions due to the impact of climate change.

At the Transmission Branch we strengthened the voluntary connectivity initiative called "Green Corridors" and the connectivity model between Sierra Nevada de Santa Marta and the Perijá mountain range, formulated as a basis for fulfillment of obligations to compensate for the biotic component for the Colectora project, we also started the process of monitoring bears and mountain tapirs in Huila, woolly oncillas in the high basin of the Bogotá River, and *Aotus* in Santander.

2021 marked 25 years of the alliance between Grupo Energía Bogotá and the Chamber of Commerce of Bogotá for the ecological restoration of the La Poma park. This process was initiated when we delivered in comodatum to the Corporación Ambiental Empresarial a 128-hectare plot of land used to consolidate an Andean forest thanks to the Hojas Verdes program, which has allowed planting and conserving over 140,000 trees and bushes of 38 native species, 47 bird species and 183 butterfly species, an area that became a green lung for the region's inhabitants and the largest periurban park of the country.

At TGI we developed processes with environmental authorities to establish the management of landscape and garden areas, execute ecosystem maintenance and compensation activities and incorporate beekeeping as a compensation mechanism and biodiversity conservation strategy.



With the Biodiversity Program of Cálidda, we implemented a system of fog fences on the hills of Villa María to collect water to be used for irrigating 700 previously-planted trees and for growing 500 plants that will reforest up to ten hectares in the region.



In Guatemala, through Trecca, we carried out over 100 monitoring days for the critical species *Plectrohyla guatemalensis* (spikethumb frog), 86 for *Lampornis viridipallens* (green-throated mountaingem), 73 for *Setophaga chrysoparia* (golden-cheeked warbler) y 8 for *Juniperus standleyi* (huitum).



At Contugas we continue the development of the Reservando Vidas program, which seeks to work jointly with the Office of the San Fernando National Reserve and their forest rangers to care for and preserve natural habitats, their flora and fauna.



Likewise, in Trecca we managed to log 1,075 bird records, over 60 records of amphibians and reptiles and 49 mammal records to measure the richness of the flora and fauna in project areas and thus assess the possible impact on wild species.



Also, at Contugas we developed training sessions for students of the San Luis Gonzaga University from different regions of Peru focused on carbon footprints, biodiversity and clean energy.



A Trecca we were awarded first place by the Regional Committee for Central America and the Caribbean for our implementation of a forest conservation and carbon absorption project with the use of drones on high voltage wires, which reduced the impact on the forest canopy.

## Our purposes for 2022



Integrate the guidelines from the ISO 14001:2015 standard into the environmental management systems of subsidiaries that still lack them to guarantee the highest standards of environmental management.



Prepare an action plan for closing gaps and leveraging opportunities related with our companies' EMS.



Design a circular economy strategy that strengthens the organizational culture for a responsible waste management and efficient use of resources.



Formulate an environmental project in Colombia that contributes to building formulated green corridors.



Establish goals and improvement plans for efficiency in water consumption, energy and waste handling.

## Our opportunities

1

The high environmental performance of the Group and its subsidiaries opens the door for developing new gas transportation and distribution and electrical projects. This is an opportunity to strengthen, before stakeholders, such as government agencies and local communities, the image of GEB

companies as environmentally responsible organizations that not only contribute to regional development but also assure its environmental sustainability.

Climate change

VALUES

- Focus on results
- Empathy

IMPACT LIMITS

- Investors and shareholders
- Employees
- Subsidiaries
- Local communities
- Suppliers and Contractors

PRIORITIZED SDGS



(103-1)

Managing climate change is a central part of business development for GEB and its subsidiaries. Building and operation resilient infrastructures adapted to new climate conditions and contributing to energy transition are part of our corporate and sustainability strategies that seek to generate value in the long term. In that regard, GEB contributes to mitigating climate change through reducing GHG emissions by using cleaner fuels, such as gas, and by integrating NCREs into the energy matrix. Natural gas, due to its relatively low cost compared to other energy sources and to its lower emissions, plays a significant part in energy transition, since it

assures a gradual and socially and economically viable carbon reduction. Additionally, integrating electric energy generated by NCREs through our transmission lines not only contributes to the creation of social well-being conditions and prosperity, but also allows substituting the consumption of fossil fuels with high environmental impact.

(103-2)

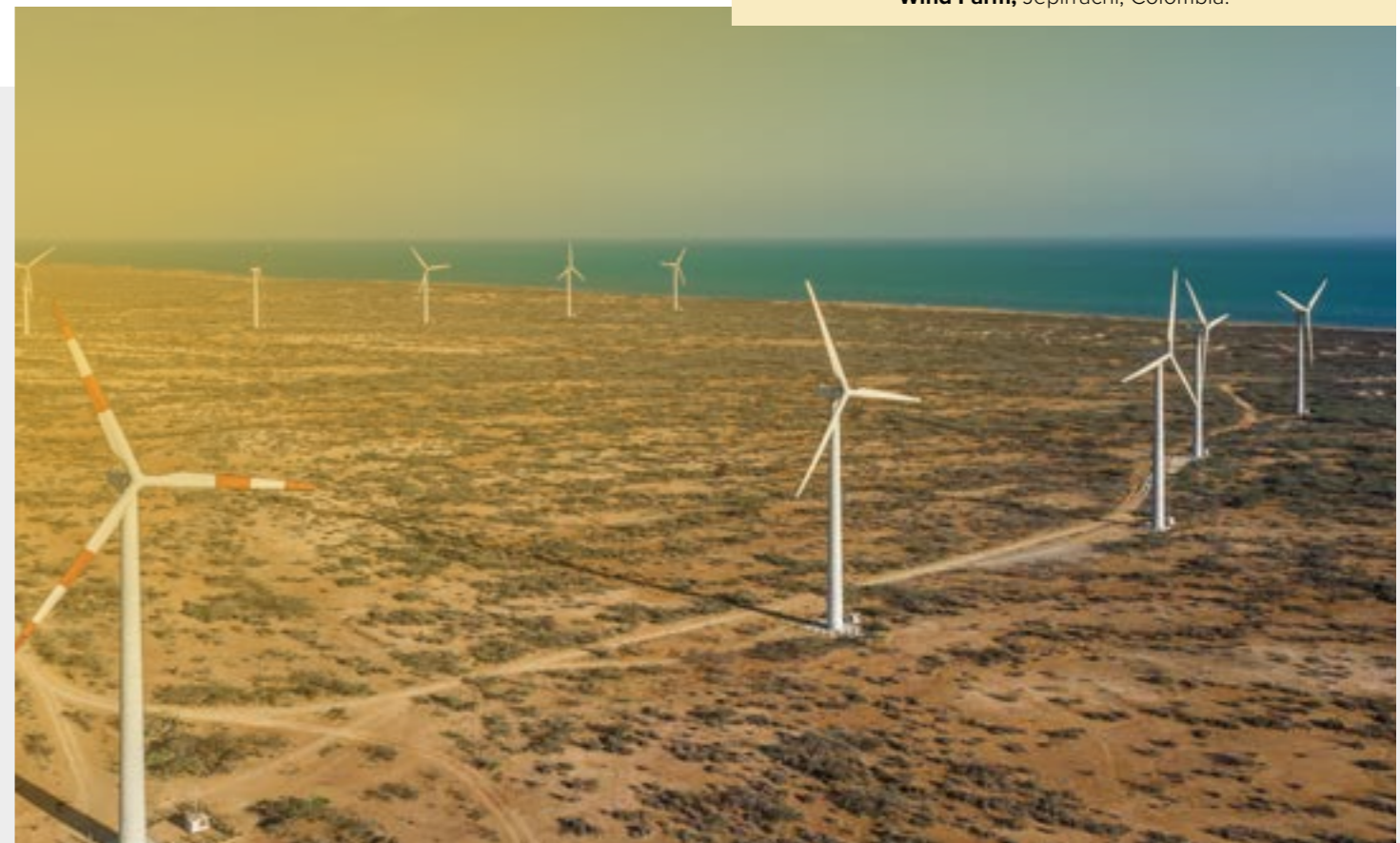
For GEB and its subsidiaries, mitigating and adapting to climate change is an integral part of its corporate and sustainability strategy. The latter acknowledges the commitments acquired in the framework of global negotiations and agreements regarding climate change in the countries where we have presence. The gradual reduction of GHG emissions and adaptation of the infrastructure are, consequently, central components of the planning, execution and operation process of projects, and of the operation of GEB and its subsidiaries. Based upon the Sustainability Strategy guidelines,

the Group adopted a Climate Change Corporate Policy in January 2022 that sets forth 16 commitments in five lines of action: risk and opportunity assessment related to climate change, mitigation, adaptation, energy transition and financial affairs.

**“Grupo Energía Bogotá has the goal of harmonizing its operations with the objectives of mitigation and adaptation in the countries where it has presence”.\***

\*An objective of the Corporate Climate Change Policy

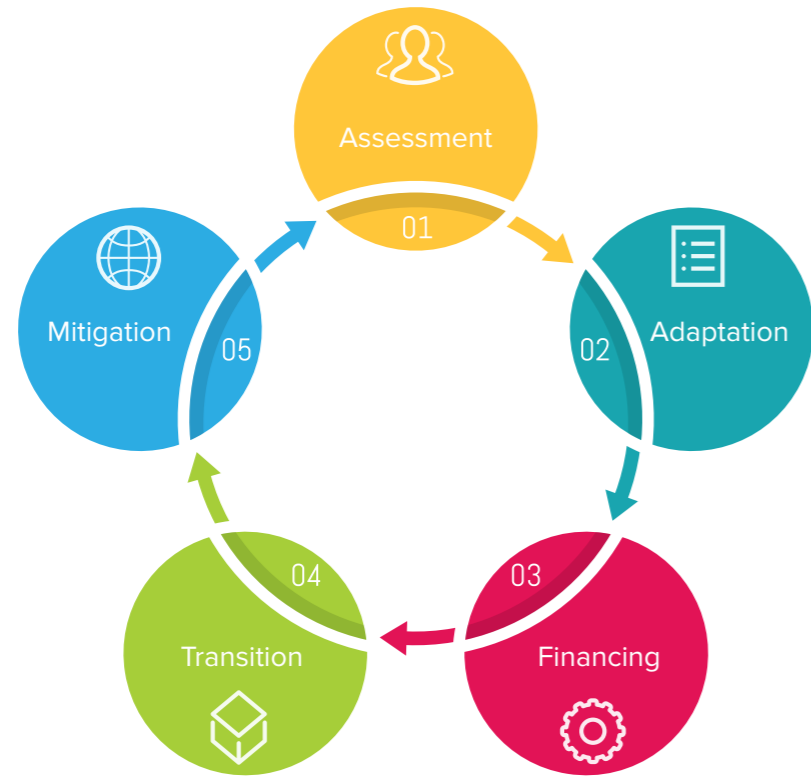
Wind Farm, Jepirrachí, Colombia.





**COMMITMENTS OF THE CORPORATE CLIMATE CHANGE POLICY**

We participated in two businesses in the energy sector: natural gas and electric energy.



**1. Assessment**

of risks and opportunities associated with climate change.



**2. Adaptation**

of the infrastructure to extreme climate conditions



**3. Financing**

ESG (Environment, Social and Governance)



**4. Transition**

in a flexible, safe and economically efficient way



**5. Mitigation**

and compensation of emissions, and energy generation with renewable sources.

**OUR APPROACH FOR GAS TRANSPORTATION AND DISTRIBUTION**

On the other hand, the contribution to mass distribution of natural gas by GEB Companies has caused significant positive impacts, both environmentally and socially. Natural gas contributes to the reduction of CO<sub>2</sub>, sulfur dioxide and nitrogen oxide emissions, and other pollutants that are discharged by other fuels. From a social standpoint, household use of natural gas contributes to social equality, health and improvement of the quality of life, especially in households that use it in lieu of carbon or firewood. Also, gas contributes to the industrial sector's increase in productivity and the

energy sector's improvement of environmental performance.

In the case of gas transportation, the most relevant emission sources come from systems directly linked with the operation of mechanical compressors, the discharge of natural gas and disposal systems for escape fumes and residual gases. This discharge may be the result of operational and maintenance activities, due to emergencies, such as a leak in a pipeline, or of continuous methane emissions that stem from equipment leaks.

**OUR APPROACH FOR POWER GENERATION AND TRANSMISSION**

Regarding electric power transmission, the most relevant gas for our operations is SF<sub>6</sub> (sulfur hexafluoride) due to its impact on climate. Given its enormous dielectric capacity, this gas is employed in gas insulated substations (GIS), in gear such as transformers, automatic interrupters, starting motors for engines and transformer center interrupters. It is also used as an insulator for conductors and condensers.

strict maintenance procedures and technical assessments of operations of the thermal groups are performed.

On the other hand, it is important to highlight that the electric energy transmitted and distributed by the Group's companies comes mostly from renewable sources. This constitutes a significant contribution to the diversification of the energy offer, and to the transition and reduction of the carbon footprint of electric systems in the countries where we operate.

In Peru, the two distributed generation plants from the Electro Dunas concession operate using natural gas as fuel. To prevent the impact of potential emissions,



**REDUCING THE CARBON FOOTPRINT: OUR PRIORITY**

GEB's Board of Directors set three objectives related with the reduction of emissions.

(103-2) GEB's strategy for emission mitigation give priority to reducing emissions in operation, according to the context and the technological and financial realities of each one of our subsidiaries.

(103-3) Management of greenhouse gas emissions uses the measure of the carbon footprint as a starting point in each one of its outreaches. A quantitative measure of emissions, as well as periodic reporting and follow-up, are performed by recording these values in the

Carbono Corporativo tool, based upon the GHG Protocol, which are the most widely used international guidelines for calculation and communication of emissions inventory. Continuous monitoring of emissions allows identifying the sources with the highest impact and timely development of mitigation measures.

In 2021, GEB's Board of Directors set three objectives related with the reduction of GHG emissions to assess these operations.



Emission reductions of Corporate carbon footprint.



Emission reduction of TGI's carbon footprint.



Reduction of emissions, measured as the ratio of tCO<sub>2</sub> eq emissions/Income of Transmission Branch.

**Barbas Bremen reserve, Colombia.**



Variable compensation of GEB's employees is determined by fulfilling individual and corporate objectives. Among the latter are objectives related to GHG emission reduction. In 2021, 30% of global goals corresponded to the achievement of climate change objectives.

Framed by the objectives defined by our Board of Directors to reduce emissions, and taking into account the Nationally Determined Contributions (NDC) at each of the countries where GEB operates, we have set the following goals:

**OUR GOALS**

**COLOMBIA:**  
 • Reduce GHG emissions by 51% with respect to the reference scenario by 2030 and be carbon neutral by 2050.



**PERU:**  
 • Reduce GHG emissions by 30% with respect to the reference scenario, plus an additional 10% conditioned to international cooperation by 2030.



**GUATEMALA:**  
 • Reduce GHG emissions by 11.2% with respect to the reference scenario by 2030, or by 22.6% conditioned to international cooperation.



**BRAZIL:**  
 Reduce GHG emissions 37% by 2025 and 43% by 2030 with respect to emissions in 2005.

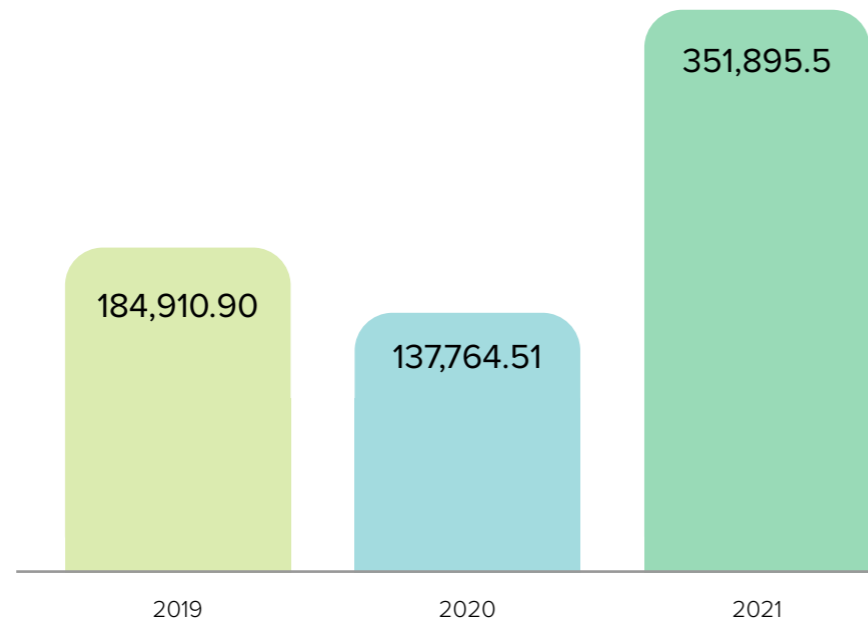


In terms of adapting to climate change, GEB's projects must be designed taking into account possible effects of extreme climate events on

infrastructure and operations, so that they have the capacity to bear extreme situations and guarantee continuous service.

**HISTORY OF DIRECT AND INDIRECT GHG EMISSIONS (TONS OF CO<sub>2</sub>EQ)**

(305-1)  
 (305-2)  
 (305-3)



On the other hand, the Group's emissions reached 351,895.5 tCO<sub>2</sub>eq, 90% higher than emissions on the baseline year 2019. This is due to the fact that this year, in contrast with 2019, we included in GEB's emissions inventory the values from Electro Dunas, a subsidiary that started to measure

emissions in 2020 and this year generated 103,833.76 tCO<sub>2</sub>eq. Also, TGI had two contingencies related to natural events that caused the release of methane to the atmosphere, which caused an increase of 72,000 tons of CO<sub>2</sub>eq in emissions inventory.

**WE OFFSET OUR EMISSIONS**

Following the guidelines of our Sustainability Strategy, we voluntarily offset 3,209 tons of Co2eq through the purchase of carbon certificates corresponding to the total amount of emissions generated in 2020 by the Transmission Branch and Corporate. Additionally, TGI

advanced the purchase of 72,000 carbon credits to offset the GHG emissions generated by contingencies caused by natural events in the 2021 period. We estimate that this transaction will be consolidated in the first quarter 2022.

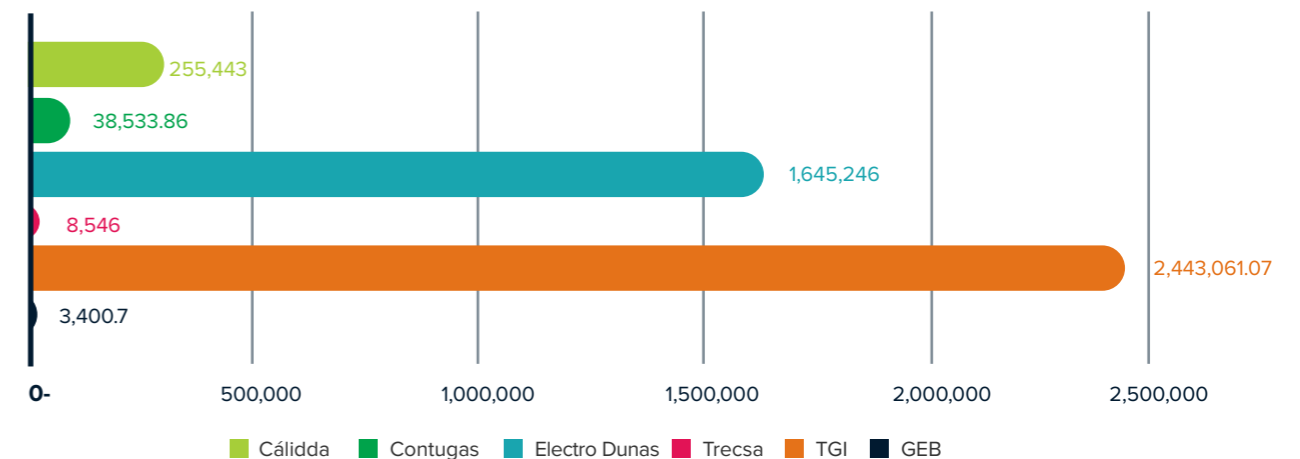


**WE MANAGE OUR ENERGY CONSUMPTION**

Another relevant aspect related to climate change is energy management. In this case, we are committed to increase the energy efficiency of our operations. It was in this way that in 2021 we

worked on initiatives such as the optimization of lighting in process areas, seeking mainly to reduce energy consumption in our sites and operations.

**TOTAL ENERGY CONSUMPTION (GJ)** (302-1)



## Our most relevant achievements in 2021

In 2021 we advanced in our climate change management and carbon reduction processes in the following ways:

### GEB



We prepared and adopted our Climate Change Corporate Policy.

### TGI



We socialized the update of our risk management plan before environmental and local authorities and communities, through 148 workshops.



We prepared TGI's carbon reduction road map.

### CÁLIDDA



We received two awards for measuring and verifying our carbon footprint as part of the Carbon Footprint Peru program by the Ministry of the Environment.



We were awarded the carbon neutral seal for the following sources: proprietary vehicles, web page use, employee commuting, electric energy consumption, operative purging, paper consumption, taxi and courier use in 2020.



We implemented the program of GHG Emissions avoided by the use of natural gas in the districts of Lima and Callao, with the objective of communicating the emissions that have been avoided by consuming natural gas in different sectors. In 2021 the District Municipalities of Independencia and Ale were added, which have avoided 1,105.15 tCO<sub>2</sub>eq and 40,674.53 tCO<sub>2</sub>eq, respectively<sup>1</sup>.

<sup>1</sup> According to calculations using the natural gas consumption data from customers located within each district's jurisdiction, following the ISO 14064 standard and the Greenhouse Gas Protocol.

### CONTUGAS



We received three awards for measuring and verifying our carbon footprint as part of the Carbon Footprint Peru program by the Ministry of the Environment.



In Peru, Contugas was certified for carbon footprint verification in 2019 and 2020 by the international organization AENOR.

### ELECTRO DUNAS



We received an award regarding climate change by the National Mining, Petroleum and Energy Society (SNMPE, for the Spanish original) for the construction and commissioning of a photovoltaic station for self-consumption in our Pacific Substation.

### TRECSA



Thanks to the reforestation projects carried out jointly with the ASILVO Chancol organization at the Chiantla, Huehuetenango and Tecpán communities in Guatemala, we have achieved an absorption of 254.57 tCO<sub>2</sub>eq, which represents 19.17% of the total carbon emissions generated by Trecca in 2021.

## Our purposes for 2022

1

GEB and its subsidiaries have set the goal of reaching the same reductions proposed in the NDC (Nationally Determined Contributions) of the countries where we operate. With this purpose, in 2022 each subsidiaries must build a path for GHG emission reductions that allows reaching the goals set for 2030 and 2050.

2

As part of the commitment to progressively integrate the framework by the **Task Force on Climate-Related Financial Disclosures (TCFD)** for economic ratings and climate change management reporting, from GEB in 2022 we will continue developing an integral analysis of climate risks and opportunities associated to the electric power transmission and natural gas transportation businesses in Colombia. This initiative seeks to guide decision making and inform the different stakeholders about the organization's performance regarding climate change, strengthen risk management and ensure that the companies leverage opportunities brought forth by innovation, emerging technology and climate policies in the mid to long term.

3

We expect our first TCFD report to be published in 2022. It will present details on the climate change governance of the organization, our climate strategy, the process used to manage risks and opportunities, the main physical and transition risks, identified opportunities and the adopted goals and objectives. Also, based upon the analysis developed under TCFD's framework, we will identify gaps and set a plan to close them that allows strengthening of our climate change management.

4

Additionally, we expect to carry out an independent verification of our carbon footprint at Corporate and at Transmission Branch, and achieve carbon neutral certification for GEB Corporate by 2021. In a parallel effort, we will design new procedures to improve the accuracy of our quantification of our GHG inventory (SF<sub>6</sub>, CO<sub>2</sub> and CH<sub>4</sub>) and we will implement a sustainable mobility plan for employees of our companies in Colombia.

## Our opportunities in 2022

The implementation of the commitments established in our Corporate Policy for Climate Change guides our efforts towards leveraging the following opportunities:

1

Design strategies and pathways to reduce GHG emissions to contribute to the achievement of the reduction goals proposed by the governments of the countries where we have presence and that placed GEB and its subsidiaries as competitive organizations in the environment created by the new climate realities.

2

Give priority to the Group's participation in generation projects using renewable sources and non-conventional renewable energy sources (NCREs), and seek economic opportunities in projects related to energy efficiency, production, transport and distribution of hydrogen (blue and green), a massification of sustainable mobility, among others.

3

Participate in the design and follow-up spaces of the relevant government policies and strategies.

4

Include as costs for economic assessment of projects and investments the value of future flows of GHG, using as a reference the price of carbon credits estimated by the *Market Global Carbon Index*. This is a measure that assures the integration of all the costs, including those related to the environment, that are associated to these projects and investments, and thus avoiding overestimating the benefits.





# 03 Agile and strengthened government + talent and culture

Corporate  
governance

VALUES

- Integrity

IMPACT LIMITS

- Investors and shareholders
- Employees
- Board of Directors/Senior Management
- Subsidiaries
- Credit rating agencies
- Suppliers and Contractors

PRIORITIZED SDGS



16.6

(103-1) At Grupo Energía Bogotá we see Corporate Governance as one of the main leverages of our corporate strategy. It defines the standards and principles that make a robust decision-making process and for a transparent relation with our shareholders, investors and all the stakeholders. The ultimate goal is to build relationships of trust with our stakeholders.

More than five years ago we started a deep transformation process to consolidate and strengthen the best practices of our Corporate Governance, in line with the highest international standards and with Environmental, social and governance factors (ESG) factors, including recommendations from the Organisation for Economic Co-operation and Development (OECD) found in Circular Letter 028 from 2014 of the Financial Superintendence of Colombia (Código País).

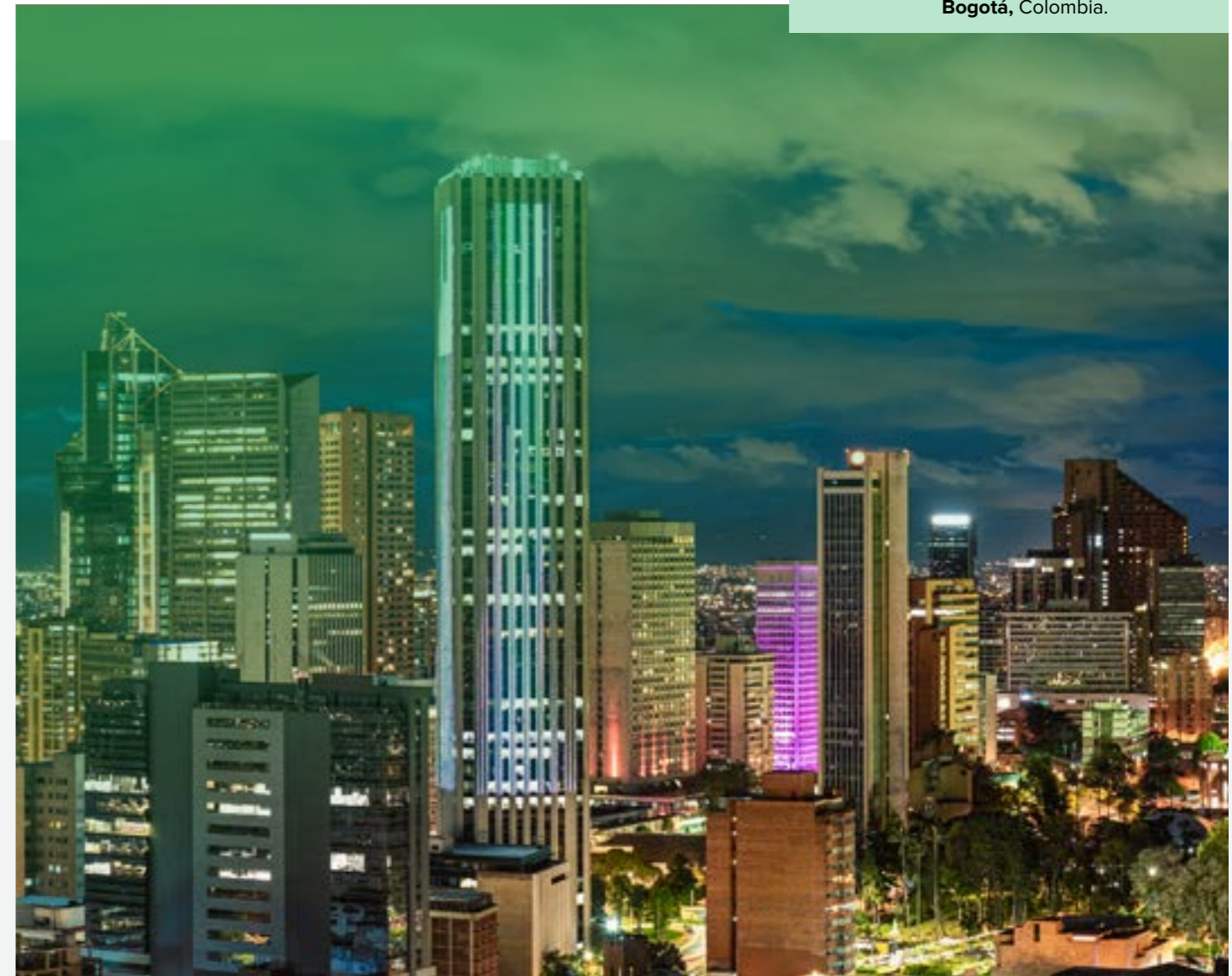
(103-3) The best practices of a corporate governance have been incorporated in our corporate instruments, particularly in our Company Bylaws, the rules of the management bodies and guidance, and remaining corporate policies, available in the website of the company, <https://www.grupoenergiabogota.com/informacion-corporativa/gobierno-corporativo>. Through these we guarantee the following to our shareholders, investors and stakeholders:

- An effective and transparent decision-making process at the highest level to insure traceability.
- Decision-making processes guided by technical and corporate sustainability criteria.
- Protection and respect for the interests of our shareholders, including minority shareholders, and the efficient and responsible management of GEB's equity.

(GRI 103-2) Our Board of Directors, our President, the management teams and employees have developed a culture of good practices in corporate governance, which has extended to the other companies of the Group through the adoption of the Business

Group Agreement, which contains the relationship rules between headquarters and controlled subsidiaries, and translate into guidelines for corporate conduct to be adopted in conformity to the standards of each country.

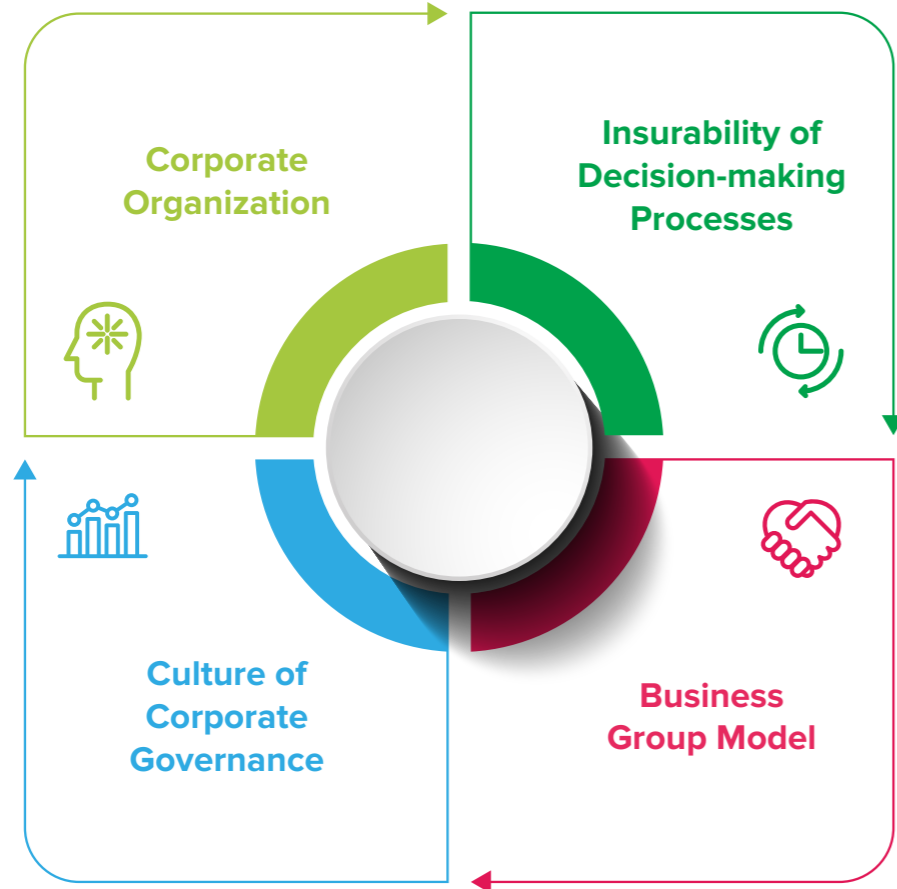
Bogotá, Colombia.



**GOVERNANCE MODEL**

In 2021 we created a new Corporate Governance Model with the following objectives:

- Promote a culture of governance and integrity in the Business Group.
- Continue implementing the Corporate Strategic Plan (CSP).
- Implement mechanisms for adequate, transparent and traceable decision-making.
- Generate value by recognizing the new dynamics of the Business Group.



**GOVERNANCE STRUCTURE**

(102-18) The directors and management bodies established in GEB's Company Bylaws are: the Board of Directors and its support Committees, and the President.

**GENERAL MEETING OF SHAREHOLDERS**

**Board of Directors**

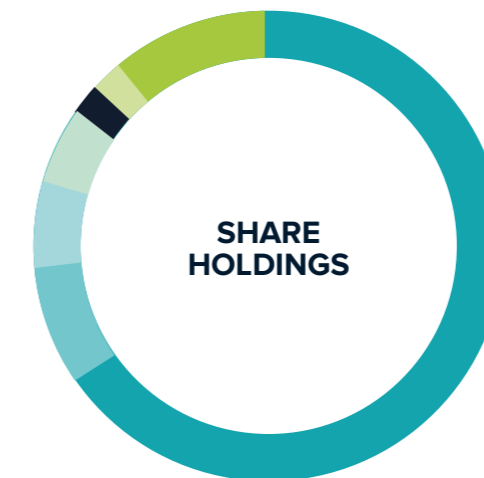
Financial and Investment Committee; Audit and Risk Committee; Corporate Governance and Sustainability Committee; Compensation Committee; recognizing the new dynamics of the Business Group.

**President**

Growth Vice-president; Business Management and Innovation Vice-president; Financial Vice-president; Legal and Compliance Vice-President.

Sourcing and Services Department; Sustainability and Communications Department; Strategic Planning Department and Talent Management Department

**OUR SHAREHOLDERS** (Own Shareholdings)



<b>65.6%</b> Bogotá Capital District	<b>2.2%</b> Fondo de Pensiones Obligatorias Colfondos
<b>8.3%</b> Fondo de Pensiones Obligatorias Porvenir Moderado	<b>2.1%</b> Fondo Bursátil Ishares Colcap
<b>5.8%</b> Fondo de Pensiones Obligatorias Protección Moderado	<b>11%</b> Other shareholders
<b>5.18%</b> Corporación Financiera Colombiana S.A	

**GENERAL MEETING OF SHAREHOLDERS**

As the highest governing body of GEB S.A. E.S.P., the General Meeting of Shareholders represents the main decision-making and effective control mechanism of issues related

to the company's operation. It is responsible for providing orientation and assessing the performance of the members of the company's Board of Directors and registered agents.



### OUR BOARD OF DIRECTORS

(102-19)  
(102-20)  
(102-23)

The Board of Directors is the highest governing and strategic direction body and, consequently, keeps the consolidated vision of the Group and subsidiaries.

The extraordinary General Meeting of Shareholders held on January 31, 2020, elected the Board of Directors of GEB for a two year period, as follows:

Grupo Energía Bogotá is proud to have women as 33% of its Board of Directors, pursuant to the reform of the bylaws approved by the General Meeting of Shareholders in 2021, which establishes that the Board shall have at least 3 women as members. Likewise, the position of Vice Chairperson of the Board is

held by a woman. This has allowed us not only to be coherent with our inclusion and diversity policy, but also to have gender insights, which is fundamental for the strategic guidance of the Group and the companies under its control.



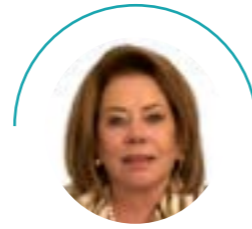
**JUAN MAURICIO RAMÍREZ CORTÉS**

Non-independent  
Financial Secretary of the Capital District - 01/31/2020  
Financial and Investment Committee



**RAFAEL PARDO RUEDA**

Independent  
Consultant Independent - 01/31/2020  
Corporate Governance and Sustainability and Compensation Committees



**MARÍA MERCEDES CUÉLLAR LÓPEZ**

Independent  
Consultant independent - 01/31/2020  
Financial and Investment, Audit and Risk, Corporate Governance and Sustainability, and Compensation Committees



**LUIS JAVIER CASTRO LACHNER**

Independent  
CEO of Mesoamérica - 01/31/2020  
Corporate Governance and Sustainability Committee



**MARÍA LORENA GUTIÉRREZ BOTERO**

Non-independent  
President of Corficolombiana - 01/31/2020  
Compensation Committee



**JUAN MAURICIO BENAVIDES**

Independent named by minority shareholders with a greater equity interest  
Researcher with Fedesarrollo - 01/31/2020  
Financial and Investment, Corporate Governance and Sustainability Committees



**IGNACIO POMBO VILLAR**

Independent  
Consultant Independent - 01/31-2020  
Audit and Risk, Financial and Investment and Compensation Committees



**MARTHA YANETH VELEÑO QUINTERO**

Vice Chairman of the Board of Directors  
Independent consultant - 01/31/2020  
Audit and Risk and Corporate Governance and Sustainability Committees



**ANDRÉS ESCOBAR ARANGO**

Chairman of the Board of Directors  
Independent  
President of Econcept AEI - 01/31/2020  
Financial and Investment Committee

### STRUCTURE, DIVERSITY AND PARTICIPATION OF GOVERNING BODIES

(Own)



### SUPPORT COMMITTEES OF THE BOARD

#### Finance and Investment Committee:

- Follows up on the financial management of the Company and Grupo Energía Bogotá, and analyzes opportunities for new business and the redefinition of existing investments to make specialized recommendations to the Board of Directors. The Committee also supports the execution of the decision functions of the Board of Directors related to the Committee's areas of competence.

#### Audit and Risk Committee:

- Ensures that the Management complies with the established accounting procedures, analysis of the recommendations of the Statutory Auditor regarding the financial statements, to review the Control Architecture of the Company and the member companies of Grupo Energía Bogotá. It also oversees and assesses the Company's Internal Control System, including risk analysis, to recommend and issue opinions to the Board of Directors, and also performs other duties assigned by Law, the Bylaws and the Committee Rules.

**Compensation Committee:**

- Analyzes and discusses all issues related to employee compensation, such as fixed and variable compensation, incentives and benefits, employee/employer relations and industrial relations, to make specialized recommendations to the Board of Directors over these issues, as well as support to the Board of Directors in the performance of their decision-making or advisory responsibilities regarding the appointment and remuneration of the Board members and of Senior Management.

**Corporate Governance and Sustainability Committee:**

- Proposes and oversees compliance of the corporate governance measures and of the sustainability approach adopted by the Company and Group companies.

Assembly of tower at Transmission, Colombia.



## Milestones

(103-2)  
(103-3)

**Diversity:**

the General Meeting of Shareholders approved the modification of the Corporate Bylaws to guarantee that at least three women are part of the Board of Directors. Additionally, this latter body modified its Rules and established that one of the women members must be designated as the Chairperson or Vice Chairperson.

**Independent leadership on the Board of Directors:**

The General Meeting of Shareholders approved modifying the Corporate Bylaws so that, as a minimum, five of the nine members of the Board of Directors fulfill the criteria of independence. This ensures that the majority of this body is independent. However, the makeup of the Board of Directors has seven members who fulfill the criteria for independence, that is, 77.8% of its makeup. The chairpersons of the Board of Directors and its Committees must be independent members.

**IR award by BVC:**

For the eighth consecutive year, the GEB obtained the Investors Relationship (IR) award given by the Colombian Securities Exchange (BVC, for the Spanish original) to issuers with the highest standards of information disclosure and investor relations, increasing the percentage of compliance with the BVC recommendations to 95.4%.

**Members of ICGC:**

GEB is an active member of the Colombian Corporate Governance Institute (ICGC, for the Spanish original), which works on promoting improvements related to corporate governance, thereby contributing to its successful performance. The events promoted by ICGC bring together key stakeholders who share their experience and knowledge on best practices in this field.

**Implementation of the measures contained in Código País:**

95% of the measures established in Código País were adopted, in line with the recommendations of the Organization for Economic Co-operation and Development (OECD).

### CORPORATE GOVERNANCE REPORTS

(103-3)

Every semester, the Management presents to the Corporate Governance and Sustainability Committee a report of compliance with Corporate governance standards, which also reports on the adoption of new policies, provides information related to the attendance

of members of the Board of Directors and support committees, the special majorities required for approval of the different decisions made during the semester and the reports of potential conflicts of interest, among others.

### GOALS FOR 2022

During 2022, GEB will continue to strengthen environmental, social and Corporate governance aspects. It will pay special attention to the following:



#### Continuity of the Strategy:

Adopting additional measures that favor the continuity of the corporate strategy in the medium and long-term.



#### Minority shareholders:

assess additional measures that provide added guarantees for minority shareholders.



#### Relation of the Business Group:

Strengthening of the governance of the Business Group, guaranteeing unity of purpose and direction, and respecting the autonomy of each company that comprises it.



Contractor at Trecca, Guatemala.

# Ethics and transparency

### VALUES

- Integrity

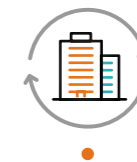
### IMPACT LIMITS

- Employees
- Financial institutions
- Status
- Subsidiaries
- Guilds and associations
- Investors and shareholders
- Board of Directors/ Senior Management
- Partners
- Suppliers and Contractors
- Community

### PRIORITIZED SDGS



16.5



(103-1)

One of Grupo Energía Bogotá's corporate values is **"integrity,"** which paves the way for all our employees and stakeholders to act in a way that is coherent, proper, honest, just, transparent and objective. It makes us conduct ourselves in an ethical manner in all our operations, daily activities and conversations with our stakeholders to fulfill our corporate objectives transparently.

Grupo Energía Bogotá is committed to a **"zero tolerance"** policy regarding fraud, bribery,

corruption, money laundering, terrorist financing and financing the proliferation of weapons of mass destruction. For that reason, in 2021 the Group defined and approved an Ethics and Compliance Strategy that confirms our commitment to adhere and respect the highest national and international standards regarding ethics and compliance. In this way, we have adopted a solid Compliance Program framed within prevention, detection, response and reporting deviations or potential irregularities in our operations. This allows a correct and

We conduct ourselves in an ethical way in all our operations, daily activities and conversations with our stakeholders.

timely identification of compliance risks and the adequate definition and execution of controls, as well as the early identification of alerts and potential irregularities. It also allows the capability of responding effectively to mitigate potential events and remedy damages caused by irregular conduct or situations.

(102-16)  
Relating to our stakeholders, as well as actions in the markets in which we operate our businesses are configured and carried out following corporate values, principles of behavior and action guidelines established by our Code of Ethics.



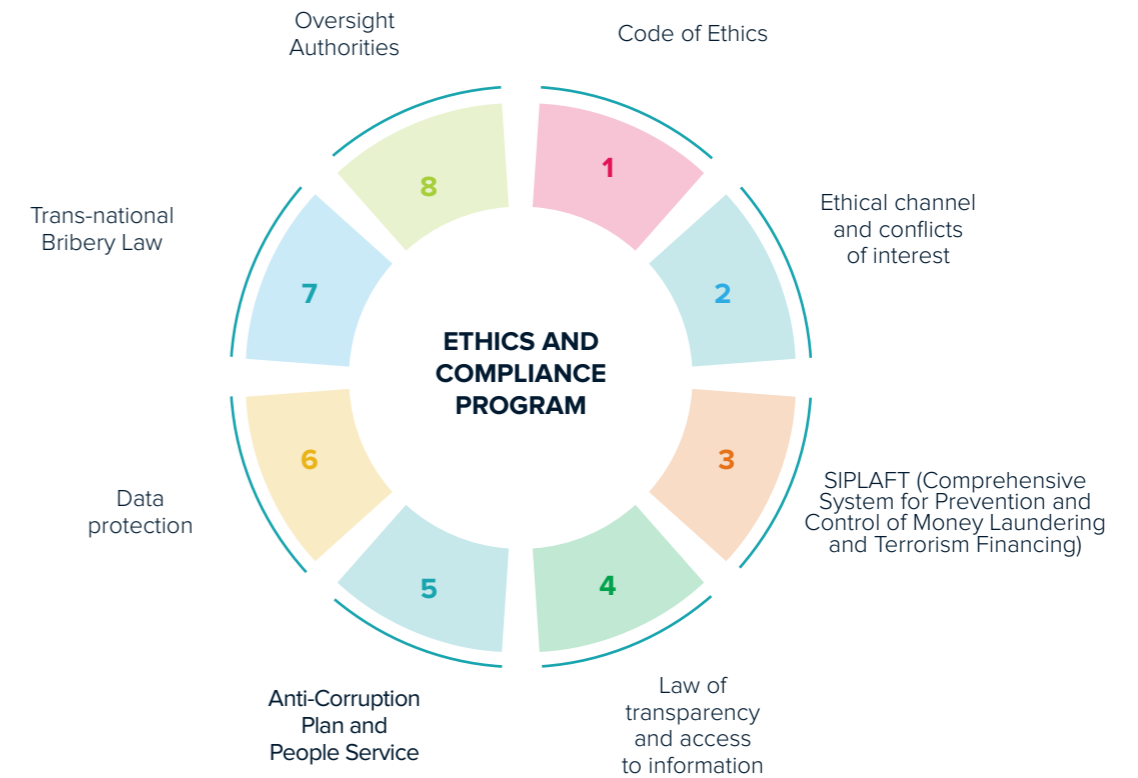
Operations leader at Cálida.

**ETHICS AND COMPLIANCE PROGRAM**

Our Ethics and Compliance Program is articulated with the Group's corporate strategy to "contribute to agile and strengthened governance with talent and culture." Likewise, it is visualized starting from our mission, "We manage transmission, transport and distribution systems, as well as investments in the energy sector, in an ethical, sustainable, reliable and competitive manner," and our vision, "To be recognized as an

ethical, socially and environmentally responsible, sustainable company, and a leader in the energy transition and innovation, managing to double its EBITDA to COP 10 Trillion in 2030."

The Compliance Program has eight sections that together have the purpose of strengthening our Ethics Culture and assuring the prevention, detection, response and reporting components, detailed as follows:



(103-2)  
As instruments for managing ethics and transparency, the Group adopted the Internal Control and Prevention of Fraud and Corruption Policy, the Policy of gifts and Gratuities, and all the documents that comprise the ethical framework, which establishes behavior parameters and

guidelines that contribute to the adequate operation of the Internal Control System, which includes compliance and respect of applicable standards by the Group and subsidiaries, as well as the development of our activities framed by legality, ethics and transparency.

(102-17)

The SIPLA Manual is added to the above, which contains the policies, controls and procedures adopted by the Group to avoid the risk of money laundering, terrorist financing and financing the proliferation of weapons of mass destruction.

Also, GEB has an Ethics Channel that guarantees the rights of the shareholders, employees, contractors, communities and other stakeholders, to report situations that could be qualified as potential deviations from our ethical framework.

Through the Ethics Channel both GEB employees and other stakeholders may present queries or ethical dilemmas and pose questions related to other relevant issues, such as a potential or real configuration of conflict of interest, actions that should be taken to avoid it becoming a reality or to mitigate its effects, or regarding the acceptance or rejection of gifts and

gratuities, among others things. The Corporate Compliance Department assures the confidentiality and transparency of the Ethics Channel, which is managed by an expert, independent third party (the Price Waterhouse Coopers Asesores Gerenciales SAS firm) and managed from the Corporate Compliance Department.

The means available to receive reports or queries from the Ethics Channel are:

**Toll-free telephone numbers:**

Colombia: 01800-012-5470,  
Peru: 0800-52-093 or  
Guatemala: 1-800-8350-428

**website:**

<https://www.ngsoftpwc.com.co/CanalEtico-1.0/geb/index.xhtml>

**Email:**

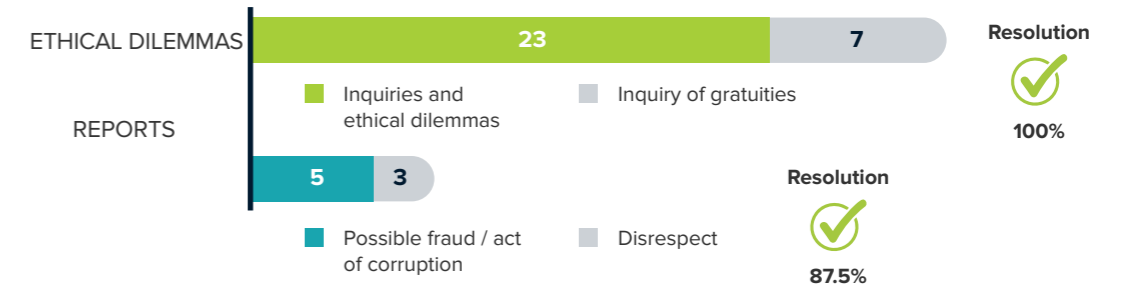
[canaleticogeb@pwc.com](mailto:canaleticogeb@pwc.com)

(205-3)

In 2021 no cases of corruption were corroborated, according to the reports included in the channel.

**EVENTS REPORTED THROUGH THE ETHICS CHANNEL**

In 2021, the following reports and ethical dilemmas were presented through the Ethics Channel:



**MANAGEMENT OF COMPLIANCE RISKS**

Indicator 205-2 is reported on page 78 of the Report's Appendices.

(2015-1) By applying the Comprehensive Risk Management Model we identified and managed those strategic and process risks by periodic follow-up and control in coordination with

the process leaders. In 2021 we evaluated 100% of our operations in Colombia for compliance risks, indicating the following as the most significant related to fraud and corruption:

**COMPLIANCE RISKS**

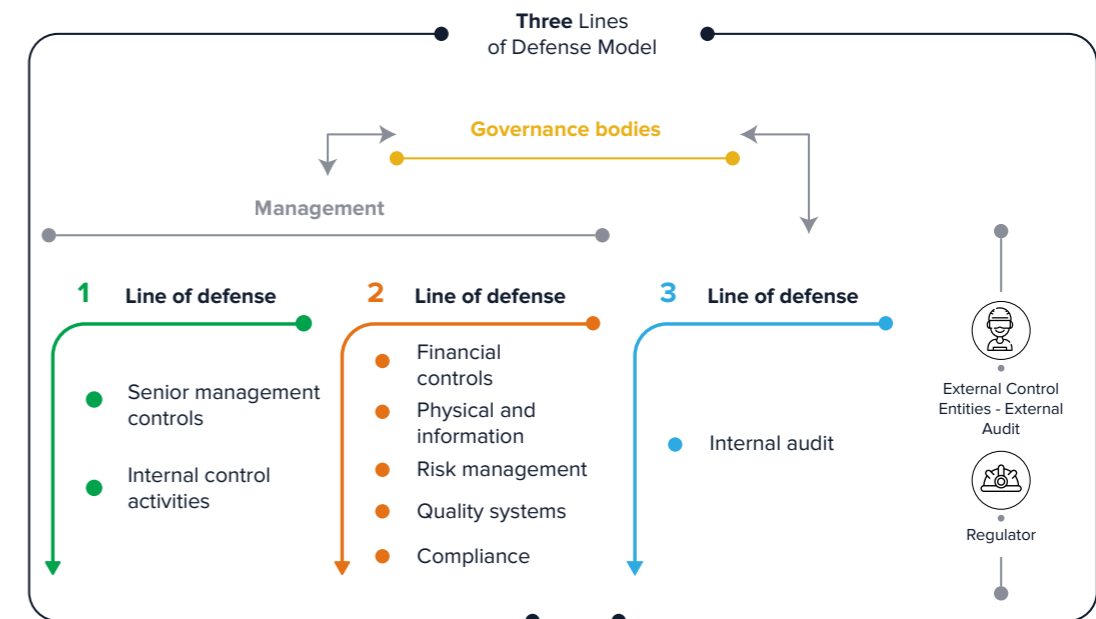
- Fraud and Corruption.
- Under- or overestimating the value of fixed assets in Financial Statements.
- Improper use of financial entity products.
- Under- or overestimating the debtor balances in Financial Statements.
- Disbursing advance payments and travel expenses that do not fulfill the requirements.
- Not making pertinent adjustments of retired employees registered in the SAP System
- Incorrect creation, modification or transfer of internal orders.
- Budgetary overestimation of income or underestimating expenses.
- Unauthorized or fraudulent temporary investment or disinvestment transactions.
- Misappropriation of the organization's funds to favor third parties.
- Inadequate control in establishing and managing framework contracts and purchase orders.
- Inconsistencies in payments.



- Unauthorized access to technological applications and/or infrastructure systems.
- Unauthorized changes to data and to the IT infrastructure that supports the business' processes or operations.
- Lack of availability and improper access to the application that supports the business' operations.
- No reasonableness in GEB's financial statements or reports.

- Inadequate disclosure of financial obligations in the financial statements.
- Potential inconsistencies between the financial information reported for projects.
- Failure to make payments or charges of pension installments to external entities and failure to make the relevant accounting adjustments.
- Misstatements in payroll calculations or payments.
- Not having the appropriate and motivated human capital to achieve the strategy.
- Erroneous disclosure of relevant information for GEB.
- Not considering a General Audit as the third line of defense within GEB's control architecture to perform independent, objective assessments of the Internal Control system.
- Taking actions that do not align with GEB's objectives.
- Unauthorized access to technological applications and/or infrastructure systems.
- Lack of availability of services and resources provided by IT.
- Lack of monitoring of service agreements entered into with IT service providers.
- Untimely resolution of inquiries, incidents and problems.
- Lack of availability of data when the business requires them.

## COMPLIANCE AS SECOND LINE OF DEFENSE



(103-3)

To assure compliance and preserve the integrity of the Internal Control system, the Compliance function is part of the

second line of defense, according to the Control Architecture Model, which defines the system responsibilities as follows:

### First line:

It is performed by the employees. It enables the identification and management of risks (control/self-control) and the implementation of corrective actions to address any shortcomings in processes and controls. The first line of Senior Management is controlled through the owners of processes, who establish their own control activities (self-control) to mitigate their risks and maintain effective internal control.

### Second line:

This is framed within the different supervision and monitoring functions developed by the areas that carry out financial reporting control activities, legal and regulatory compliance, quality management systems, information security, supervision and inspection and risk management, where implementing control activities for risk mitigation is facilitated and monitored. This secure line of defense verifies that the first line operates as established and identifies potential deviations.

### Third line:

This line consists of independent assurance through internal and external audit activities. 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.

**PARTICIPATION IN INITIATIVES**

To be informed about the best practices in ethics and compliance, and to continue

improving our work in 2021, we participated in the following initiatives:

Led by the Anti-corruption Studies Institute, it seeks to provide information, training and other tools so affiliated organizations may protect themselves against the risks of corruption and the adverse consequences that could be faced if there were involvement in illegal practices<sup>1</sup>.



The largest corporate integrity initiative in the world that seeks to promote human rights, labor standards, the environment and the fight against corruption.



Carried out by a group of companies and independent institutions that voluntarily partnered to reach a common and agreed-upon objective. This joint effort allows fighting corruption from and for the Colombian electric sector<sup>2</sup>.



1. Source: <https://redcump.org/>

2. Source: <https://www.xm.com.co/sostenibilidad/accion-colectiva-de-etica-y-transparencia>

**2021 Milestones**

**1**

We defined a new Ethics and Compliance Strategy, articulated with the Business Group's strategy.

**2**

We consolidated and strengthened the Corporate Compliance Department, which reports to the Audit and Risk Committee of the Board of Directors. This Department is focused in compliance risk management and in the development of an integrated management system that assures GEB's culture of integrity and ethics and corresponds to the matrix nature of the Group.

**3**

We apply the Control Architecture Model based upon three lines: the first, executed by employees, the second performs supervision and monitoring of control effectiveness and risk management, and the third is in charge of independent assurance through internal audit activities carried out by the Group's general auditor.

**4**

We implemented GEB's gift and gratuities policy.

**5**

We analyzed and updated the Compliance Process, its four subprocesses and associated procedures.

**6**

We performed a regulatory diagnostic of the compliance program and regulations applicable to GEB. On this basis a road map was delivered for strengthening of the Compliance Program.

**7**

We developed the Ethics and Compliance Program according to the highest international standards and good practices of conduct.

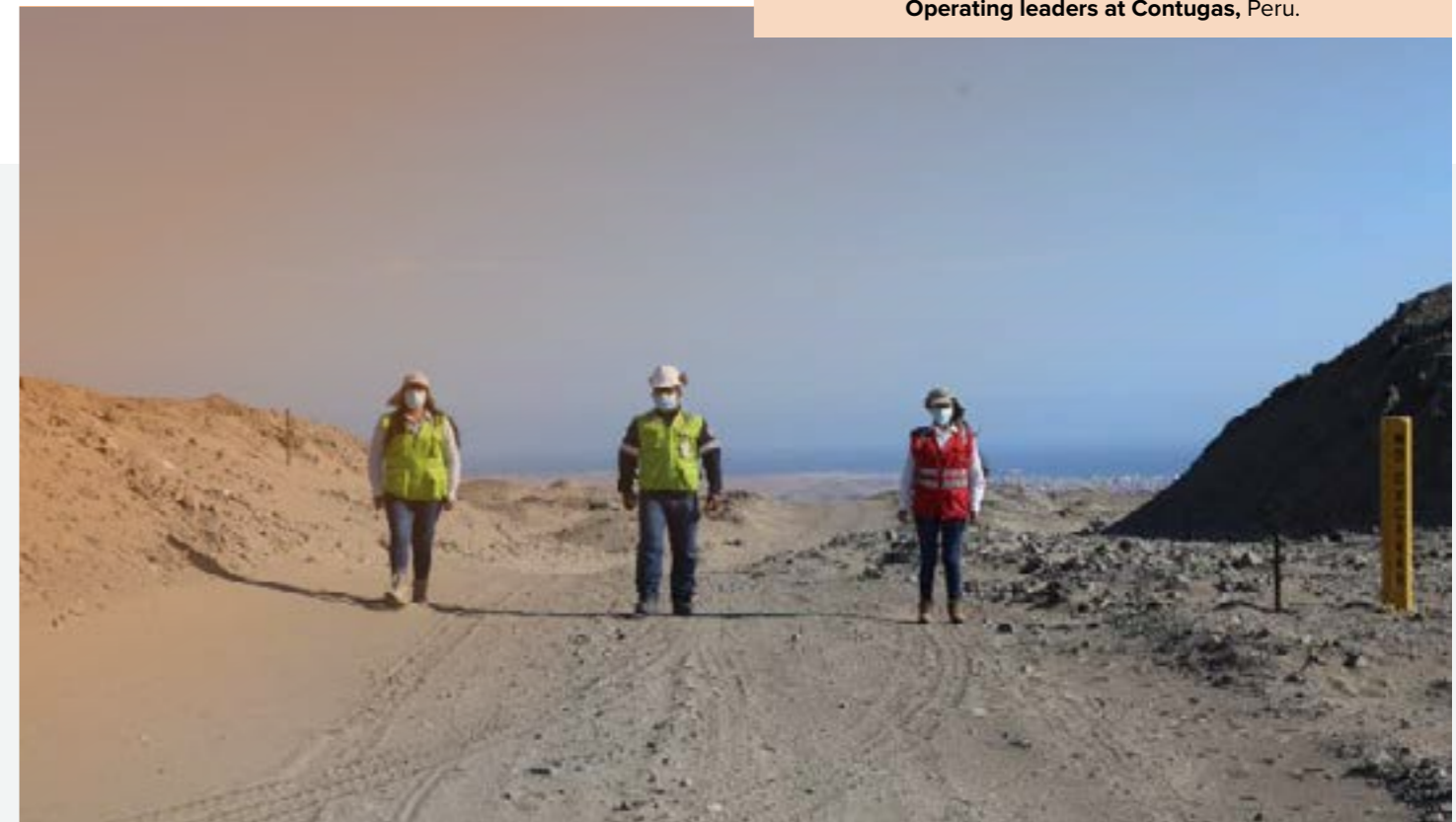
## Goals for 2022

- Define and strengthen the Transparency and Corporate Ethics Program.
- Update the pertinent corporate documents to strengthen and consolidate our management and the culture of corporate ethics.
- Create the Code of Ethics and Conduct for Providers and Contractors.
- Implement the best international practices to strengthen the Ethics and Compliance Program adopted by GEB and its subsidiaries.
- Implement common strategies in subsidiaries that allow harmonizing and centralizing the entire ethics and compliance management of the Business Group
- Review the existing PCC channels and update the Ethics Channel protocol to ensure it is aligned with the companies' Governing principles and the United Nations' Human rights declaration.
- Assess GEB's anti-corruption ethical management through a third party.
- Train 100% of employees in aspects of the Code of Conduct, money laundering and terrorist financing prevention, personal data and anti-corruption, among others.
- Train providers and contractors regarding the Compliance Program.

## Challenges for 2022

- Improve the Ethics and Compliance Program's effectiveness based on risk prevention and management methodologies.
- Promote ethical behaviors and build a corporate culture of compliance.
- Advance and maintain continuous improvement of our internal procedures.
- Elevate the understanding and adoption of the standards of ethics culture.

Operating leaders at Contugas, Peru.





# Human talent management

**VALUE**

- Teamwork with individual responsibility

- Focus on results
- Empathy
- Integrity
- Life Comes First

**IMPACT LIMITS**

- Employees
- Board of Directors/ Senior Management

**PRIORITIZED SDGS**



5.1, 5.5



8.2, 8.5, 8

## Our employees, our best strategy

FOR GRUPO ENERGÍA BOGOTÁ, THE PEOPLE WHO WORK WITH US ARE OUR MOST IMPORTANT ASSET.

In corporate areas and all our subsidiaries we see management of human talent as a necessary enabler to build an organization with superior performance, attractive and diverse

that, in line with our higher purpose, transforms lives through effective leadership consistent with our five corporate values.

**CORPORATE VALUES**



**Empathy**

This value teaches the importance of respecting everyone's point of view, without discrimination and without bias in regard to belief, race, thought and other factors, to elevate our humanity every day.



**Life Comes First**

Motivates us to take care of ourselves and those persons around us to guarantee that everyone goes home safe and sound at the end of the day.



**Integrity**

Teaches us to work in an ethical, honest, responsible and transparent way, remembering that even if no one is watching us, we must always act correctly.



**Teamwork with individual responsibility**

Invites us to work in collaboration, constantly communicating among ourselves and generating trust. It reminds us that we all have a specific mission, that when it is joined with the missions of others, produces extraordinary results.

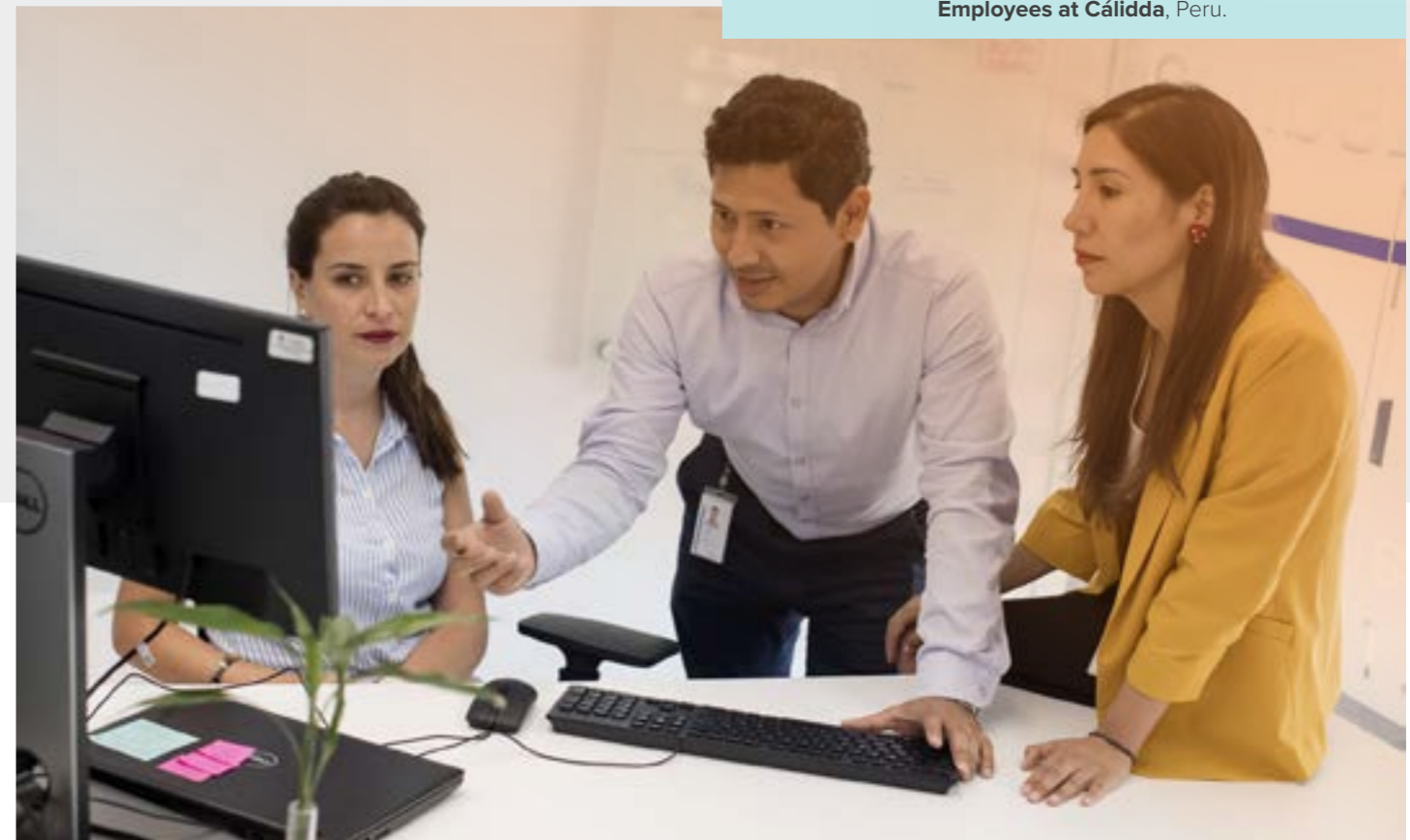


**Focus on results**

Reminds us of the importance of working focused to achieve the expected results, and thus make our company a sustainable organization over time, that fulfills its role in society.

In 2021 we concentrated our efforts in promoting a sense of belonging among our employees, boosting their individual capabilities and the achievements of collective results, by aligning our cultural model, our higher purpose, corporate values, and the mission and vision with our strategic intention. In this period we offered an integrated well-being plan (with recreational actions, conducive to emotional, physical and spiritual health) that maintain motivation and balance between work life and personal life, without neglecting the performance of individuals and teams.

Using a focus based upon results, we strengthened remote working. This allowed us to preserve work flexibility and advance our corporate goals, following the organizational tendencies that the pandemic brought about globally. We facilitated hybrid interaction dynamics by developing and boosting technological tools and adapting to the physical environment, conditioning work sites to promote a greater collaboration within the framework of self-care and efficient use of space.

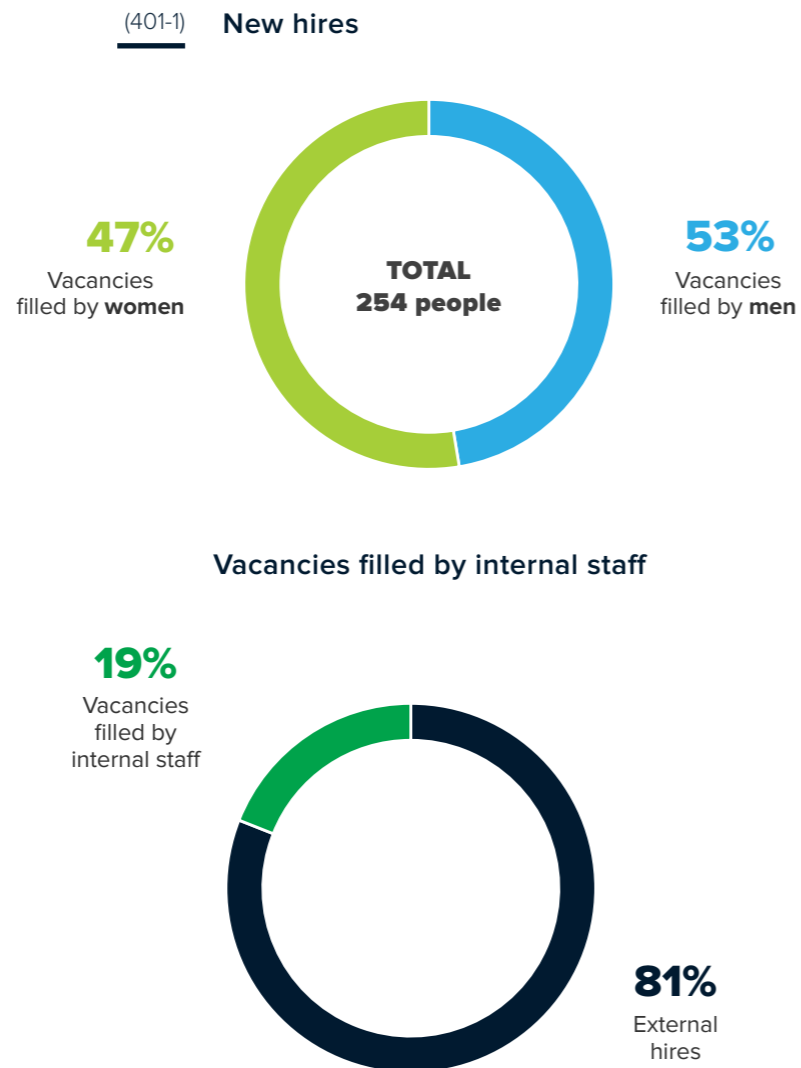


Employees at Cálidda, Peru.

Additionally to the foregoing, we progressed in the digitalization of critical processes by implementing technological tools such as SAP S4HANA. This allows us to have a corporate information platform that guarantees transparency of transactions, planning and financial management, employee self-management and self-service, the soundness of treatment of the information of active and retired employees, as well as the integration of platforms to attract new talent.

For this reason we drive processes that allow us to visualize the path and performance, facilitating access for everyone to the opportunities reflected by vacancies in the organization. Through internal calls, employees may submit an application and become an active part of the selection process. In 2021, with the growth of new areas such as those associated with generating innovation in the Group or cybersecurity, among others, we had new development opportunities for our talent.

In 2021, **28%** of vacancies became new steps in the careers of our employees, also highlighting that **54.4%** represented growth opportunities for women who now hold new positions, as part of GEB's commitment to facilitate that equality becomes a seal that distinguishes us in all work teams.



Guavio Transmission substation, Colombia

We are committed to make GEB an attractive workplace for the best talent.

We continue to strengthen the application of global methodologies of salary rates. This allows us to be a more competitive, equitable and attractive organization in the market, by compensating according to the level of responsibility or the impact of the position held by each employees, thus eliminating any variable that might be discriminatory. Guaranteeing salary competitiveness compared to the referenced market is our purpose. We are committed to make GEB an attractive workplace for the best talent, just and equitable (maintaining the salary segregation index near zero).

Finally, as part of strengthening of labor relations, we updated our internal work regulations and harmonized its provisions with the Collective Bargaining Agreement signed with the SINTRAELECOL labor union with our policies and internal guidelines. Our subsidiaries such as TGI and Cálidda also held updates and dialog initiatives with unions and their employees.

**OUR TEAM**

**We encourage diversity, equality and inclusion.**

**32.43%** of Senior Management positions and **36.36%** of Middle Management positions are held by women.

<sup>4</sup> Learn more about our Diversity, Equality and Inclusion management in the Human Rights chapter.

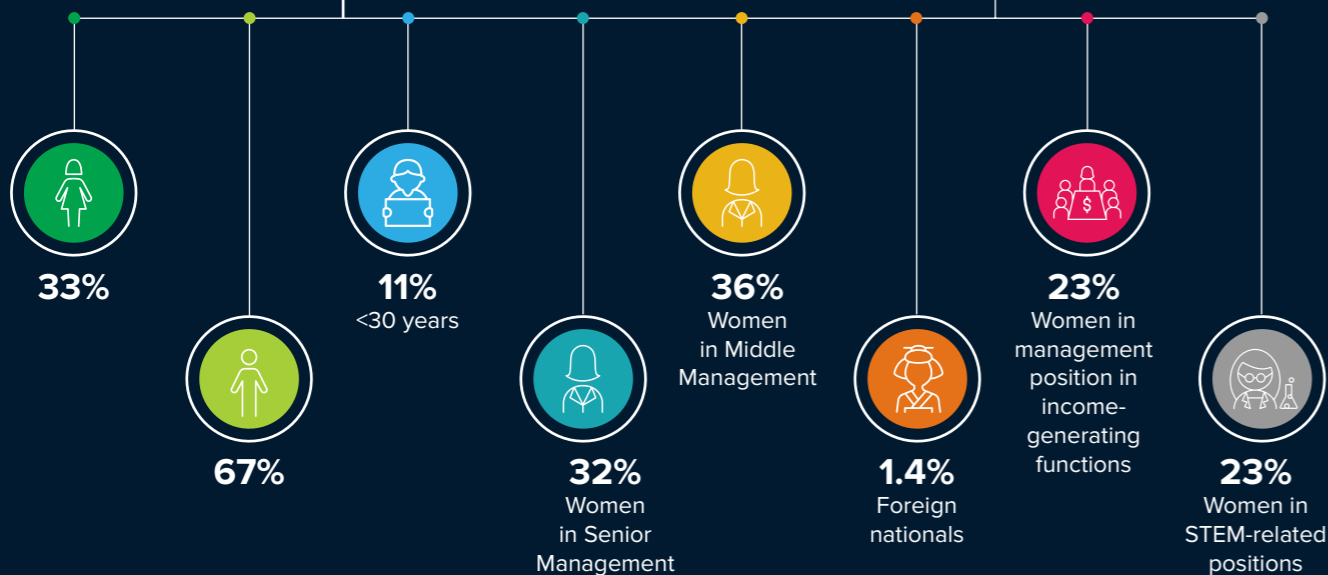
GEB seeks to attract the best talent. For that reason, through our web page, people interested in joining our work teams can learn about our Diversity and Inclusion Policy, see the available vacancies and send their résumé using the information they have registered in two job-hunt portals, or registering directly in our *SAP SuccessFactors* portal. With this and with the formalization of group selection mechanisms (such as internal panels), we reinforce our selection process

to ensure transparency and competence to recruit the best talent in the market.

In line with our Diversity and Inclusion Policy, we have and practices aimed at promoting a work environment and a corporate culture with equal opportunity, rights and responsibilities, free from any type of discrimination. We desire every person to feel valued and heard, and to have access to relevant spaces and to decision making<sup>4</sup>.

(102-8)  
(405-1)

**OUR COMMITMENT WITH DIVERSITY, EQUALITY AND INCLUSION**



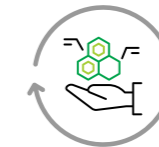
**We encourage a culture of teamwork**

Our talent stands out for its capability to reach ambitious goals. The projects we undertake are developed by competent staff working in teams and contributes to transforming the lives in all the environments where we have presence.

(404-2) In 2021 we continue facilitating an approach to the labor market of those employees whose contracts are ending, with the support of job agencies, through the following:



Professional orientation.



Strengthening of their competencies and/or aptitudes.



Direct application to job opportunities.

Towards the end of 2021 we evaluated our organizational culture. 100% of our employees with over five months of service had the opportunity to express their perception about behaviors that characterize us and evaluate the general qualities that distinguish working for GEB.

General results show that we have a culture that evidences teamwork through the general ability to help others and drive our higher purpose and adopting our values. A high percentage of the population highlights that they find within the organization spaces for building and seeking collective solutions.



**WE ENCOURAGE WELL-BEING AND DEVELOPMENT**

WE ARE CONCERNED WITH MAINTAINING EMPATHY AMONG OUR EMPLOYEES AND STRENGTHENING TWO-WAY COMMUNICATION MECHANISMS TO ENSURE PEOPLE'S WELL-BEING.



Employees at Contugas, Peru.

**Ratio of compensation of men and women, distributed by job level**



Senior Management	0.71
Middle Management	0.93
Advisers	1.02
Professionals	1.01
Support/assistants	0.79



Senior Management	1.29
Middle Management	1.00
Advisers	1.00
Professionals	0.95
Support/assistants	0.87



Senior Management	0.8
Middle Management	0.9
Advisers	1.1
Professionals	1.0
Support/assistants	0.8



Senior Management	1.93
Middle Management	1.11
Advisers	0.83
Professionals	0.96
Support/assistants	0.72



Senior Management	N/A
Middle Management	0.95
Advisers	1.88
Professionals	1.03
Support/assistants	0.97



Senior Management	1.08
Middle Management	0.85
Advisers	N/A
Professionals	1.03
Support/assistants	0.75

**Competitive compensation**

(102-35) Compensation for all employees is bound to the level of responsibility and the complexity of their position (internal equality), the reference market (external competitiveness), results, performance and the competences of each employee.

We have an appropriate compensation scheme, in accord with current law, existing collective agreements and the plan proposed for each profile. This guarantees that there are no salary gaps between women and men who perform the same job.

At GEB we have a Compensation Committee formed by four members of the Board of Directors. This committee has the goal of analyzing and discussing matters related to employee compensation, fixed and variable compensation, incentives and benefits, employee-employer relations and industrial relations. This committee performs follow-up and advisory functions on plans developed around Talent management to strengthen the opportunity to apply the market's best practices regarding equality and transparency.

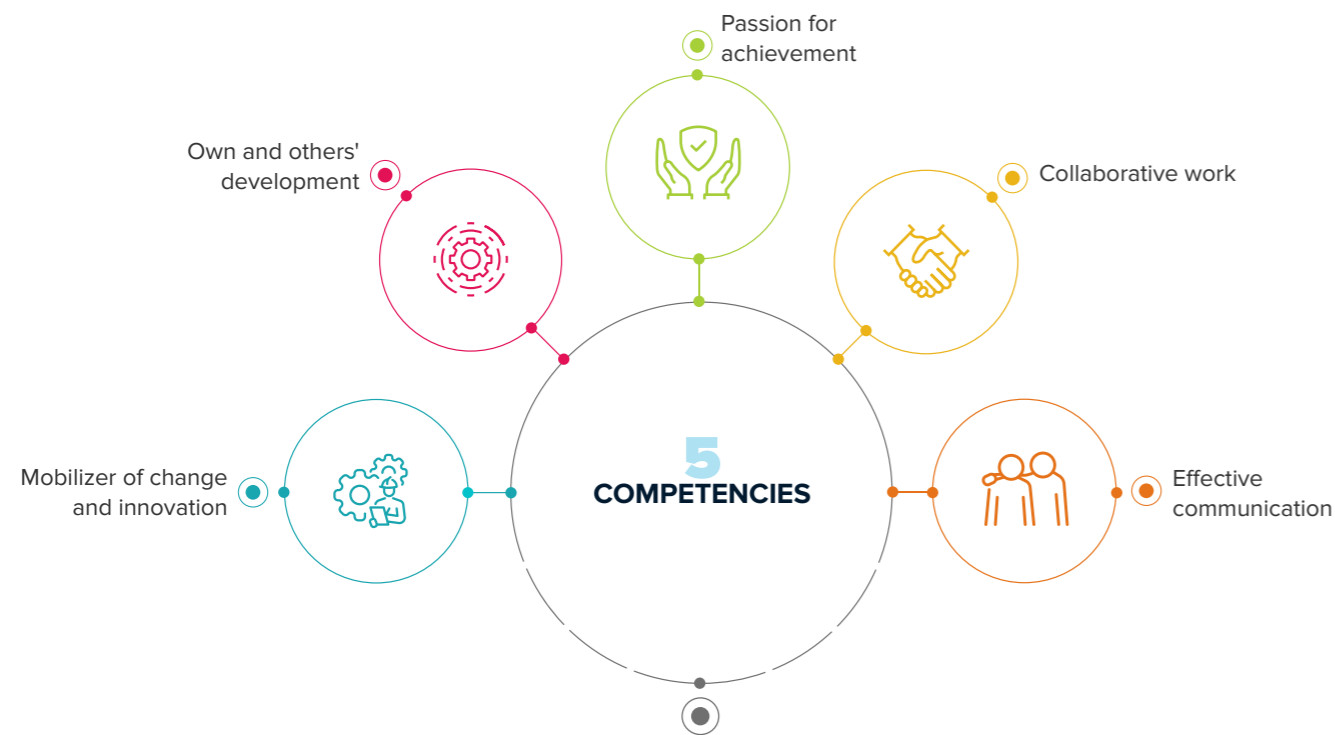
## We invest in the intellectual development of our employees

We also value our employees' commitment, and thus we highlight the work of those who reach retirement age through recognition programs.

(404-2) Through the GEB Academy, we seek to preserve and improve knowledge within our organization. The Academy offers programs for updating knowledge and closing the gap of soft and technical skills. An example of that is the increase in the level of competences required to manage equipment productive assets, which translates into the implementation of best practices, such as decision-making based upon risk, cost, and performance analysis.

In 2021 our virtual programs focused on highlighting and strengthening our corporate values, improving the ability to work in virtual environments and project development; these achieved a 99% coverage of the entire organization. Thanks to our leaders' participation in the training program, we achieved a high level of commitment and strengthened collaborative work.

### COMPETENCE MODEL



## Our most relevant achievements

**1** The plan for training and strengthening of leadership abilities and competence within our Asset Management project had a relevant impact on the maturity model of the work styles and practices, as it showed **a growth of 2.20 to 3.0 in global results**, and scoring in the Leadership and Commitment dimensions (Section 5.1 of ISO 55001 Standard, and Section 7.2, Competences).

**2** On the other hand, as part of our digitalization and innovation strategic enabler, GEB Academy intensified the training plan to implement SAP S4HANA, impacting GEB and its subsidiaries. Among other indicators of this process, we highlight the following:

**91%** of the training plan was accomplished with evidence of knowledge. We completed **2,359 courses**.

We designed the **SAP's ABC portal** as a permanent consultation and requalification platform, with videos and other materials for consultation and study.

We have **227 content plans** available in our internal training platform.

We started **ABC S4HANA** in our GEB Academy Portal with available and consultation materials.

We completed a knowledge contest (*Wikiphanas*) in which **80%** of our employees participated.

## Our opportunities in 2022

- 1 Position our values and the Group's higher purpose under an inclusive leadership that respects diversity, encourages communication and manages teams connected through digital tools.
- 2 Accompany GEB's strategy in its different initiatives, through a structure that makes agility and control of executed processes viable.
- 3 Increase the participation of women, ethnic minorities, people with disabilities and LGBT+ persons.
- 4 Offer tools to mitigate bias among leaders and interviewers in the selection and development process of internal talent.
- 5 Continue reducing the index of occupational segregation, seeking a balanced participation between women and men in work positions.
- 6 Continue strengthening the Corporate Governance and the Business Group Agreement through improving and standardizing processes with the subsidiaries.
- 7 Design and implement training and succession programs that reach all subsidiaries of the Group.
- 8 Drive talent mapping in GEB and subsidiaries with development plans that reflect the strengthening of corporate competencies, and defined for the specific roles that encourage and allow mobility.
- 9 To continue providing cross-sectional services with integrated impact that seek to mobilize compliance with the corporate strategy and projects.

## Our purposes for 2022

In 2022 we will continue innovating new ways to work and will go along technological development through the implementation of new projects, in line with the following objectives:

**Cultural transformation:** developing a cultural transformation plan to impact all subsidiaries and become an organization where all employees share "the same way of doing things together, based upon a life experience in harmony with the same values," under the following pillars:

- Boosting new capacities for innovation:
- Development of people
- Leadership development
- Diversity, equality and inclusion.

**Strengthening of Talent management processes:** establishing development levels for each one of the stages of the Employee Life Cycle, to assess current levels of maturity and alignment among all companies, identifying best practices and articulating the plan to strengthen our Human Management.



### VALUE

- Life Comes First
- Integrity
- Empathy

### IMPACT LIMITS

- Employees
- Suppliers and Contractors

### PRIORITIZED SDGS



8.5

FOR US, LIFE COMES FIRST.

In line with our "Life Comes First" value, in January 2022 we marked **four consecutive years with no fatalities**. This fact evidences our commitment to protecting the health and safety of our employees (our own and contractors), and the communities in the areas where we operate.

(103-1)

In line with our "Life Comes First" value, in January 2022 we marked four consecutive years with no fatalities. This fact evidences our commitment to protecting the health and safety of our employees (our own and contractors), and the communities in the areas where we operate. We know that all types of accidents can be prevented, that safety and health require leadership, and that work must contribute to the well-being and development of our teams.

(103-2)

At Grupo Energía Bogotá, we have designed and implemented a cultural transformation strategy regarding Occupational Health and Safety (OSH) to continue strengthening a prevention culture, in which protection of personal integrity and life is the backbone of every operation. The first state of this strategy has been oriented to mitigating priority risks (control of severe and fatal accidents). In the medium term, we set forth a vision of zero accidents through structuring a plan based upon international benchmarks.



Termocandelaria Transmission substation, Colombia

We have established an Occupational Safety and Health Management System (OSHMS) that not only complies with applicable law in each country where we operate, but also has been designed following the international standard ISO 45001 and best international practices.

This system, which seeks to become a reference framework for our subsidiaries, covers our employees and contractors, and has as its scope all work centers, operating assets and construction projects.



**(103-3)** The OSHMS has annual goals and indicators to measure the performance of all subsidiaries in the Group. This allows us to identify gaps, weaknesses and strengths, opportunities and threats to use as a basis to establish improvement initiatives<sup>5</sup>.

<sup>5</sup> GEB's information includes data from Transmission Branch.

Coverage of the OSHMS in all subsidiaries is 100% for direct employees and contractors.

**(403-4)** Employee participation and consultation are an integral part of OSHMS. We have the spaces and strategies that ensure their inclusion in decision making related to health, safety and well-being.

**PREVENTION AND IMPACT  
MITIGATION**

(403-2)

Our labor force includes **32,640,375.7** contractors y subcontractors, and **5,311,820.43** full-time employees.

As part of OSHMS we have a matrix to identify, assess and rate occupational safety and health dangers and risks. Before executing any operational work, the responsible team performs a Safe Work Analysis (SWA). This analysis allows identifying specific dangers and establishing appropriate prevention and control measures, according to control hierarchy. All Group employees and contractors may report any conditions unsafe for health and security that they encounter. This with the goal of timely setting preventive and corrective measures as needed.

GEB's employees and contractors are empowered to exercise leadership in matters of occupational safety and health. If deemed necessary, they may order the suspension of activities if in their judgment these pose a severe and imminent risk to their own health or that of their peers. All occupational incidents and accidents that occur are investigated carefully and lessons learned are shared with all our subsidiaries to avoid recurrence.

Contractors and subcontractors are primarily dedicated to activities related to:

- 1** Construction of infrastructure works in projects.
- 2** Operation of gas compression substations/stations.
- 3** Maintenance of gas compression substations/stations.

(403-9)  
(403-10)

In 2021, no employee deaths or injuries caused by accidents with significant consequences were reported, nor cases of work-related diseases or illnesses in employees or contractors.

(403-9)

Injuries due to occupational accidents with major consequences (excluding deaths) among contractors.

(403-3)  
(403-5)

GEB offers preventive medicine and work medical services and offers training courses regarding occupational health and safety, which are also aimed at contractors.

**WELL-BEING AND  
INTEGRITY**

(403-3)

On average, **100%** of our employees who went on maternity leave in 2021 continued working for us for a minimum of one year after returning from their leave.

(403-6)

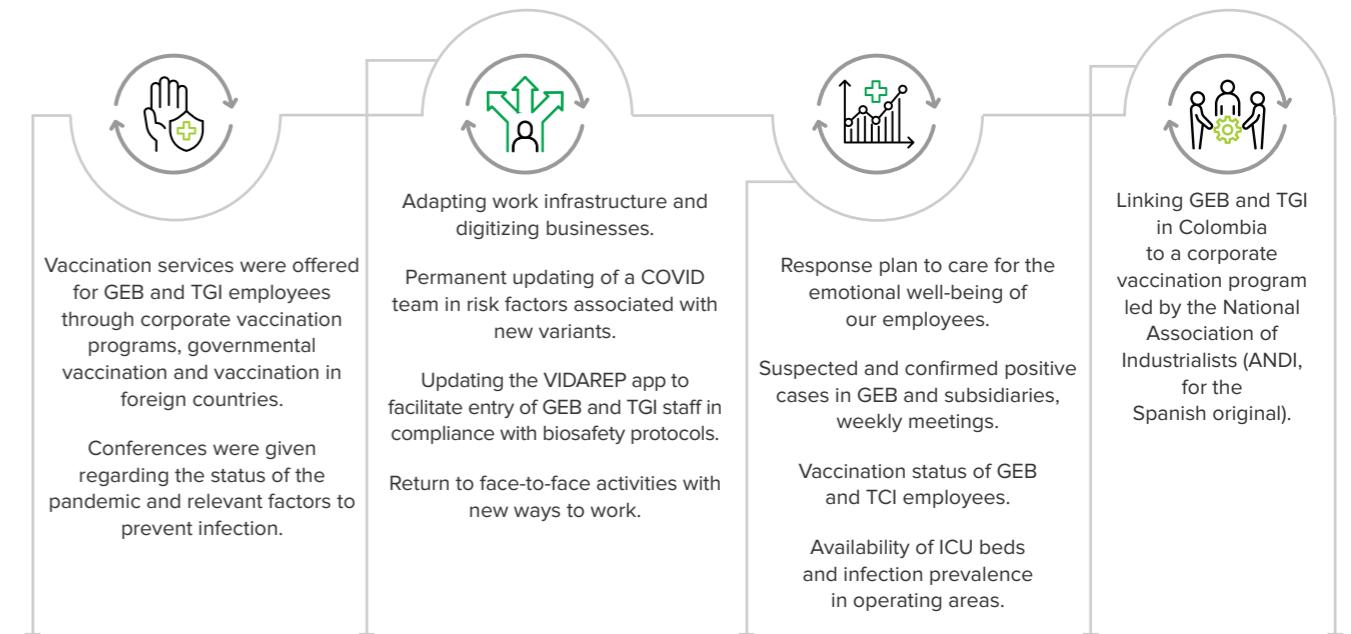
GEB offers health benefits to its employees, framed within the OSH Management System, and offers health care and promotion initiatives to all employees.

**MANAGEMENT  
OF COVID-19  
IN 2021**

The pandemic has been one of the largest threats to the continuity of our operations. However, the group and its subsidiaries, with the support and commitment of all areas, have managed to address challenges satisfactorily and have generated a heightened level of resiliency both in the

individuals and in the Business Group. Faithful to our central value, "Life Comes First," the necessary logistics, protocols and guidelines were established to address the pandemic and maintain our commitment of not interrupting our services.

**Management initiatives for COVID-19**





## Our most relevant achievements in 2021

- 1 We updated the protocol for managing COVID-19 and we integrated the Quality Management System in Colombia.
- 2 We encouraged the vaccination of GEB's direct staff in Colombia through ANDI's "Empresarios por la vacunación" (Employers for Vaccination) program.

Over **95%** of our employees have received at least one dose, and over **80%** have completed their vaccination schedule.

## Our opportunities in 2022

- 1 Continue executing our Plan of Action to prevent mental and physical health risks among our employees.
- 2 Reinforce awareness among our employees to follow biosafety measures both in work and non-work environments.
- 3 Continue managing change as we face the pandemic's challenges through new ways to work.

## Our purposes for 2022



Support and monitor the booster shot strategy for our employees.



Update the biosafety manual to adapt it to the changing conditions and include new information regarding the behavior of the virus and its variants.



**Zero Vision and OSH.** Lead the process of strengthening of the Occupational safety and health culture at GEB and subsidiaries in a structured and systematic way, allowing in the medium term to advance towards a proactive state (Hearts and Minds scale), strategically managing occupational risks and contributing to operational excellence of GEB and subsidiaries under the following fronts:

- Compliance with LTIFR
- Plan of Action "Empresas Saludables".
- Compliance with actions of the "Cultura SSTZ" project.
- Compliance with the Safety PPI (Proactive Performance Indicator)



# 04 Sustainable and competitive portfolio

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Economic  
performance

VALUE

- Integrity
- Focus on results

IMPACT LIMITS

- Employees
- Investors and shareholders
- Partners
- Customers
- Subsidiaries
- Suppliers and Contractors

PRIORITIZED SDGS



8.1, 8.2

(103-1)  
(103-2)

Grupo Energía Bogotá's business is sustainability, and our higher purpose is 'improving lives through sustainable and competitive energy.' Our strategies and financial results reflect our commitment with sustainability; we are committed with the protection and care of Bogotá's equity, the retirement savings of Colombians and the interests of our shareholders. We believe in the value of public property and in open capital. Our actions are focused in preserving and strengthening the sustainability and profitability of business, and facilitating the availability of dividends to our shareholders.

In line with our corporate and sustainability strategies, and with our higher purpose, we project ourselves as a profitable, focused and sustainable Business Group, with an innovative portfolio that generates a positive social and environmental impact, leveraged by agile governance, by our talent and our strategic partnerships. Our model is based on capabilities built around four strategic pillars: Transmission for the future, Gas for transition, Smart Cities and Sustainable generation. Through new investments in sectors where we enjoy a competitive advantage, we place profitability over growth.

To be **focused** on growth is to be **sustainable** over time.



Bogotá, Colombia.

(103-3)

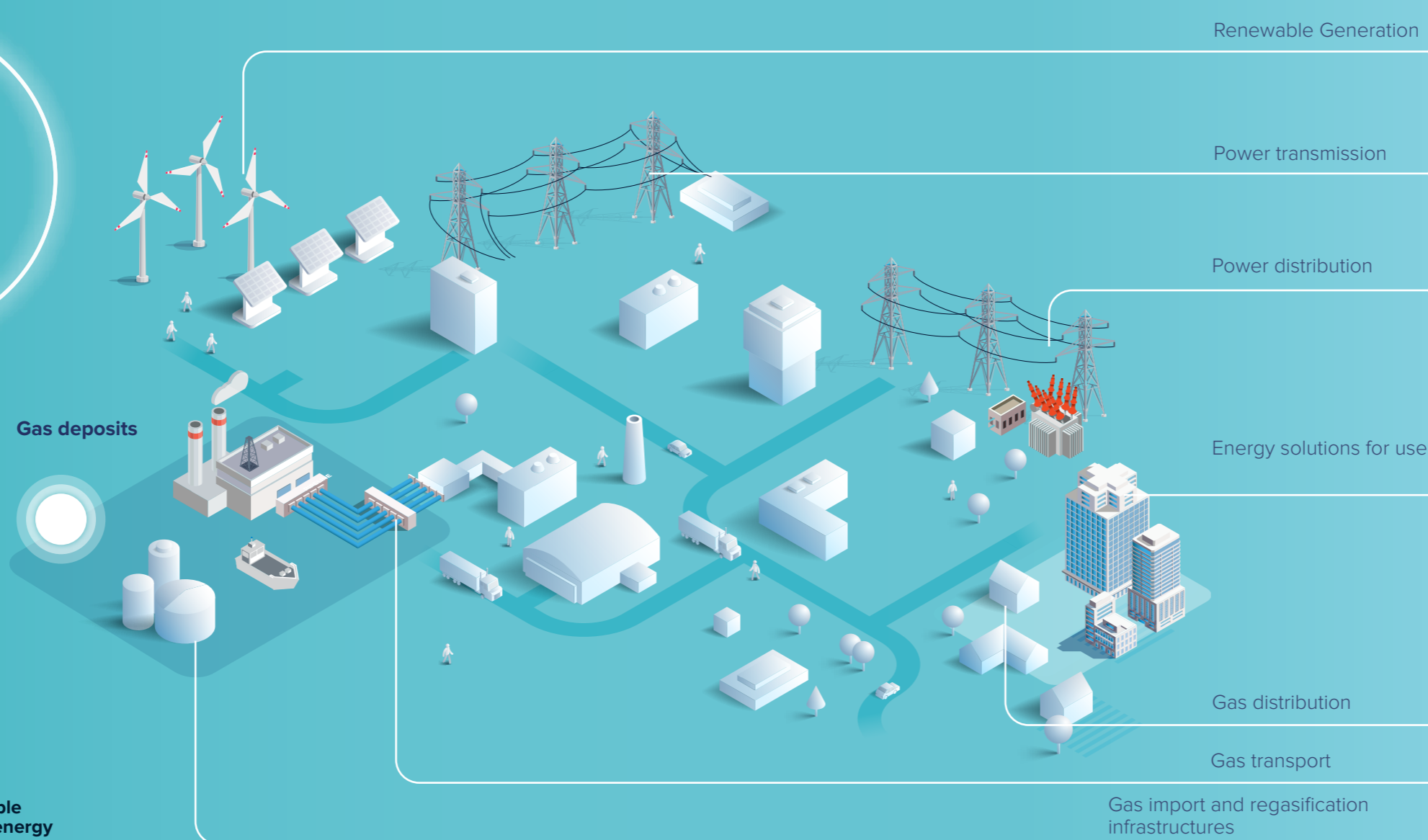
For the first time, this year we incorporated among our performance metrics the Total Shareholder Return (TSR). This indicator reflects our commitment to shareholders and demands an understanding of the challenges that energy transition presents, so that we may preserve and increase the generated and distributed value of the Group. Additionally, among the global objectives of the Group we include the assessment of performance through Return on Invested Capital (ROIC), and the results of our participation in the Dow Jones Sustainability Index (DJSI).

The performance goals that define the variable component of compensation of directors and employees, as company objectives, are set forth by management based upon reviews by the President's Committee and independent third parties. These are presented to the Compensation Committee of the Board of Directors to be reviewed and approved later by the entire Board. GEB's management model allows aligning individual objectives with corporate goals approved by the Board. The Strategic Planning Department follows up on the compliance indicators defined for the President and their direct reports.



# Growth strategy

ORGANIC GROWTH AND ACQUISITIONS IN ENERGY INFRASTRUCTURE FOR THE SUPPLY OF GAS AND ELECTRICITY.



Renewable Generation

Power transmission

Power distribution

Energy solutions for users

Gas distribution

Gas transport

Gas import and regasification infrastructures

**Sustainable generation**



**The Transmission of Tomorrow**



**Smart Cities**



**Gas for the Future**



**FOCUS ON ENERGY MARKETS**



**Improving lives through sustainable and competitive energy**



Provide energy so that the people of Bogotá and the countries where we operate and those who work in the company, can develop their potential and **improve their quality of life.**

**Energy** as the backbone of GEB's business and a driver of development.



Management of **competitive** businesses with attractive returns for shareholders and low costs for communities.

**Sustainability** as an enabler of operations and as an opportunity to maximize positive impact and generate value.



## ENVIRONMENTAL CARE



Boosting NCRE would save significant greenhouse gas emissions.

- **1.4 - 2.3 MT CO<sub>2</sub>** per year starting in 2030 thanks to an installed NCRE capacity of 1,600-2000 MWh.
- Boosting gas, a fuel with a smaller footprint.

## ENERGY COMPETITIVENESS



Operational excellence to increase competitiveness by 2030:

- Potential reduction in the final gas price of **3 - 6%**.
- Potential reduction in the average unit cost of electrical energy by **3 - 5%**.

## QUALITY OF LIFE



Investments in social and environmental impact (COP 300 - 600 billion until 2030)

- Setting **reforestation and emission reduction** goals.
- Boosting **energy transformation** in cities (Bogotá *smart*).

**OUR MANAGEMENT AND ACHIEVEMENTS IN 2021**

In 2021 we set ambitious goals, taking into consideration our record results of 2020 and events that presented challenges, such as the expiration of contracts at TGI, reactivating investments at Cálidda, the final judgment of the arbitration committee over differences in the

Investment Framework Agreement with Enel, the agreement with the Government of Guatemala over the project developed by TRECSA, and the progress in previous consultations regarding the Colectora transmission project, among others.

One of the goals achieved was to exceed an **EBITDA** of COP **4.4 trillion**, leveraged in structural savings and efficiencies based upon technology, and also achieving the ROIC goal.

**BUSINESS MANAGEMENT**

In a general environment of risk aversion and low capital investments, we achieved firm financial proposals for almost **USD 4 trillion**.



Employees at Contugas, Peru.

Even though the objective is to take advantage of our leverage capacity, we consider it a priority to preserve the achieved profitability until now (ROE 16.7% in 2021 y 17.7% in 2020) and maintain the stability and solvency of the company. For this reason we keep an objective near 3.5x Net Debt/EBITDA as a long-term path, with 4x temporary options in material or transformative transactions, and with income profiles that allow a return to the objective structural level.



Employee at Cálidda, Peru.

In 2021, with the objective of preserving the Group's profitability margins, we initiated an efficiency plan based upon technology and structural savings. Initiatives have been developed with short- and medium-term impact. Among them we have the Shared Services Center for the Group, the live launch of ERP SAP4HANA, and the launch of the Enlaza initiative, which seeks technical and economic synergies among transmission companies in other countries and the Transmission Branch in Colombia.

The Group's management has been directed towards the strategic support of subsidiaries and related companies, by concentrating on value creating initiatives that guarantee access to low-cost financing sources, facilitate access to technology, improve organizational processes, contribute to social and environmental sustainability of operations and improve the quality of public services rendered.



As a consequence of possible diminished income due to the non-renewal of transport contracts in the Ballena-Barranca leg, **TGI** started an Plan of Action focused in a transformational change that implies a more active commercial role, the consolidation of a lighter cost and expense structure, a focus on innovation both in processes and commercial solutions for the industry, and strengthening of the participation in regulatory discussions with the Government.



In 2021 we reached a new record with **250,000 new connections**, adding nearly **1.3 million users**. This achievement constituted a significant contribution to equality and mitigating climate change in Peru. In agreement with regulatory authorities and government entities, Cálidda started reviewing its five-year investment plan, which will reach **USD 200 million** and will allow taking gas to low-income sectors in Lima. Also, options are being assessed for expanding and widespread increase of gas use towards the northern provinces. With this, the company significantly increases its contribution to the countries' economic development, social equality and energy transition.



After several years of capitalizations and low performance, an operational and financial turn has occurred directed to normalizing its situation. Management, joint work and leveraging operational and commercial synergies with Grupo Dunas have served to initiate a new stage of sustainable and profitable operations. Even though the company has had to navigate financial risks, it continues to play an important role in the transportation and distribution of natural gas, and in that way, in the construction of a society with more equality and the highest environmental performance.



An agreement was reached regarding the scope of the PET-01-2009 Project that allowed reducing the required amount of investments. A debt management operation was carried out by GEB issuing compliance guarantees, which allowed refinancing EEBIS/Trecca's obligations for **USD 143 million**.



The corporate reorganization of joint investment between GEB and Enel, and the integration of Enel Green Power's assets in Colombia, Costa Rica, Guatemala and Panama, will allow us to participate in a larger company, with greater value, sustainable and stable. Even though we do not control this company, this new agreement allows us to participate in the direction of the company, receive the benefits of its prosperity and continue contributing to society's well-being, to economic benefits, to environmental sustainability and to the energy transition of the region.

## FINANCIAL INDICATORS



### Liquidity indicators

These correspond to the resources required by the Group to operate in the short term, while maintaining a margin to cover cash fluctuations as a result of current asset and liability operations. At the close of 2021, current assets increased by **7.9%** with respect to the previous year, mainly in our cash and equivalent positions.



### Debt indicators

Represents the proportion of the company's investments that has been financed through debts, i. e., by the capital market through issuing bonds or credits from a commercial or multilateral bank. Total obligations towards third parties at the level of assets was **55.0%** for 2021 and **52.7%** for 2020. Likewise, debt concentration in the short term was **10.8%** and in the long term, **89.2%**. Total assets increased by **11.7%**, mainly through net execution of investments and intangible assets; and debt reached **COP 15.1 trillion**, **16.8%** additional compared to 2020 due to larger debt disbursements at Cálidda to refinance short-term obligations and expansion of the distribution system. The level of net debt leverage/EBITDA decreased to 3.0x thanks to a stable cash flow and the reception of retained earnings from Emgesa and Codensa, related to the agreement with Enel Américas.



### Profitability indicators

The EBITDA margin in 2021 reached COP 4.4 trillion, compared to COP **3.7 trillion** in 2020, as a consequence of the positive result of the new investment framework agreement with Enel Américas regarding the level of distributed dividends throughout the year. Profitability of GEB over our assets in 2021 was **11.3%**, which reflects a reduction compared to 2020, mainly due to the higher growth level of assets compared to year closing results, **COP 2.7 trillion** compared to **COP 2.6 trillion** in the previous year. For its part, equity was **COP 15.7 trillion**, a change of **6.5%** compared to 2020, in this way achieving a ROE of **16.7%**.

**PERFORMANCE  
ATTRIBUTION**

**Evolution of stock and TSR**

Total Shareholder Return, calculated with the daily average price and total dividends declared in 2021 of COP 273, resulted in a **return of 21.7%**, compared with the 8.5% RTA in the market. This is a significant achievement considering the challenging baseline in 2020, which was 20% for GEB and -14% for Colcap.

These results are fruit of a sustained business strategy and a transparent and effective communication with our investors, the market and stakeholders. The above was supported by a stable cash flow profile.

The average share price was \$2,619, compared to \$2,377 in 2020, even though the reference index in the Colombian Securities Exchange (BVC for the Spanish

original) experimented a change of -1.87% in 2021. GEB's share price closed the year at \$2,500 with a market capitalization of COP 22 trillion (USD 5.7 billion). This positions us as the fourth company in size in the Colombian market. On October 19, 2021, our shares reached the highest historical price since listed in the public securities market (\$2,929). The minimum value (\$2,165) was reached on May 27.



This year we achieved the maximum dividend distributed to our shareholders:

**COP 147 per share for ordinary dividend (+5% compared with 2020), plus an extraordinary dividend of COP 126 per share.**

The extraordinary dividend included **COP 95** per share of retained earnings, which were declared by Emgesa and Codensa after signing a new AMI with Enel.

Since the democratization in 2018, GEB's share liquidity in the Colombian Securities Exchange has maintained at an average close to **COP 4 billion daily**. Since then, a substantial improvement has taken place, compared with the average of COP 2 billion since its initial public offering in 2010. We closed the year with **9,525 shareholders** (3,928 more than in 2020). This was achieved mainly through facilitating public access to the company's information and and improvement of an understanding of the Group by analysts and investors.

**INVESTOR  
RELATIONS**

As part of the attention and investor protection process we managed over **450** information requirements and we participated in over **80** meetings and conferences by request of the capital market.

Investors are crucial stakeholders for the Group, so strengthening of trust relations with them is strategic. The new Corporate Governance Model seeks to essentially create a framework of action that generates trust through a transparent Governance culture, in which ethics, compliance and integrity serve as pillars.

Aside from the four quarterly results calls, three conferences were carried out to inform the market about the redefinition of investments at Emgesa and Codensa, as well as the new AMI with Enel.

In Bogotá, we held the first **investor day**. This event (both in-person and virtual) had 314 participants among investors, analysts and employees. Additionally, a four-day public virtual event was held to which over 3,500 people logged on. This had the purpose of moving the Group closer to an ample, unspecialized audience. Additionally, we developed and investor kit to facilitate access to GEB and its subsidiaries' data and results, which includes a regulatory synthesis and the relevant operational and market data for our stakeholders.



## Challenges and opportunities for 2022

Energy transition, one of the essential objectives regarding sustainability, turned this sector into a net investment requirement. Taking this into account and considering the Group's competitive advantages, our profitable and sustainable growth strategy will keep focused in regulated businesses in favorable and stable environments, supported by expert and robust work teams over discounted assets. This growth objective allows leveraging the future investment opportunities on mature assets with stable cash flows, which due to its nature and income profile, will allow access to low-cost capital options in the long term.

1

We will continue developing environmentally sustainable and profitable investments that contribute to social equality. The above seeks opportunities that better adapt to our capacity, allying ourselves with world-class partners in technology, strategy and new business, and taking advantage of opportunities in energy transition. In line with this focus, we perfected the purchase of Rialma III by Argo, our affiliate in Brazil.

2

We will successfully conclude the fusion of assets of Emgesa, Codensa and EGP at Enel Colombia, focusing thus in directing the Group towards clean energy and technology-based business.

3

We will review and adopt the Plan of Action to address changes established by regulations CREG 099, 103 and 175 of 2021, which determine the rules of engagement of gas transportation activities for the next five years.

## Operational excellence and service quality

### VALUE

- Teamwork with individual responsibility
- Integrity
- Focus on results

### IMPACT LIMITS

- Customers
- Suppliers
- Contractors
- Employees
- Partners
- Investors and shareholders
- Board of Directors/Senior Management

### PRIORITIZED SDGS



7.3



9.4

(103-1)

Operational excellence is a necessary condition to ensure the achievement of corporate objectives, the fulfillment of our clients and investors' expectations, our Integrated Management System, and our Sustainability Strategy. Leveraging and strengthening our competitive advantages, through managing knowledge and implementing best practices of operative and socio-environmental management is one of our strategies to create value.

Substandard operating performance can generate social and environmental externalities, risks to the integrity of people, and affect the well-being of communities. It may also incur in high economic, social and environmental costs. As an energy-focused Group, our high operating performance must contribute, additionally, to energy transition, pollution control and prevention of the deterioration of natural resources.

(103-2)

The Group has set three main purposes for operating excellence:







Substation at Trecca, Guatemala.

Our Integrated Management System, with its policies, processes and procedures, defines the operating model in terms of managing quality, environment, and occupational safety and health. Under this system, and in line with our corporate strategy and values, we carried out internal and external audits to identify opportunities for strengthening, define improvement actions and commitments of responsible areas.

(103-3) This with the purpose of assessing compliance with transmission business practices and energy sector investments. These assessments are carried out systematically and continually over all processes in the organization.

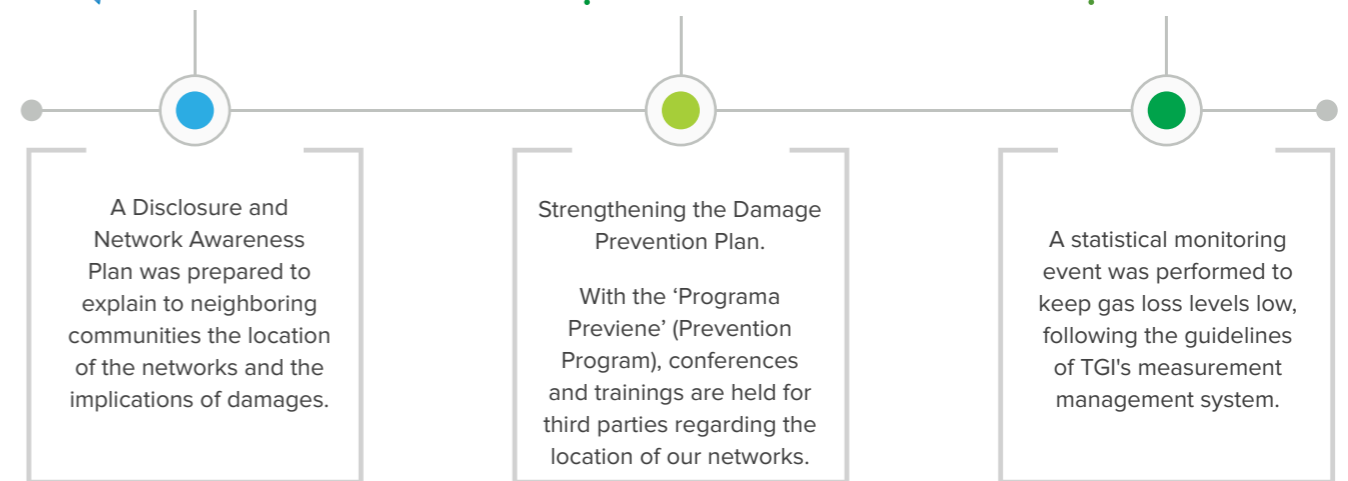
System internal audit procedures are carried out by an expert auditing team, certified to the technical standards of quality, environment, and occupational health and safety.



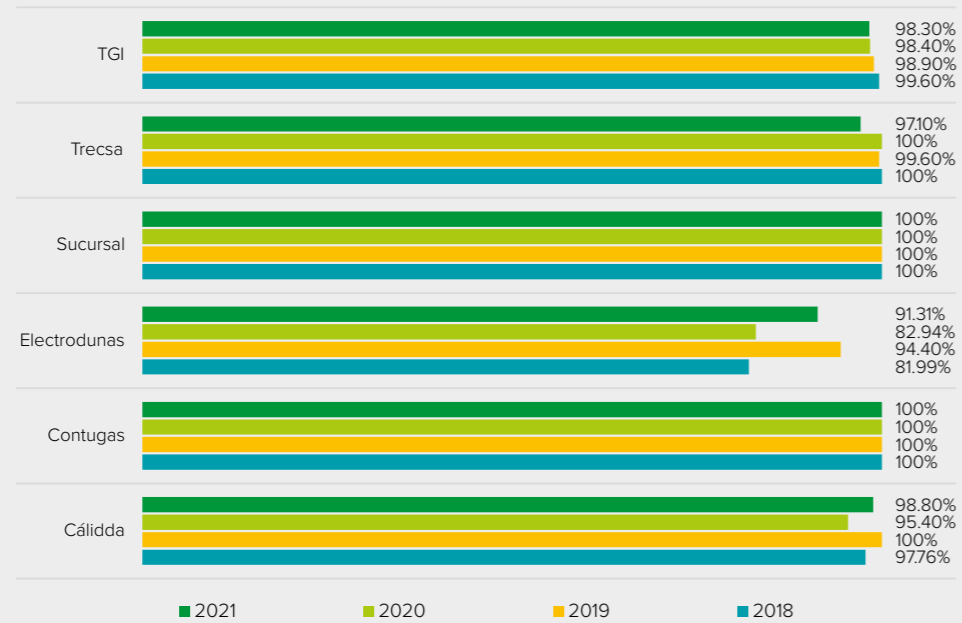
We have indicators that contribute information regarding performance and operating efficiency, including energy or gas efficiency indicators, compliance with scheduled maintenance, continuity of services provided and customer satisfaction.

In 2021, natural gas leaks at Cálidda and Contugas were the result of infrastructure damages caused by works, both by third parties and the subsidiaries themselves. At Contugas, operations were carried out in preparation to execute the ILL tool, making it necessary to perform several gas burns to depressurize the system. There is uncertainty at TGI regarding the measurements of the dispatch and receiving points of the transportation systems.

To control these leaks, the following measures have been taken:

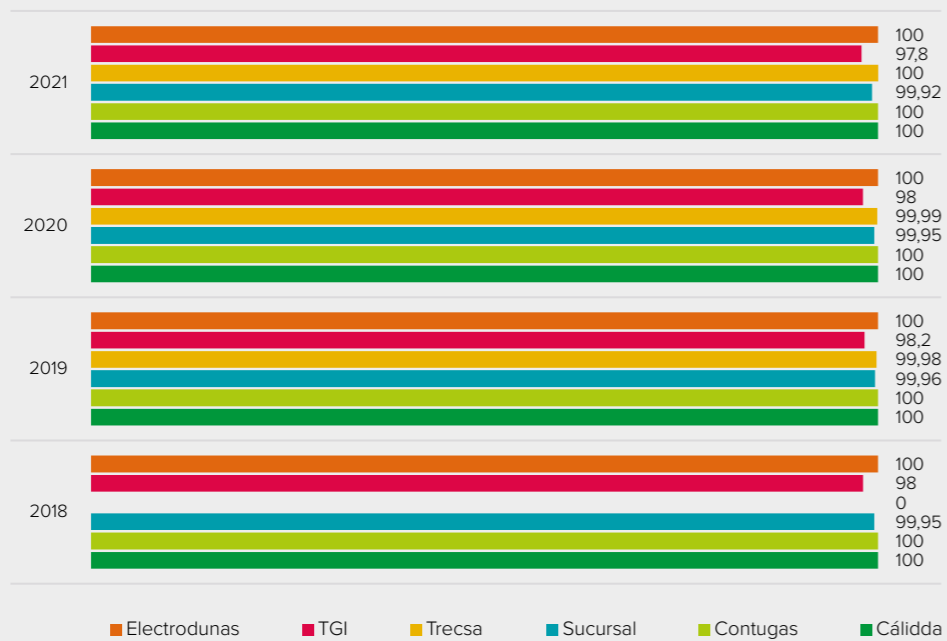


### Maintenance plan compliance



(Own)

### Availability of infrastructure for operation.



### CUSTOMER SATISFACTION

Quality provision of services is a shared purpose of the Group. In this regard, TGI diversified its portfolio of services and strengthened its Contract Information Systems. This constituted an improvement in communications and transactions with clients. The new services are the following;

- Sale of additional daily capacities to contracted entities.
- Interruptible transportation services.
- Contingency transportation services.
- Parking services.

Among the methodologies employed by Cálidda to assess customer satisfaction we have the Net Promoter Score (NPS). This allows obtaining specific recommendations about the operation and working toward continuous improvement. Contugas, for its part, implemented the Top 2 Box methodology to determine the level of satisfaction of its customers.



Operation at Electro Dunas, Peru.

## Our most relevant achievements in 2021

In 2021 we reengineered processes to identify and ensure control mechanisms for decision-making. The GIS Policy was developed, which sets the commitments and general action framework for management geared toward process articulation. This allows implementing processes aligned with the context of our operations and with securing the information in GEB's various information systems.



### Transmission Branch

The Backup Control Center was placed in operation at Tunal Electric Substation in Bogotá, and assets of the San Fernando project (230 kV). Drones were acquired to inspect and provide maintenance for assets in operation and to lay cables or lines in expansion projects. Also, they started the journey on the digital transformation path as an additional measure to generate value.

In 2021, asset availability reached **99.95%**. This indicator shows the high operation and maintenance standards of assets at the Transmission Branch.

### TGI

Focus was placed on the development of the Integrated Technicians Plan (ITP), that includes three stages: academic training, cross-assistance and supervised execution. This plan has as an objective to level and strengthen the knowledge base of maintenance teams regarding the infrastructure. During 2021, stage 1 was completed and stages 2 and 3 were started. This has resulted in an improvement in maintenance times.

### Cálidda

**1,797 km** of polyethylene networks were built in **21** districts of the Peruvian territory. This was part of the task of expanding the coverage of residential gas service.

The new control room at San Borja started operations, which allows maintaining redundancy and guaranteeing service continuity when facing catastrophic events.

A historic record was reached in residential connections (**250 thousand** in 2021 vs. 91 thousand in 2020 **+174%**), commercial connections (**16.1 thousand** in 2021 vs. 12.8 thousand in 2020 **+25.7%**), industrial and large client (**689** in 2021 vs. 644 in 2020 **+6.9%**), and vehicular conversions (**19** in 2021 vs. 9 in 2020 **+111%**).

### Trecsa

Maintenance activities were rescheduled, being careful to maintain safety standards. This produced a reduction in annual costs of approximately **USD 275,000**. In 2021 the maintenance plan reached a **99.99%** fulfillment level.

### Contugas

The **Citas Virtuales** (Virtual Appointments) channel was opened, which allows video calls to service the customer's needs. The strategy seeks to respond to users' concerns and expectations.

### Electro Dunas

100% of scheduled maintenance was managed.

Digitalization processes were implemented for customer service and billing. This turned it into the first power distribution company in Peru that implements a computer tool that streamlines virtual commercial customer service.

### Gebbras

2021 concluded the change process of 550 kV at 78 TC, which permitted responding to a generalized failure at TC that occurred in 2019.

## Our purposes for 2022



To continue implementing the Productive Asset Management System under the provisions of the standard NTC ISO 55001-2014 to obtain the corresponding certification in 2023.



Developing and implementing at the Transmission Branch a DFACTS solution for Termocandelaria Substation (220 kV). This will allow exporting energy associated with capacity expansion at the Termocandelaria generating plant.



At Trecsa, continue the installation of solar panels at the Pacifico substation which will cover the substation's own consumption. Plans for 2022 include five new substations for this initiative.

## Our opportunities in 2022

Ensure the integrity of the management systems to continue the cost-reduction process and advance towards optimizing the organizations' systems, standards, resources and efforts.

# Energy transition and low carbon development

**VALUE**

- Life Comes First
- Focus on results

**IMPACT LIMITS**

- Investors and shareholders
- Board of Directors
- Subsidiaries
- Local communities
- Status
- Customers
- Guilds and associations
- Scientific community and educational and international institutions

**PRIORITIZED SDGS**

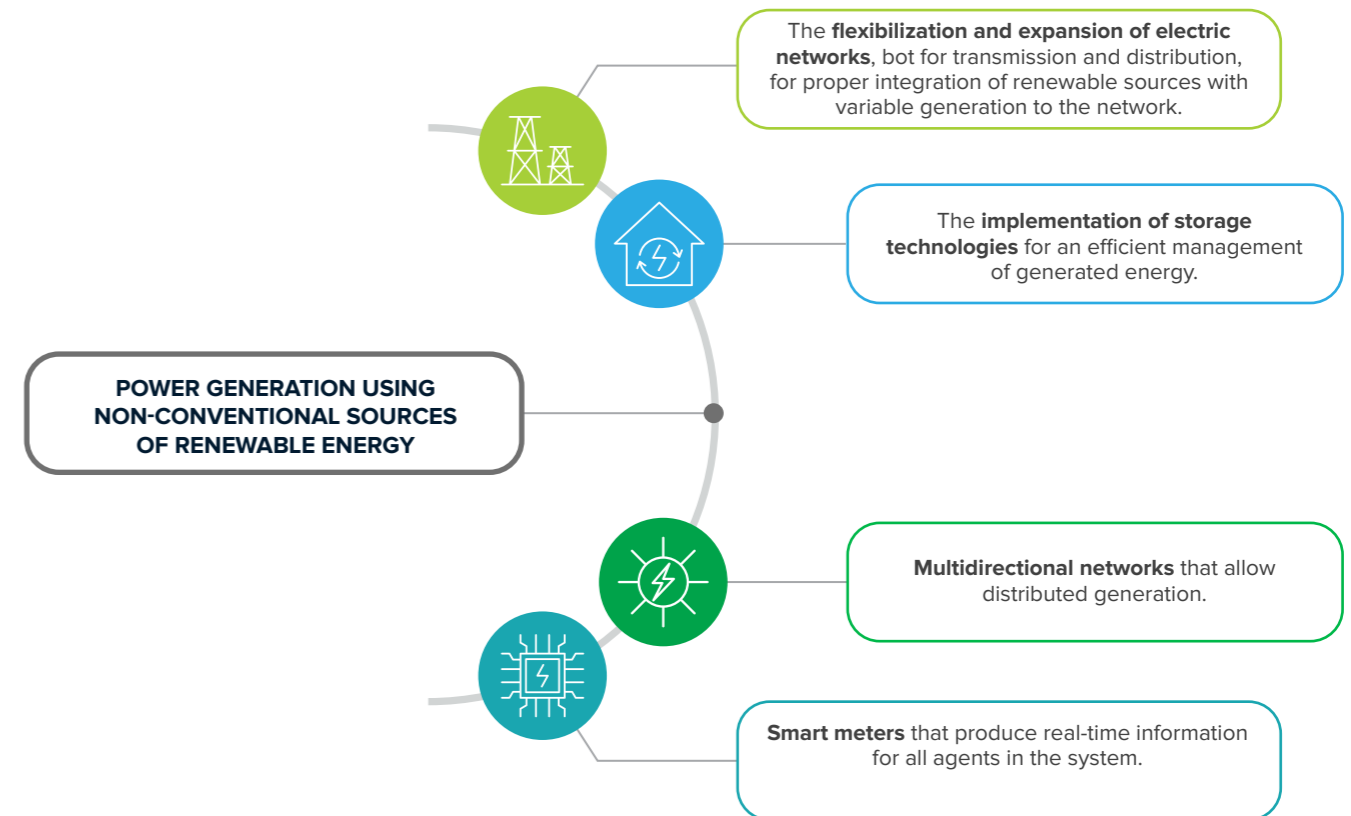
 <p>7.2, 7.3</p>	 <p>9.1, 9.4, 9.5</p>
 <p>12.2, 12.4</p>	 <p>13.1, 13.3</p>

(103-1) Energy transition forms an integral part of climate change mitigation strategies. The transition seeks to move from an energy system dominated by fossil fuels to one based mainly in renewable energy sources and low carbon emissions. Grupo Energía Bogotá is not unaware of this reality, and so our Corporate Strategic Plan (2020) and Sustainability Strategy give priority to our contribution to energy transition.

Promoting sustainable mobility, energy efficiency, use of solar and wind power, and incorporating new energy sources such as hydrogen, among other, could move the region to a larger diversification of its energy matrix, which increases resiliency to climate variations. In this regard, GEB's and its subsidiaries' businesses are increasingly focused on

generating well-being and social equality through the generation, transportation and distribution of renewable energy, produced from Non-Conventional Sources of Energy (NCREs) and promoting the use of natural gas as a transition fuel, with a fundamental goal of improving lives through sustainable and competitive energy.

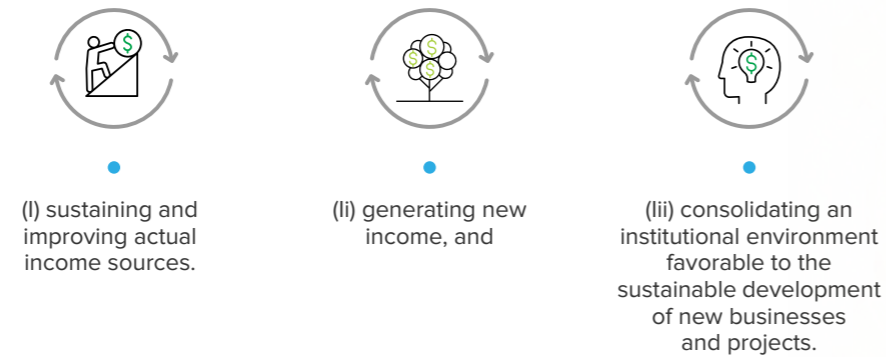
Strengthen and expand the generation of energy using non-conventional renewable sources, through the distribution network, is key for energy transition. We intend to accomplish this through:



(103-2)

We manage and encourage energy transition starting from regulatory management, innovation, sustainability and incentives to develop low-carbon projects.

Compliance with standards and regulations is a necessary condition to ensure the normal development of the Group's operations and projects. In this regard, and as part of regulatory management, GEB has driven an agenda that responds to our strategic needs to achieve the following objectives, among others:



These objectives are sought through follow-up and analysis of the regulatory context and public policies in Colombia and other countries where we have presence. Additionally, we defined and executed relational activities that seek to strengthen synergies with main stakeholders and with government entities, and position the Group's strategic interests in the agendas of the national and district government.

La Loma transmission substation, Colombia



Regarding innovation, the Group has redoubled its efforts to incorporate into its businesses the technology and processes needed for an accelerated transformation of the energy sector. The innovation strategy is a fundamental part of the Group's corporate strategy, and it includes active follow-up and assessment of new technologies that allow a greater integration and connection with the regional and national ecosystems that drives energy transition.



The Group's Sustainability Strategy establishes the commitment of being leaders of energy transition in countries where we operate. Value generation in our companies is linked to our capacity to develop operations and businesses in a sustainable manner.

The global climate risk and the urgency of energy transition have set challenges and opportunities to insure the sustainability of business. GEB and its subsidiaries are in the process of adapting to the new

realities and to respond assertively. With our contribution to energy transition we seek to consolidate the sustainability of our operations, projects and activities. This requires a greater efficiency in the use of energy resources, the development of activities to mitigate and adapt to climate change, and contributions to the improvement of social well-being conditions.

In 2021, we contributed to energy transition with our natural gas transportation operations, an activity that plays a significant part in the composition of the energy matrix in countries where we operate. Natural gas contributes to ensure the reliability of electric systems and reduces vulnerability that could be caused by intermittencies in renewable energy sources. Its use represents a significant reduction in particulate matter and CO<sub>2</sub> emissions.

In Peru, Cálidda has contributed to widespread growth of natural gas use in the cities of Lima and Callao. This has turned the company into one of the main stakeholders in the achievement of objectives set by the Peruvian Government regarding coverage with this service.

Likewise, GEB, through the construction of the Colectora project in Colombia's northern coast, will allow incorporating to the National Interconnected System (NIS) the energy generated in wind and solar farms of the Departments of La Guajira and Cesar. This will increase participation of non-conventional renewable energy sources to the country's energy matrix.

# Colectora project

Colectora substation 500 kV and Colectora – Cuestecitas y Cuestecitas transmission lines – La Loma 500 kV.

**DISTANCE**  
**475 km**  
approximately

**114 km**  
2 double circuitlines to lay a circuit

**247 km**  
1 line with double circuits

**SCOPE**

- A new substation in Colectora **500 kV**
- Expansion of Cuestecitas substation **500 kV**
- Expansion of La Loma substation **500 kV**

## La Guajira

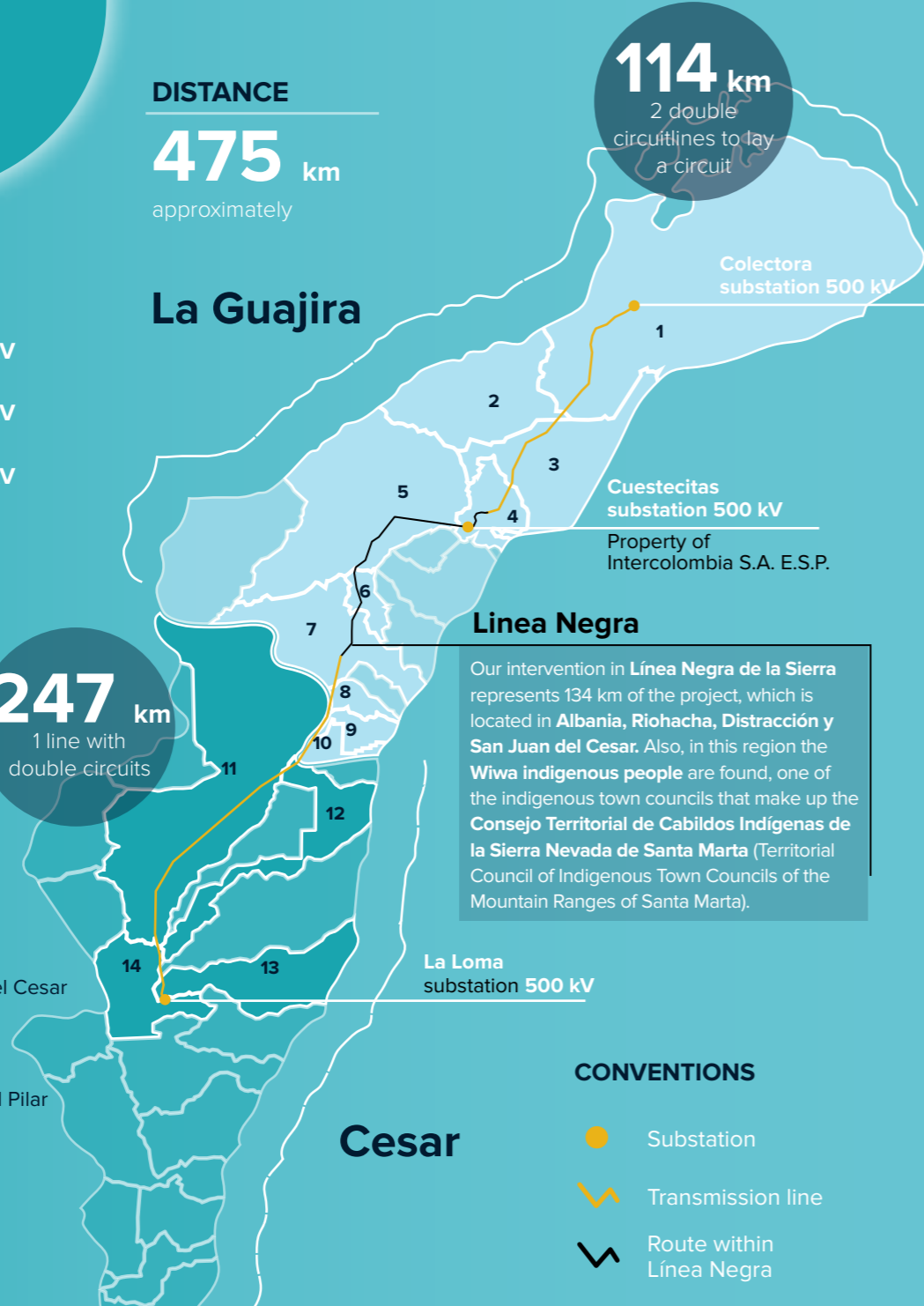
**DEPARTMENTS AND MUNICIPALITIES**

**La Guajira**

- 1 Uribia
- 2 Manaure
- 3 Maicao
- 4 Albania
- 5 Riohacha
- 6 Distracción
- 7 San Juan del Cesar
- 8 Villanueva
- 9 Urumita
- 10 La Jagua del Pilar

**Cesar**

- 11 Valledupar
- 12 La Paz
- 13 Becerril
- 14 El Paso



Colectora substation 500 kV

Cuestecitas substation 500 kV  
Property of Intercolombia S.A. E.S.P.

**Línea Negra**

Our intervention in **Línea Negra de la Sierra** represents 134 km of the project, which is located in **Albania, Riohacha, Distracción y San Juan del Cesar**. Also, in this region the **Wiwa indigenous people** are found, one of the indigenous town councils that make up the **Consejo Territorial de Cabildos Indígenas de la Sierra Nevada de Santa Marta** (Territorial Council of Indigenous Town Councils of the Mountain Ranges of Santa Marta).

La Loma substation 500 kV

**CONVENTIONS**

- Substation
- Transmission line
- Route within Línea Negra



Set Luren, Electro Dunas.

**BENEFITS**

These are some of the benefits that construction of the Colectora 500 kV Project will bring:

- We transmit renewable energy **from La Guajira to Colombia**.
- We will streamline the insertion of **new renewable energy generating plants** to the Colombian electric system in the Departments of La Guajira and Cesar, with these projects it will be possible to use **cleaner energy**.
- We will connect **7 wind farms** located at La Guajira to the National Interconnected System (NIS) with a capacity of 1050 MW; this energy could supply close to **10% of the electric energy of the country**.

**GEB INVESTMENTS TO ENERGY TRANSITION IN 2021** (Own)  
Percentage of equity interest in GEB investments on energy transition.

**GEB investments to energy transition (USD)**

<b>GEB</b>	<b>TGI</b>	<b>Cálidda</b>	<b>Contugas</b>	<b>Electro Dunas</b>	<b>TRECSA</b>	<b>Total</b>
\$33,399,045.04	\$1,813,273.94	\$133,450,783.00	\$1,147,682.00	\$859,756.00	\$4,869.00	<b>\$170,675,409.00</b>

51.24% of investments made by GEB are in energy transition projects.

**Our most relevant achievements in 2021**

In 2021 we seek to become leaders in energy transformation by entering the Non-Conventional Renewable Energy Sources (NCREs) business. We also seek to become leaders in the transformation of cities. Some of the main milestones were the following:

**1**

The agreement signed between GEB and Enel Américas increased our equity interest in non-conventional renewable energy assets (wind and solar farms), in hydrology projects in Colombia, Panama and Costa Rica.

**2**

We migrated, along with Enel and the Capital District, to a new smart public lighting scheme that started to benefit Bogotá since the end of 2021.

**3**

We contributed to promoting sustainable mobility and autogeneration with solar energy in the District's facilities.

**4**

In Colombia the San Fernando 230 kV (Ecopetrol) project launched operations in the Department of Meta.

**5**

At Termocandelaria, the Smart Valve series compensators were commissioned, making us pioneers in the inclusion of this new technology.

**6**

In Guatemala, Trecca installed 348 solar panels at a high-voltage substation.

**7**

In Peru, Electro Dunas built an electric energy generation system for self-consumption by the company's offices. This system, over its lifetime (25 years), will prevent the emission of 2,000 tons of carbon dioxide.

**Our purposes for 2022**

- Through TGI, continue transporting gas to consumption centers in Colombia, where nearly 1.5 million families cook using firewood.
- To build planning tools and algorithms that may help the city of Bogotá to promote and plan for electric mobility jointly with the Secretaría de Movilidad (Secretary of Mobility), *The National Renewable Energy Laboratory* (NREL) and the Energy and Mining Planning Unit (UPME for the Spanish original).
- Contribute to positioning natural gas as a low-emission transition fuel by showing its socio-environmental benefits.
- Manage actions aimed to accelerating the massive growth of natural gas in Peru.
- In Cálidda, move the fleet of trucks with liquefied natural gas (LNG) and inaugurate South America's first station with LNG for heavy-duty equipment.
- In Peru, Electro Dunas will develop two projects that contribute to energy transition:
  - Construction, commissioning, operation and maintenance of a photovoltaic system for a 500 kW capacity and an estimated generation of 1,047 MWh-year.
  - Develop, execute and operate a storage system with a 1 MW/1.5 Mwh capacity. The system shall be interconnected with Electro Dunas' medium voltage network.

**Our opportunities**

From GEB and with its partners, we will seek to contribute to public administrations and countries where we operate the carbon reduction and efficient use of energy. Through planning and promotion of electric mobility and to natural gas, and at the same time offer tools and inputs to improve management of traffic, the environment and safety in cities, smart public lighting, remote management, constructions and energy efficiency, autogeneration and distributed generation, among other elements aligned with energy transition that society and the world need.

In this way, it will be possible to remain in the new energy market and mitigate the current climate scenario, as a Business Group that is part of the reconfiguration of the regional energy matrix (in countries in which GEB develops its investments) and the national energy matrix, with Bogotá as the center of this transformation.



Nuestra cultura es el corazón de nuestra historia



# 05 Innovation and digital transformation



# Innovation and digital transformation

Innovation is the engine to develop capabilities that generate future value.

**VALUE**

- Teamwork with individual responsibility
- Focus on results

**IMPACT LIMITS**

- Employees
- Board of Directors/Senior Management
- Customers
- Subsidiaries

**PRIORITIZED SDGS**



7.2, 7.3



9.4, 9.5

Innovation is a strategic enabler that ensures competitiveness, time relevance and capacity to generate value to the company. Innovation, along with digital transformation, streamlines the sustainability of the business in the medium and the long term, and allows us to evolve, adapt and get ahead to gradual and disruptive dynamics of the environment, generating organizational capacities that facilitate growth and permanence in an alarmingly dynamic and changing sector.

To manage innovation at GEB and its subsidiaries, in 2021 we developed an Innovation Management System (IMS) guided by good practices of research, development and innovation (I+D+I), accompanied by Innovalab, the business innovation and design center of the Chamber of Commerce of Bogotá.

The system has five objectives aligned with the Group's corporate strategy.

**1**

Generate sustainable value with long-term vision.

**3**

Position GEB as an innovative organization that supports local innovation ecosystems.

**2**

Reach an organizational culture that encourages innovation.

**4**

Improve the operative performance of GEB's businesses.

**5**

Improve the efficiency of GEB's businesses.



Use of drones at Trecca, Guatemala.

The IMS also defines indicative guidelines for localization of economic resources for I+D+I for a part of parent company and its subsidiaries.

The system has six components that identify and manage the fundamental aspects to achieve an innovation model focused in the fulfillment of its main objective: sustainability in the short, medium and long term. IMS' purpose, then, is to evolve from a model of implicit, slow and limited spontaneous

innovation, to an explicit model of systematic, strategic and focused innovation, which is agile and synergistic, between parent company and subsidiaries.

The IMS includes a strategic committee that follows up on performance and a series of tactical committees that oversee the progress of innovation initiatives and assure the efficient use of resources allocated for I+D+I.

**INNOVATION MANAGEMENT SYSTEM**

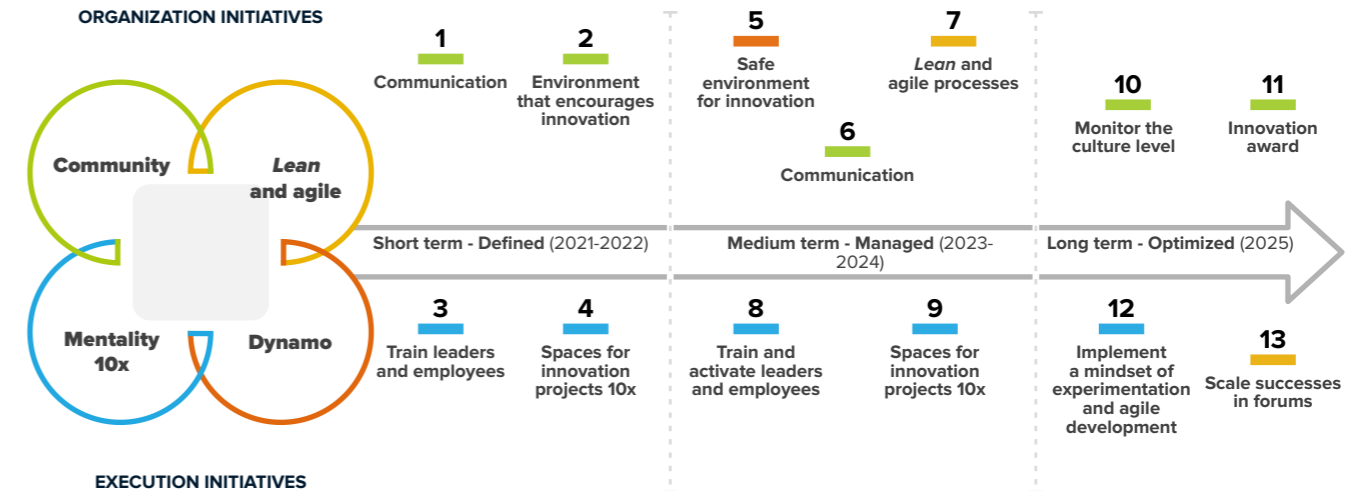


The IMS will be implemented, in part, through the **road maps of an innovation culture** and **open innovation**.

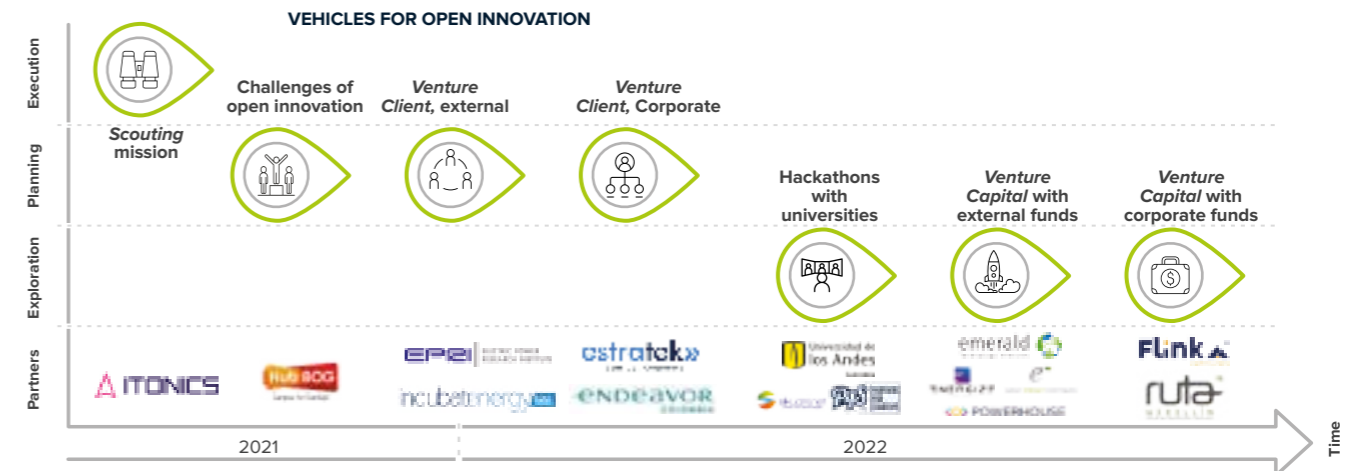
The former includes a series of initiatives that seek to create an organizational culture that is fertile ground for innovation. In particular, these initiatives aim to create spaces to innovate and to generate a sense of community, have simple and agile processes that favor experimentation, train leaders and employees in strategy and innovation methodologies, and encourage innovation with clearly defined policies and incentives.

The open innovation road map consolidates a series of programs of these types, and especially of corporate entrepreneurship that aim to generate structured collaborations between GEB and innovation ecosystems. The prioritized stakeholders for innovation efforts are ventures, universities, other companies, government entities and risk capital providers.

**Road map for innovation culture**



**Road map for open innovation**



(Own)  
Expenses for I+D+i in 2021 was **USD 32,988,523**

IMS has metrics and goals for performance assessment. These metrics, which include those centered in activities and others focused on the impacts of innovation projects on GEB's business, will evolve across time. In particular, IMS' performance will be

measured each year by assessing the achievement of objectives assigned to GEB's Innovation Management System.

## Our most relevant achievements in 2021

### Innovation

1

In 2021 we had a significant increase in investments related to research and development, from investing 2.03% of our sales in 2020 to 3.87% in 2021.

2

We increased the number of employees engaged in R&D activities from 37 to 55.2 FTE (Full-time equivalents).

3

GEB developed the Innovation Management System (IMS) and formed a team dedicated to innovation under the new Vice President of Business Management and Innovation.

4

We participated as an anchor company, along with other corporate groups, in two collaboration programs with ventures sponsored by government entities from Bogotá, one for sustainable mobility and one for green business.

5

We designed an innovation dynamizer program with the objective of encouraging this culture within GEB and its subsidiaries, leverage and support the deployment of IMS and train employees to accompany and lead teams with the purpose of turning ideas into projects.

1

We worked jointly with our subsidiaries to achieve synergies and savings in IT services, licensing, information security, project management, Microsoft and SAP Success Factors.

2

We consolidated the service and attention model for IT in the remote work mode.

3

Regarding information systems, we defined and initiated the implementation of the new Service Model for S4 HANA with a scope for GEB and subsidiaries.

### Digital transformation

6

We started exploring six open innovation programs to collaborate with other ventures and universities. Three of them progressed to the planning stage with the purpose of executing it in 2022. The following are the most relevant open innovation initiatives developed in 2021:

#### Focus on suppliers

At Transmission, we carried out a project in the Termocandelaria substation to optimize operations and guarantee the availability of service, which also translates into new business for GEB.

#### Focus on investing risk capital

Contribution of COP 8,530.67 million to capitalize the Agata data analytics agency.

#### Focus on research and development

At Transmission, we formed an alliance with CEIBA and three universities of the country to carry out research in energy storage with batteries.

## Our purposes for 2022

### Innovation



IMS implementation and innovation project maturation that become pilot plans and also in research and development initiatives with universities.



We implemented differentiated organizational projects for innovation, with the objective of allowing agile exploration and experimentation in an organization designed to execute large infrastructure projects. In this field there are three key processes: sourcing, project maturation and due diligence for investments.



We will seek to start execution of at least four innovation pilot projects jointly with ventures and initiatives in cooperation with local universities.



Regarding digital transformation, the Innovation Management, along with GEB's Technology Management, will form the basis of a future Center for Excellence in Data Analytics to implement digitalization initiatives in this field.

### Digital transformation



Implement and improve solutions for Technology, Information Security and Cybersecurity between GEB and its subsidiaries, creating scaled economies.



We will work to define and implement the cybersecurity operating scheme for the Operating Technologies (OT) network as one of the results of the Cybersecurity project at Transmission.



We will commission SIGEB (GEB's Geographic Information System, for the original Spanish), and finish the construction and complete commissioning of the geographic information system for GEB in property management, Engineering and Projects, Operation and Maintenance, environmental and social aspects.



Strengthen and define the technology tools to support the Documentation Management model and consolidate IT governance (technology, information security and cybersecurity) in subsidiaries.



Automate the ARIBA system for the sourcing process.

## Our opportunities

One of our main opportunities is rooted in open innovation, which allows working with mature innovation ecosystems to produce results in the medium term, and with local ecosystems, to generate sustainable results in the long term and contribute to its maturation. At the same time, this will allow satisfying the fundamental needs of GEB's business and will contribute to fulfilling the acquired commitment with Sustainable Development Goal (SDG) 9: Industry, Innovation and Infrastructure.

Additionally, in digital transformation, the main opportunities are rooted in increasing process automation to increase efficiency, govern and exploit data leading to optimizing operations and business management, adopt new technologies and digital platforms to enable innovation and growth, increase agility in the delivery of solutions and forms of working, and strengthen our digital culture and risk and security management in the digital environment.



Sustainability  
**report**  
2021

