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Limited and independent assurance statement on the Annual Management Report 2019 - Compañía Energética de Occidente S.A.S. E.S.P.

To Compañía Energética de Occidente
S.A.S. E.S.P. management office:

AS-2372-20

Scope

By the request of Compañía Energética de Occidente S.A.S. E.S.P. (hereinafter **CEO** or the Company), we carry out limited assurance procedures to its "Annual Management Report 2019" (hereinafter the report). The objective of this commitment was to obtain a limited level of assurance with respect to the assertions and data related to sustainability performance and the coverage of the respective importance issues within the report.

Our responsibility performing limited assurance activities is only **CEO** management office; therefore, we do not accept or assume any responsibility for any other purpose or against any other person or organization.

CEO management office is responsible for the preparation of the Annual Management Report 2019 and its supporting information. This responsibility includes designing, implementing and maintaining internal relevant controls to the preparation of an Annual Management Report that is free of considerable misstatements, selecting and applying appropriate reporting principles and using measurement methods and estimates that are reasonable in the different circumstances.

Our responsibility is to issue a limited and independent assurance statement based on the procedures applied during our review.

Limitations of our assurance engagement

The limitations of our assurance engagement are as follows:

- ▶ The statements made by third parties within the text of the Annual Management Report 2019 related to the performance of **CEO** were not included in the scope of our assurance commitment.
- ▶ Both the materiality and the correspondence of the thematic contents and material aspects are not part of the scope of this verification.
- ▶ The principles of the Global Compact and the Sustainable Development Goals (SDGs) were not part of the limited assurance commitment.

The scope of our work included the information reported by **CEO**, in order to validate the responses to the thematic contents of performance, the general contents and the management approaches of the GRI Standards methodological framework, referenced at the end of this document.

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Assurance statement criteria

We have carried out our review work in accordance with:

- ▶ GRI Standards.
- ▶ ISAE 3000 verification standard (International Standard on Assurance Engagements ISAE 3000) established by the International Auditing and Assurance Board (IAASB) of the International Federation of Accountants (IFAC).

We believe that these criteria are appropriate given the purpose of our limited assurance commitment.

Performed procedures

Our procedures were designed in order to:

- ▶ Determine that the information and data presented in the Annual Management Report 2019 are duly supported by appropriate evidence in each circumstance.
- ▶ Determine that the Annual Management Report 2019 has been prepared in accordance with the GRI Standards, as reported by **CEO**.
- ▶ Confirm the compliance option declared by **CEO** in its Annual Management Report 2019, according to the GRI Standards.

The performed procedures developed were the following:

- ▶ We obtained documented evidence that supported the information of the contents reported in the report.
- ▶ We review the relevant quantitative and qualitative information of the thematic contents related to the materiality of CEO included in the Annual Management Report 2019.

Our responsibility was limited exclusively to the mentioned procedures, corresponding to a limited and independent assurance review, which served as the basis for our conclusions.

The scope of our work is substantially less than that of a reasonable security. Therefore, the security provided is also less. This statement cannot be understood as an audit report in any case.

Conclusions

Based on the procedures performed and in accordance with the criteria of the assurance commitment, we state the following conclusions on the CEO Annual Management Report 2019, which should be read in conjunction with the limitations of the assurance commitment, as described above:

- ▶ We are not aware of aspects related to the performance of **CEO** that have been



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Mrs. Compañía Energética de Occidente S.A.S. E.S.P

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- excluded from the Annual Management Report 2019, for the verified contents.
- ▶ We are not aware of important aspects excluded from the trials of **CEO** on the content of the Annual Management Report 2019.
 - ▶ We are not aware of important errors in the assertions made by the management of **CEO** in the Annual Management Report 2019.
 - ▶ It has not revealed any aspect that makes us believe that the information and data published in the Annual Management Report 2019 of **CEO** are not presented correctly.
 - ▶ It has not revealed any aspect that makes us believe that the Annual Management Report 2019 of CEO has not been prepared in accordance with the GRI Standards.
 - ▶ It has not revealed any aspect that leads us to believe that the "Core" or

"Essential" compliance option declared by **CEO** does not meet the requirements for such level as established in the GRI Standards in terms of its management approaches, general and thematic contents.

Cordially,

Felipe A. Jánica Vanegas
FAAS-CCaSS Leader EY Latin America
North
Ernst & Young Audit S.A.S.

April 16, 2020
Bogotá D.C., Colombia.

Annex. Topic specific standards and own indicators verified:

Material Topic	Initiative	Topic specific Standards or own indicators
Ethics and Transparency	GRI	205-2 Communication and training about anti-corruption policies and procedures
		205-3 Confirmed incidents of corruption and actions taken
		412-2 Employee training on human rights policies or procedures
Grow Profitably and Sustainably	GRI	201-1 Direct economic value generated and distributed
		Net Income (\$)
	CEO	Consolidated EBITDA (\$)
		EBITDA Ratio for Other Services (%)
		CAPEX Execution
	PROMIGAS	% of EBITDA derived from income from new renewable energy businesses
		Millions of KWh sold
		% of Investment in New Projects aimed at Clean Energy and/or Conversion of Clean Energy
		Investment in New Projects
		% of EBITDA derived from New Business Income
	CEO	Inventory Rotation
		Total Past Due Loan (\$)
		Overdue Loans (without subnormal or deeds)
		Delinquent Loans > 90 days (%)
		Total collection
Cash Recovery Index		
Network Losses		
Installed power for new businesses (MW)		
Guarantee compliance with the opportunity in the procedural actions that are developed within the judicial strategy against the municipality of Santander		
Savings percentage in conciliations and/or judgments		
GRI	419-1 Non-compliance with laws and regulations in the social and economic area	
	Claims coming (For every 10.000 Bills) (Number)	
Strengthen the Value Proposition for our Clients	CEO	% Resolution of Claims <= 13 days
		Customer Satisfaction
		Socialization in developing markets
		Users billed by estimate
Strengthen Relationships with Communities	GRI	413-1 Operations with local community engagement, impact assessments, and development program
		203-1 Infrastructure investments and services supported
	CEO	Post-conflict - Productive Units
		Voluntary Social Investment
	PROMIGAS	Execution of Social Investment
		No. Of jobs unskilled labor generated in projects/No. From unskilled labor jobs required PQRS attended / PQRS Received
Optimize productivity and guide the organization towards levels of operational excellence	CEO	Accumulated SAIDI (With exclusions)
		Accumulated SAIFI (With exclusions)
		Average Response Rate
		EBITDA per employee (\$)
		AO&M Expenses (\$)
	PROMIGAS	Overdue Audit Findings
		% of Implementation of the Innovation Model
		Expenditure and investment in Research and Development and innovation (R+D+i) as a percentage of gross income
		FTE Staff for R+D+i
		% Net income derived from innovation*

Material Topic	Initiative	Topic specific Standards or own indicators
Ensure Safe Operation	CEO	Diversity of Innovation Mechanisms
		Implementation of the Asset Management System
	GRI	403-1 Workers representation in formal joint management-worker health and safety committees
		403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
		418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data
	CEO	UR 18 Percentage of contractor and subcontractor employees who have undergone health and safety training
		Work Accidents
		Accident Frequency - FA
		Severity Frequency - FS
	PROMIGAS	Absenteeism (days)
		Fatalities due to work accident
		Occupational Diseases
	CEO	% of Workers represented in formal Worker-Company Committees
		Risk Tolerance
PROMIGAS	Percentage of Compliance with Mitigation Action Plans	
	Total number of information security breaches and/or other cybersecurity incidents	
	Training in Policies Associated with SGR and Compliance	
	Communication and training on anti-corruption policies and procedures (includes communication to the code of conduct)	
Resource and waste management; Climate Change	GRI	303-1 Water withdrawal by source
		302-1 Energy consumption within the organization
		302-4 Reduction of energy consumption
		303-3 Reclaimed products and their packaging materials
		305-1 Direct (Scope 1) GHG emissions
		305-2 Energy indirect (Scope 2) GHG emissions
	CEO	Water use and Saving Program
		Environmental incidents
	PROMIGAS	Significant non-monetary fines and penalties for non-compliance with environmental laws or regulations
		Environmental petitions, complaints or claims
Strengthen Management with suppliers and contractors	PROMIGAS	Supplier performance evaluation (quality, social and environmental)
		Percentage of significant providers receiving health and safety training
		Percentage of progress in the management systems of significant contractors
		Percentage of suppliers to whom performance evaluation was applied (of the total target population)
		Average Supplier Rating (out of 100)
	CEO	Supplier development in multi-services
Strengthen the integral development of our collaborators	GRI	401-1 New Employee Hires and Employee Turnover
		404-1 Average Hours of Training per year per Employee
		404-3 Percentage of employees receiving regular performance and career development reviews
	CEO	Work Environment Index